



INMED PHARMACEUTICALS INC.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
AND
MANAGEMENT INFORMATION CIRCULAR**

OCTOBER 7, 2020

INMED PHARMACEUTICALS INC.
Suite 310 – 815 West Hastings St.
Vancouver, British Columbia V6C 1B4

AMENDED NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the annual general and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of **INMED PHARMACEUTICALS INC.** (“**InMed**” or the “**Company**”) will be held on Friday, November 20, 2020 at 2:00 PM, local time, for the following purposes:

1. to receive the audited consolidated financial statements of the Company, together with the auditor’s report thereon, for the year ended June 30, 2020;
2. to fix the number of directors at five;
3. to elect directors and fix their terms of office;
4. to appoint the auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
5. to consider and, if deemed advisable, approve, with or without variation, the continuation of the Company’s stock option plan, as amended, and to approve all unallocated options thereunder, until November 20, 2023, as more particularly described in the Information Circular;
6. to consider and, if deemed advisable, pass a special resolution to amend the Company’s Articles to increase the quorum at a meeting of Shareholders to two persons present or represented by proxy representing at least 33 1/3% of the issued shares of the Company, as more particularly described in the Information Circular; and
7. to transact such other business as may properly come before the Meeting or any adjournment thereof.

This year, as part of its corporate social responsibility in response to COVID-19, and in order to mitigate potential risks to the health and safety of its shareholders, employees, communities and other stakeholders, **the Meeting will be held in virtual only format, which will be conducted via telephone conference. You will not be able to attend the Meeting in person.** The Meeting will be deemed to be held at 2500 – 700 West Georgia Street, Vancouver, British Columbia, Canada. Registered Shareholders and validly appointed proxyholders may attend the meeting by calling either 778-383-7417, 416-764-8609, or 1-888-390-0605 (toll-free in Canada and the United States). Participants will be prompted for the confirmation number 87995118. Registered Shareholders who attend the virtual meeting will have an equal opportunity to participate at the Meeting, regardless of their geographic location. Shareholders are urged to vote by proxy in advance of the Meeting in order to have their votes counted.

As permitted by Canadian securities regulators, the Company has elected to use notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (“**Notice and Access Provisions**”) for this Meeting. Notice and Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders of the Company (“**Shareholders**”) by allowing the Company to post the Information Circular and any additional materials online. Under Notice and Access Provisions, instead of receiving printed copies of the Meeting materials, Shareholders will receive a Notice-and-Access notification containing details of the Meeting date, login particulars and purpose, as well as information on how they can access the Meeting materials electronically. Shareholders will also receive a form of Proxy (for registered shareholders) or a Voting Instruction Form (for beneficial shareholders), allowing each shareholder to submit their vote by proxy.

Accompanying this Notice of Meeting is an Information Circular, a form of Proxy, and a financial statements request card whereby shareholders can request to be added to the Company’s supplemental mailing list. The Information Circular provides more detailed information relating to the matters to be addressed at the Meeting and forms part of this Notice. The Information Circular is available at www.inmed.com and under the Company’s profile on SEDAR at www.sedar.com. Any shareholder who wishes to receive a paper copy of the Information Circular should contact the Company by telephone: +1 604 669 7207.

Only shareholders of record at the close of business on October 5, 2020 will be entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof. Shareholders who are unable to or who do not wish to attend the Meeting by telephone conference are requested to read, date and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. (“**Computershare**”). If a shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, by 2:00 p.m. (Pacific Time) on November 18, 2020 (or at least 48 hours, excluding Saturdays, Sundays and holidays, before any adjournment of the meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. The time limit for deposit of proxies may be waived or extended by the Meeting Chair at his or her discretion without notice.

DATED at Vancouver, British Columbia, October 15, 2020.

