



INMED PHARMACEUTICALS INC.

(“InMed” or the “Company”)

RELATED PERSON TRANSACTION APPROVAL POLICY

1. Purpose

Transactions and relationships between InMed Pharmaceuticals Inc. (the “Company”) and its officers, directors and significant shareholder can create disclosure obligations, actual and potential conflicts of interest and director independence issues. Nevertheless, there are situations where these transactions may be in, or may not be inconsistent with, the best interests of the Company and its shareholders. Accordingly, the Board of Directors of the Company has adopted the following policy to make certain that these transactions are appropriately reviewed, approved and disclosed.

2. Reporting Related Person Transactions

Each executive officer, director and director nominee will promptly notify the Chief Executive Officer, Chief Financial Officer or Chair of the Audit Committee of any Related Person transaction of which they are aware. In addition to the guidance on Related Person transactions contained in this policy, directors and executive officers may consult with the Chief Financial Officer and review the Code of Conduct’s provisions on conflicts of interest.

3. Identifying Related Persons

This policy applies to each director, director nominee, executive officer and more than 5% shareholder of the Company and their immediate family members or affiliates (a “Related Person”).

For the purposes of this policy, an immediate family member includes any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, or any person (other than a tenant or employee) sharing a Related Person’s household.

An affiliate is a person that directly, or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, a Related Person, such as a company where the Related Person is employed, serves as a principal or general partner or in which the Related Person has a 5% or greater beneficial ownership interest.

4. Identifying Related Person Transactions

This policy applies to all financial transactions, arrangements or relationships (including any material amendments thereto) in which the Company, or one of its affiliates, is a participant and in which a Related Person could have a direct or indirect interest.

Examples of transactions that may be subject to this policy include:

- the sale, purchase or lease of real property;
- selling goods or services to the Company or purchasing them from the Company;
- contributions by the Company or its foundation to a non-profit organization where the Related Person is a trustee or officer;
- accepting gifts from enterprises doing business with the Company; and
- indebtedness or guarantees to or from the Company.

The Related Person's interest may be indirect, in the sense that they serve as an officer or employee of, or they are a significant owner in, an entity that is party to the transaction with the Company.

Related Person transactions do not include:

- Transactions available on the same basis to all other employees or all other shareholders generally;
- Transactions less than, or equal to, the lesser of (a) \$120,000 or (b) 1% of the average total assets of the Company as of the applicable fiscal year end, in either case when aggregated with a series of similar transactions between the Related Person and the Company in a fiscal year;
- Compensation paid by the Company to the Related Person, if it has been disclosed in the Company's proxy statement, or in the case of compensation paid to anyone but an immediate family member, if the compensation would have been reported in the proxy statement if the Related Person had been a named executive officer and it has been approved or recommended by the Compensation Committee; and
- Transactions with entities where the Related Person's sole interest is as a director, limited partner with a less than 10% interest or equity holder with a less than 10% interest.

5. Approval of Related Person Transactions

The Audit Committee must approve or ratify all potential or existing Related Person transactions. The Chief Financial Officer and the Chair of the Audit Committee will collect, summarize and present the material facts concerning any Related Person transaction to the Audit Committee either at its first regularly scheduled meeting at the beginning of each fiscal year or at an earlier meeting, if the Chair determines that more immediate action is required.

Only Related Person transactions that the Committee determines are in, or not inconsistent with, the best interests of the Company and its shareholders, as the Committee determines in good faith and that are in compliance with applicable policies, codes of conduct and legal restrictions will be approved or ratified by the Committee. Factors that the Committee may consider include:

- The Related Person's relationship with the Company and interest in the transaction;
- Conflicts with the Related Person's duties to the Company;
- Impact on a Related Person's status as an independent director;
- Material terms of the transaction, including the proposed aggregate value;
- Whether the terms are comparable to those that could be obtained in an arms-length transaction with an unrelated third party;
- Availability of other sources of comparable products or services;
- Benefits and materiality of the transaction to the Company;
- Whether the transaction predates the relationship with the Related Person; and
- The role of the Related Person in negotiating the transaction and in fulfilling its terms.

After reviewing and discussing the material facts of the Related Person transaction and the Related Person's interest, the Committee in its sole discretion may approve or disapprove the Related Person transaction. Approval may be conditioned on the Company and the Related Person taking actions that the Committee deems appropriate, including:

- Further review by an outside advisor;
- Requiring the Related Person to resign from, or change position within, the entity involved in the Related Person transaction;
- Assurance that the Related Person will not be directly involved in negotiating the terms of the Related Person transaction or in the transaction between the Company and the other parties to the transaction;
- Amending the terms, including the duration, magnitude or termination rights;
- Requiring periodic reports on the status of the Related Person transaction; or
- Public disclosure of the terms of the transaction.

Any interested members of the Committee will excuse themselves from deliberations regarding the Related Person transaction.

This Policy was adopted by the Board on April 22, 2020.