



INMED PHARMACEUTICALS INC.

("InMed" or the "Company")

TERMS OF REFERENCE FOR COMPENSATION COMMITTEE

A. PURPOSES

The purpose of the Committee is also to establish a plan of continuity for executives and other key employees, and to ensure a broad plan of executive compensation is established that is competitive and motivating in order to attract, retain and inspire the Executive Management and other key employees of InMed Pharmaceuticals Inc. (the "**Company**") and to oversee compliance by Executive Management with the Company's Code of Conduct.

For the purposes hereof, "**Executive Management**" means all members of the executive team of the Company who are subject to the reporting obligations of Section 16 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act").

B. COMPOSITION AND TERMS OF OFFICE

The Committee shall be comprised of not less than three members, all of whom are "independent" within the meaning of National Instrument 52-110 - *Audit Committees*, as amended, and Rule 5605(a)(2) of the Nasdaq listing standards, and all of whom are "non-employees" within the meaning of Rule 16b-3 of the Exchange Act. In determining the independence of Committee members under the Nasdaq listing standards, the Board shall consider the factors set forth in Rule 5605(d) of the Nasdaq listing standards.

The Committee Chair shall be appointed by the Board who shall be an independent director.

Any Committee member may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director of the Company. Each member shall hold office until the close of the next annual meeting of shareholders of the Company and until his or her successor is duly elected and qualified, or until the member resigns or is replaced, whichever first occurs.

The Committee shall meet at least annually per year. Additional meetings may be held as deemed necessary by the Committee Chair or as requested by any member.

A quorum for the transaction of business at all meetings of the Committee shall be a majority of the authorized number of members. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the Chair shall have a second casting vote.

A resolution approved in writing by all the members shall be as valid and effective as if it had been passed at a meeting duly called and constituted. Such resolution may be in two or more counterparts, which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the Committee and shall be effective on the date stated thereon or on the latest date stated on any counterpart.

The Committee shall keep regular minutes of proceedings and shall cause them to be recorded in books kept for that purpose and shall report the same to the Board at such times as the Board may, from time to time, require.

The Secretary of the Committee shall be such person as it deems appropriate.

The Committee shall have the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.

The Committee shall have the authority to delegate any of its duties and responsibilities to individual members or subcommittees.

C. CHAIR OF THE COMMITTEE

The Chair of the Committee shall:

- (a) Call and conduct the meetings of the Committee.
- (b) Be entitled to vote to resolve any ties.
- (c) Prepare and forward to members of the Committee the agenda for each meeting of the Committee, and include, in the agenda, any items proposed for inclusion in the agenda by any member of the Committee.
- (d) Review with the Chief Executive Officer of the Company (“CEO”) the Company’s policies and strategies in determining the compensation of its Executive Management.
- (e) Engage, on behalf of the Committee and the Board, independent consultants to advise the Committee on the compensation strategies and policies of the Company.
- (f) Appoint a secretary, who need not be a member of the Committee, to take minutes of the meetings of the Committee.
- (g) Ensure that the Committee meetings are conducted in an efficient, effective and focused manner.

D. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board. The Committee shall:

- (a) Review the organizational structure and report any significant organizational changes, along with the Committee’s recommendations, to the Board.
- (b) Review and approve corporate goals and objectives relevant to CEO compensation, evaluating the CEO’s performance in light of those corporate goals and objectives, and determine (or make recommendations to the independent, non-employee members of the Board with respect to) the CEO’s compensation based on this evaluation. The CEO may not be present during voting or deliberations on his or her compensation.
- (c) Review and approve corporate goals and objectives relevant to Executive Management and key employee compensation, review the CEO’s evaluation of their performance in light of those corporate goals and objectives, and determine (or make recommendations to the independent, non-employee members of the Board with respect to) their compensation based on these evaluations.

- (d) Review the compensation philosophy and guidelines for Executive Management, for recommendation to the Board for its consideration and approval.
- (e) Recommend to the Board for consideration and approval any short-term incentive plan, long term incentive plan, stock option plan, omnibus securities-based compensation or other incentive plan, pension plan or employee benefit plan and guidelines with respect thereto.
- (f) With respect to the granting of securities-based compensation:
 - (i) administer such incentive plans;
 - (ii) subject to approval by the Board, recommend the granting of securities-based awards under any incentive plan to Executive Management and other key employees of the Company and its direct and indirect subsidiaries; and
 - (iii) review any amendments which the Committee considers necessary to any incentive plan and make recommendations to the Board with respect to those amendments; provided, however, that certain amendments to such plans shall be subject to the consideration and approval of the Board and the shareholders.
- (g) Recommend the directors' compensation plan to the Board for its approval.
- (h) Within any guidelines established by the Board, administer any matching contribution plan and make recommendations for amendments to the Board for its approval.
- (i) Subject to the approval of the Board, review and recommend levels and types of benefits provided to Executive Management and key employees, other than those benefits provided to all salaried employees on an equal basis.
- (j) Recommend to the Board for its approval any changes in the benefit provisions of any pension plan.
- (k) Oversee the selection of and terms of reference for outside consultants to review the Executive Management and Board compensation programs as appropriate.
- (l) With respect to outside board service by members of Executive Management or key employees, including board of directors of unrelated corporations which operate for profit and which compensate members of their board and/or significant commitments with respect to non-profit organizations:
 - (i) review a limit on the number of such boards on which individual members of Executive Management and key employees may participate;
 - (ii) receive notice of proposed outside board service, and upon consultation with the CEO, have a right to object to such other board service; and
 - (iii) confirm in writing, through the CEO, to such member of Executive Management or key employee, that the Company shall not indemnify the employee nor be exposed to liability with respect to the employee's participation on such board.
- (m) Review and approve executive and Board compensation disclosure in the annual information circular and other disclosure documents before such information is publicly disclosed.

- (n) The Committee shall have the authority to appoint, compensate and oversee the work of compensation consultants, legal counsel and other advisers, as it determines in its sole discretion is necessary to carry out its duties; provided, however, that the Committee may select, or receive advice from, an adviser (other than in-house legal counsel) only after considering the factors set forth in Rule 5605(d)(3) of the Nasdaq listing standards. The Company shall provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any advisers employed by the Committee.
- (o) The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee.
- (p) The Committee may annually develop a calendar of activities or forward agenda to be undertaken by the Committee for each ensuing year and to submit the calendar/agenda in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- (q) The Committee shall perform a review and evaluation, annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with these Terms. In addition, the Committee shall evaluate, annually, the adequacy of these Terms and recommend any proposed changes to the Board. These Terms shall be published on the Company's website.
- (r) The Committee shall perform such other duties and exercise such powers as may, from time to time, be assigned or vested in the Committee by the Board, and such other functions as may be required of a compensation committee by law, regulations or applicable stock exchange rules.

E. ACCOUNTABILITY

The Committee shall report to the Board at its next regular meeting all such action it has taken since the previous report.

The Committee is authorized to request the presence at any meeting, but without voting rights, of a representative from the external advisors, senior management, legal counsel or anyone else it considers to be able contribute substantively to the subject of the meeting and assist in the discussion and consideration of the business of the Committee, including directors, officers and employees of the Company.

These Terms were adopted by the Board on April 22, 2020.