BY ORDER OF THE BOARD

(signed) Eric A. Adams
President & CEO

**INMED PHARMACEUTICALS INC.
Suite 310 – 815 West Hastings St.
Vancouver, British Columbia V6C 1B4**

INFORMATION CIRCULAR
unless otherwise noted, as at October 7, 2020

THE MEETING

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of InMed Pharmaceuticals Inc. for use at the annual general and special meeting (the “**Meeting**”) of its shareholders to be held on November 20, 2020 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to “the Company,” “InMed,” “we,” and “our” refer to InMed Pharmaceuticals Inc. “Common Shares” or “Shares” means common shares without par value in the capital of the Company; “Shareholders” means holders of Common Shares; “Beneficial Shareholders” means Shareholders who do not hold Common Shares registered in their own name; “Registered Shareholders” means Shareholders which are registered holders of Common Shares; and “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

No person is authorized to give any information or to make any representation other than those contained in this Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Company. The information contained herein is given as of October 7, 2020, except as otherwise indicated. The delivery of this Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date of this Information Circular.

All dollar amounts in this Information Circular are in Canadian dollars unless specifically otherwise indicated. Unless the context otherwise requires, all references to the “Meeting” in this Information Circular include all adjournments and postponements thereof.

VOTING INFORMATION

InMed’s management is using this Information Circular to solicit proxies from Shareholders for use at the Meeting.

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but InMed’s directors, officers and regular employees may also solicit proxies personally or by telephone. InMed will bear all costs of the solicitation, including the printing, handling and mailing of the Meeting materials. InMed has arranged for Intermediaries to forward the Meeting materials to beneficial owners of InMed held of record by those Intermediaries and InMed may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are directors or officers of InMed. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint an individual or company other than either of the individuals designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by striking out the name of the persons named in the Proxy and inserting the name desired of that other individual or company in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

The only methods by which you may appoint a person as proxy are submitting a proxy by mail, hand delivery, internet, or fax.

Voting by Proxyholder

If a Shareholder specifies a choice for a matter in the Proxy, and if the Proxy is duly completed and delivered and has not been revoked, the individuals named in the Proxy will vote, or withhold voting, the Common Shares represented thereby in accordance with the choice you specify on any ballot that may be called for. The Proxy confers discretionary authority on the individuals named therein with respect to:

- each matter or group of matters identified therein for which a choice is not specified;
- any amendment to or variation of any matter identified therein; and
- any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the individuals named in the Proxy will vote Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

If you are a Registered Shareholder, you may wish to vote by proxy whether or not you attend the Meeting. If you wish to submit a Proxy, you must complete, date and sign the Proxy, and then return it to InMed's transfer agent, Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, before 2:00 p.m. (Vancouver time) on Wednesday, November 18, 2020, or, if the Meeting is adjourned, the day that is two business days before any reconvening thereof at which the Proxy is to be used, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law. The Chairman of the Meeting may waive the proxy cut-off without notice.

Beneficial Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of InMed. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker.

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions to clients.

The Information Circular is being sent to both Registered Shareholders and Beneficial Shareholders. There are two kinds of Beneficial Shareholders — those who object to their names being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners), and those who do not object (called NOBOs for Non-Objecting Beneficial Owners). If you are a Beneficial Shareholder and InMed or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the broker or other Intermediary who holds Common Shares on your behalf.

InMed is taking advantage of National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer*, which permits it to deliver proxy-related materials indirectly to its NOBOs and OBOs. If you are a Beneficial Shareholder and InMed or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the broker or other Intermediary your Common Shares on your behalf. As a result, NOBOs and OBOS can expect to receive Meeting materials from their Intermediaries via Broadridge Financial

Solutions Inc. (“**Broadridge**”), including a voting information form (“**VIF**”). Beneficial Shareholders should follow the instructions in the VIF to ensure that their Common Shares are voted at the Meeting. The VIF or form of proxy will name the same individuals as InMed’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Shareholder of InMed) other than the individuals designated in the VIF, to represent you at the Meeting. To exercise this right, you should insert the name of your desired representative in the blank space provided in the VIF. The completed VIF must then be returned in accordance with the instructions in the VIF. Broadridge then tabulates the results of all instructions received and completed in accordance with the instructions provided in the VIF and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the VIF must be completed and returned in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or to have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the VIF provided to you and return the same in accordance with the instructions provided in the VIF, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you to attend the Meeting and vote your Common Shares.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it (a) by executing a proxy bearing a later date, (b) by executing a valid notice of revocation (where a new proxy is not also filed), or (c) personally attending the Meeting and voting the Registered Shareholder’s Common Shares.

A later dated proxy or notice of revocation must be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and delivered to the Proxy Department, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, or to the address of the registered office of InMed at Suite 310 – 815 West Hastings St., Vancouver, British Columbia, V6C 1B4.

A later dated proxy must be received before 2:00 p.m. (Vancouver time) on Wednesday, November 18, 2020, or, if the Meeting is adjourned, the day that is two business days before any reconvening thereof at which the Proxy is to be used, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law.

A notice of revocation must be received before 2:00 p.m. (Vancouver time) on Wednesday, November 18, 2020, or, if the Meeting is adjourned, the last business day before any reconvening thereof at which the Proxy is to be used, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law.

Only Registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their Intermediaries to change the vote and, if necessary, revoke their proxy.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Voting Securities and Principal Holders of Voting Securities

Record Date, Quorum and Outstanding Shares

The record date for determining persons entitled to receive notice of and vote at the Meeting is October 5, 2020. Only Shareholders as of the close of business on October 5, 2020 are entitled to receive notice of and vote at the Meeting, or any adjournment or postponement thereof, in the manner and subject to the procedures described in this Information Circular and Proxy. A quorum for the transaction of business at the Meeting is one person who is a shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of shareholders, present or by proxy.

At the close of business on October 7, 2020, 5,220,707 Common Shares of InMed were issued and outstanding.

Each Shareholder is entitled to one vote per Common Share held on all matters to come before the Meeting. Common Shares of InMed are the only securities of InMed which will have voting rights at the Meeting.

COMPANY STRUCTURE

InMed was incorporated on May 19, 1981 under the *Company Act* (British Columbia), which legislation has since been repealed and replaced by the British Columbia *Business Corporations Act*, under the name Kadrey Energy Corporation. InMed has undergone a number of corporate name changes since its incorporation, most recently changing its name to InMed Pharmaceuticals Inc. on October 6, 2014.

The Common Shares of the Company are listed on the Toronto Stock Exchange (“**TSX**”) under the trading symbol “IN”, and under the trading symbol “IMLFF” on the OTCQX® Best Market. Prior to March 26, 2018, the Company’s shares were listed on the Canadian Securities Exchange. Prior to May 4, 2018, the Company’s shares traded on the OTCQB® Venture Market.

The financial year end of the Company is June 30. The reporting currency of the Company is Canadian dollars.

InMed’s head office is located at Suite 310 – 815 West Hastings St., Vancouver, British Columbia V6C 1B4 and its registered office is located at 2500-700 West Georgia Street, Vancouver, British Columbia V7Y 1B3.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as otherwise set out herein.

PRINCIPAL HOLDERS OF COMMON SHARES OF INMED

To the knowledge of the directors and executive officers of the Company, no person or corporation owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of InMed as at October 7, 2020.

PARTICULARS OF MATTERS TO BE ACTED UPON

ELECTION OF DIRECTORS

The Board presently consists of five directors. Management is nominating five individuals to stand for election as directors at the Meeting. It is proposed that the number of directors to be elected at the Meeting for the ensuing year be fixed at five.

The term of office of each of the present directors expires at the Meeting. Management of the Company proposes to nominate the persons named below for election as directors of the Company at the Meeting. In accordance with the Articles of the Company, each director elected will hold office until the next annual general meeting of the members of the Company or until their successor is duly elected or appointed, unless such office is earlier vacated in accordance with the Articles or such director becomes disqualified to act as a director pursuant to the *British Columbia Business Corporations Act*.

Except where authority to vote on the Election of Directors is withheld, unless otherwise indicated, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company.

The following table and notes thereto sets forth the name of each person proposed to be nominated by management for election as a director, the municipality in which he is ordinarily resident, all offices of the Company now held by him, the period of time for which he has been a director of the Company, and the number of Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof:

Name and Address of Nominee and Present Position with Company	Principal Occupation During the Last Five Years	Director Since	Number of Approximate Voting Securities ⁽¹⁾
Catherine Sazdanoff ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ Illinois, USA Director	President & CEO, Sazdanoff Consulting LLC (January 2015 – present); Vice President, Head of Corporate Projects, Takeda Pharmaceuticals (October 2012-January 2015); Chief Business Officer, Strata Oncology (May 2016 – September 2017).	July 1, 2019	4,091 options
Adam Cutler ⁽³⁾⁽⁴⁾⁽⁶⁾ New York, USA Director	CFO of Molecular Templates, Inc. (November 2017–present); SVP, Corporate Affairs-Arbutus Biopharma (March 2015–November 2017); Managing Director, Trout Group Capital (June 2012 –February 2015).	November 23, 2015	32,424 options
William J. Garner ⁽³⁾⁽⁵⁾⁽⁶⁾ Puerto Rico Director	EGB Ventures. Director of Race Oncology (July 2016-present). Director of Isla Pharmaceuticals (March 2017 – present). Co-founder and Director, DelMar Pharmaceuticals, Inc. (February 2013-January 2016).	June 13, 2016	3,788 Common Shares ⁽⁷⁾ 26,364 options
Andrew Hull ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ Illinois, USA Director	Vice President of Global Alliances, Takeda Pharmaceuticals (April 2014-April 2018); VP, Global Alliance Management (June 2008–April 2014). Chairman, Illinois Biotechnology Industry Organization (2009, 2014, 2015).	September 12, 2016	18,939 Common Shares 32,424 options
Eric. A. Adams ⁽²⁾ British Columbia, Canada President & CEO Director	President and CEO of InMed (June 16, 2016 – present); President, CEO (March 2004-May 2011) and Director of EnGene Inc. (March 2004-July 2013).	June 16, 2016	31,018 ⁽⁸⁾ Common Shares 222,424 options

(1) Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised.

(2) Not an independent director under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* because he is an executive officer of InMed.

(3) Independent director under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

(4) Denotes member of the Audit Committee. Mr. Cutler is currently the Chair of the Audit Committee. All members of the Audit Committee are independent.

(5) Denotes member of the Compensation Committee. Mr. Hull is currently the Chair of the Compensation Committee. All members of the Compensation Committee are independent.

(6) Denotes member of the Nominating & Governance Committee. Ms. Sazdanoff is currently the Chair of the Nominating & Governance Committee.

(7) The 3,788 common shares are owned by his spouse. Mr. Garner disclaims beneficial ownership in the 3,788 common shares held by his spouse.

(8) Includes 14,935 common shares owned by his spouse. Mr. Adams disclaims beneficial ownership in the 14,935 common shares held by his spouse.

Profile of the Board

Catherine A. Sazdanoff (Age: 63)

Ms. Sazdanoff, who joined our Board effective July 1, 2019, is a 35-year veteran of the global pharmaceutical industry and currently serves as President and CEO of Sazdanoff Consulting LLC, founded in 2014, where she works with healthcare companies on strategy and corporate/business development. Prior to Sazdanoff Consulting, Ms. Sazdanoff held various global VP roles in corporate/business development and finance at Takeda Pharmaceuticals, where she joined in 2006. Prior to Takeda, Ms. Sazdanoff served in senior management positions at Abbott Laboratories since 1984, including litigation, commercial and transactional legal roles, marketing, compliance, and business development. At both Takeda and Abbott, she completed numerous transformational deals, including Abbott's acquisition of Knoll (with Humira®), and Takeda's acquisitions of Millennium and Nycomed. Ms. Sazdanoff is a Director of Meridian Bioscience and previously served as a senior advisor to Strata Oncology. She earned a BA degree from the University of Notre Dame and a JD degree from Northwestern University School of Law. Ms. Sazdanoff makes valuable contributions to the Board based on her over 30 years of experience in various legal, compliance, commercial and business development roles with leading pharmaceutical companies.

Adam Cutler (Age: 46)

Mr. Cutler is currently Chief Financial Officer at Molecular Templates, a position he has held since 2017. Previously, he was Senior Vice President of Corporate Affairs at Arbutus Biopharma from 2015 until 2017 and, prior to that, was Managing Director at The Trout Group LLC from 2012 until 2015, where he executed financings and advised a wide range of life science companies on investor relations, business development, and capital raising strategies. Mr. Cutler spent almost 12 years as a sell-side analyst with firms including Credit Suisse, Canaccord Genuity, JMP Securities, and Bank of America Securities. He also worked in healthcare consulting as an Analyst at The Frankel Group and a Consultant for Ernst & Young LLP. Mr. Cutler holds a Bachelor of Arts degree in Economics from Brandeis University. Mr. Cutler serves as a Director of Navidea Biopharmaceuticals, Inc. Mr. Cutler makes valuable contributions to the Board based on his over 20 years of experience in the global healthcare industry, where he successfully held senior leadership positions in various roles from equity research, corporate affairs and strategy, investor relations and consulting. Mr. Cutler has been a director of our company since November 2015.

William J. Garner, MD, Chairman of the Board (Age: 54)

Dr. Garner, a biotech industry entrepreneur with over 25 years' experience, is the founder of EGB Ventures, where he has focused on advancing technologies and companies to significant value inflection points, leading to monetization of assets via licensing, M&A or IPO transactions, a position he has held since 2002. Dr. Garner served as Non-Executive Chairman and Founder of Race Oncology (ASX:RAC) from 2016 to 2020 and as Founder and Chairman at Isla Pharmaceuticals from 2017 to 2020. He is currently a Non-Executive Director of both Race Oncology and Isla Pharmaceuticals. In addition, he has held Chief Executive Officer positions with a public company in the US and a public company in Australia. Dr. Garner brings additional medical affairs experience from his tenure at Hoffmann LaRoche's oncology division in 1999. Prior to Roche, Dr. Garner was a healthcare merchant banker in New York City. He has a Master of Public Health from Harvard and earned his M.D. at New York Medical College. Dr. Garner did residency training in Anatomic Pathology at Columbia-Presbyterian and is currently a licensed physician in the State of New York. Dr. Garner makes valuable contributions to the Board based on his extensive director-level and executive management experience, as well as his medical background. Mr. Garner has been a director of the Company since June 2016.

Andrew Hull (Age: 57)

Mr. Hull most recently served as Vice President of Global Alliances for Takeda Pharmaceuticals from 2014 to 2018, where he was responsible for maximizing the success of Takeda's significant number (40+) of commercial and research and development partnerships with many of the industry's leading pharmaceutical and biotech companies. In previous roles, he led marketing and commercial development of Takeda's U.S. portfolio of over \$3 billion. Additionally, he held positions of increasing responsibility at Immunex and Abbott Laboratories. Mr. Hull received a Bachelor's Degree in Biology from Kenyon College in 1985. He also recently served as a member of the Board of the Illinois Biotechnology Industry Organization, where he served two terms as Chairman, and recently was a member of

the Kenyon College Board of Trustees. Mr. Hull recently served as a Director of Zucara Therapeutics. Mr. Hull makes valuable contributions to the Board based on his over 30 years of experience in various commercial and business development roles with leading pharmaceutical and biotech companies. Mr. Hull has been a director of our company since September 2016.

Eric A. Adams (also President, CEO) (Age: 56)

Mr. Adams is a seasoned biopharmaceutical executive with over 30 years' experience in company and capital formation, global market development, mergers and acquisitions, licensing and corporate governance. Mr. Adams has been our President and Chief Executive Officer, and a Director, since 2016. During the period from 2011 to 2016, Mr. Adams served as a mentor and senior consultant to several biopharmaceutical and innovative technology companies. He previously served as Chief Executive Officer at EnGene Inc. between 2004 and 2011. Prior to EnGene, he held senior roles in global market development with QLT Inc., Advanced Tissues Science Inc., Abbott Laboratories, and Fresenius AG. He is a dual citizen of Canada and the United States and holds a Master of International Business degree from the University of South Carolina and a Bachelor's degree in Chemistry from the University of Southern Indiana. Mr. Adams makes valuable contributions to the Board based on his extensive international business development experience in a wide range of disease categories and contributions to growing several organizations across the pharmaceutical and medical device arenas.

Majority Voting Policy

The Board has adopted a policy (the "**Majority Voting Policy**") providing for majority voting in Director elections at any meeting where an "uncontested election" of Directors is held. An "uncontested election" means an election where the number of nominees for election as Directors is equal to the number of Directors to be elected.

Pursuant to the Majority Voting Policy, the forms of proxy circulated in connection with a meeting of Shareholders at which an election of Directors is conducted will provide Shareholders with the ability to vote in favour of, or to withhold from voting for, each Director nominee. If the number of proxy votes withheld for a particular Director nominee is greater than the votes in favour of that nominee, the Director nominee is required to submit his or her resignation to the Chair of the Board of Directors. Following receipt of a resignation, the Governance Committee will consider whether to accept the offer of resignation and recommend to the Board of Directors whether or not to accept it. Absent exceptional circumstances, the Board of Directors will accept the resignation of the Directors in question and will, in any case, publicly disclose decision within 90 days following the applicable meeting of Shareholders. If a resignation is accepted, the Board of Directors may, in accordance with the Company's Articles and the *British Columbia Business Corporations Act*, appoint a new director to fill the vacancy created by the resignation, reduce the size of the Board of Directors, leave the vacancy open, call a special meeting to fill the vacancy, or any combination of the foregoing. In the event that any Director who received a greater number of proxy votes withheld than votes in favour of such Director's election does not tender his or her resignation in accordance with the Majority Voting Policy, he or she will not be re-nominated by the Board of Directors.

Policies and Terms of Reference

In addition to the Majority Voting Policy, the Board has adopted an Auditor Services Pre-Approval Policy, an Insider Trading Policy, Related Person Transaction Approval Policy and Terms of Reference for the Board, Chair of the Board, Audit Committee, and Compensation Committee, the text of each of which can be found on the Company's website at https://www.inmedpharma.com/about/corporate_governance/.

Corporate Cease Trade Orders, Bankruptcies, Penalties, Sanctions or Individual Bankruptcies

To the knowledge of the Company, no nominees for election as a director of the Company is, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that is, as at the date of this Information Circular, or has been, or acted in that capacity for a company that:

- a) is at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
- (i) was subject, to a cease trade or similar order or an order that denied the relevant company access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”); when such Order was issued while the person was acting in the capacity of a director, chief executive office or chief financial officer of the relevant company; or
 - (ii) was subject to an Order for that was issued after such person ceased to be a director, chief executive officer or chief financial officer of the relevant company, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive office or chief financial officer of the relevant company; or
- b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The Directors recommend that the Shareholders vote FOR the election of each proposed Director.

Unless contrary instructions are indicated on the Form of Proxy or the voting instruction form, or such authority is withheld, the persons designated in the accompanying Form of Proxy or voting instruction form intend to vote “for” the election, as Director, of the persons whose names are set forth above and identified in the accompanying Form of Proxy or the voting instruction form, as applicable.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

General

The Company is committed to growing its business over the long-term. As a result of the competitive nature of the industry in which the Company operates, executives have significant career mobility and as a result, the competition for experienced executives is great. The existence of this competition and the need for talented and experienced executive officers to realize the Company’s business objectives underlies the design and implementation of the Company’s compensation programs. At the same time, the Company seeks to keep its approach to compensation simple and streamlined to reflect the growing but still relatively moderate size of the Company.

For the purpose of this Statement of Executive Compensation:

“Company” or “InMed” means InMed Pharmaceuticals Inc.;

“compensation securities” includes stock options, convertible securities, exchangeable securities and similar instruments granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“NEO” or “named executive officer” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the three most highly compensated executive officers other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company and was not acting in a similar capacity at the end of that financial year.

During the financial year ended June 30, 2020 the Company had five named executive officers being:

- i) Eric A. Adams, CEO and President;
- ii) Bruce Colwill, CFO and Secretary (appointed August 9, 2020);
- iii) Eric C. Hsu, Senior VP of Pre-clinical Research and Development;
- iv) Alexandra Mancini, Senior VP Clinical and Regulatory Affairs; and
- v) Michael Woudenberg, VP of Chemistry, Manufacturing and Controls.

“Underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

All currency references herein are expressed in Canadian Dollars unless otherwise specified.

Objectives

The objectives of the Company’s compensation program are to:

- attract and retain qualified executive officers via a competitive compensation package;
- incentivize executive officers to deliver strong business performance;
- align the interests of the executive officers with the interests of Shareholders to create Shareholder value by ensuring a significant portion of executive compensation is dependent upon individual and overall business performance; and
- ensure the executive compensation program is simple to communicate and administer.

InMed’s compensation program is designed to reward: personal competencies as they pertain to the specific position for which the person is employed; and, overall contribution to building the company’s business including the science and the R&D pipeline towards commercialization.

As such, the Company has included several factors to assist in developing its compensation philosophy:

- Using a consistent compensation structure among executive officers to encourage aligned goals;
- Including financial regulatory compliance as a performance metric to encourage accountability, as and when appropriate;
- Compensation in line with the company’s financial position;
- Incentive plan awards that include long-term metrics to avoid short-sighted decisions;
- Anti-hedging policies in order to prohibit directors and senior management from directly or indirectly hedging against future declines in the securities of the Company; and

- Periodically retaining independent compensation consultants to provide benchmarks and additional perspective.

While the Company's objective is to pay for performance and remain competitive in the marketplace for executive talent, the Company carefully considers the expense of compensation and benefits in relation to the Company's consolidated budget and financial strength as significant factors in determining compensation levels.

The Company intends to keep its compensation program simple to communicate and administer by focusing on base salary, short-term incentives, and long-term incentives. Directors and executive officers are encouraged to increase their ownership interest in the Company in order to, among other things, better align their interests with those of Shareholders. See "Executive Compensation – Elements of Compensation". The Company does not currently have a pension plan.

Compensation Principles

The Company's overall approach to compensation is to provide senior executives with total compensation that is generally competitive with compensation provided to individuals working in similar positions in the biopharmaceutical industry in Canada and the U.S. To best define what a 'competitive compensation package' would be, the Company undertook a comprehensive analysis of its compensation practices during 2018. At the behest of the Board of Directors, the Compensation Committee engaged an external consulting agency, AON/Radford, to advise on its approach to compensation for executives and the Board of Directors. The results of this exercise are detailed in the sections below.

In determining all aspects of executive compensation, the Compensation Committee / Board engages in discussion with the CEO and CFO to align compensation with the skill set, experience, and performance of the executive team members. The Compensation Committee / Board also rely on input from third party assessments in determining compensation ranges for each executive. Current compensation targets have been established utilizing the AON/Radford compensation assessment undertaken by the Company in 2018. The assessment included several variables across target comparable companies in the pharmaceutical industry to determine a proper compensation range for each executive. Variables included (but were not limited to): size of the company (as measured by number of employees), stage of pipeline development (pre-clinical vs. stage of clinical development vs. commercial), market capitalization of the company, amount of invested capital, private vs. public entities, etc. Once a range was determined for each position, the employee's specific compensation level was set based on variables such as experience and importance to the overall corporate success.

This assessment led the Board to determine the Company's most similar industry comparables to arrive at a competitive compensation level. The assessment included data from a total of 53 public, pre-commercial biopharmaceutical companies with less than 50 employees. The median headcount for this group of was 27 people and the median market capitalization was US\$74M. The assessment also included 22 private companies with a median headcount of 20 and a median invested capital of US\$30M. At the time of the assessment (February 14, 2018), InMed directly employed 9 people, with several dedicated external scientists and consultants, and had a public market capitalization of approximately C\$155M (US\$125M). The source of the comparable companies was the Radford Global Life Sciences Survey.

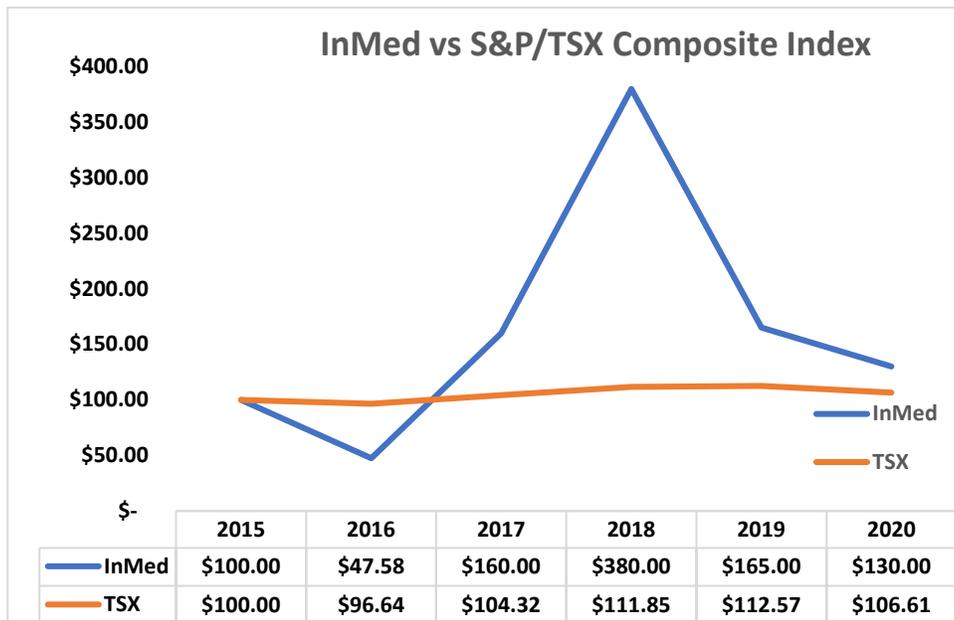
This assessment benchmarked the 25th, 50th and 75th percentile of salary levels, cash bonus levels (% of base salary), and equity ownership levels for each of the private and public company data sets. Upon review of the data from this assessment, the Compensation Committee, in consultation with the 3rd party consultants, determined that the most appropriate benchmark companies in a similar development stage and size to InMed were reflected in the private company data set. The Compensation Committee is aiming to target cash compensation (salaries plus bonus) and equity-based compensation to a range between the 25th and 50th percentile of this benchmark data set. The net effect is to conserve cash for R&D programs based on lower cash compensation of this benchmark while strongly aligning executive interests with those of shareholders by establishing strong equity-based compensation levels.

A subsequent assessment, again compiled with the support of AON/Radford, was conducted in mid-2020. The results from this assessment are under review by the Compensation Committee and Board of Directors. It is anticipated that the resultant target compensation levels for the executive team will be implemented in fiscal 2021.

Executive compensation is comprised of base salary, annual performance-based cash bonus, and equity-based awards in the form of stock options that reflect the Company’s operating results as well as achievement of significant strategic initiatives. Equity-based awards enable the Company to attract and retain executive talent by aligning the executives’ interests with the Company’s long-term corporate objectives.

Performance Graph

The following graph compares the total cumulative shareholder return for \$100 invested in the Company’s Common Shares on July 1, 2015 with the cumulative total return of the Toronto Stock Exchange’s S&P/TSX Composite Index for the five most current completed financial years.



The Company was traded on the Canadian Securities Exchange during the period from July 1, 2015 to March 25, 2018 under the symbol “IN”. Effective March 26, 2018, the Company ceased trading on the Canadian Securities Exchange and commenced trading on the TSX under the symbol “IN”. For the purposes of the graph and table above, the trading on the Canadian Securities Exchange and the TSX are viewed as one continuous trading entity. As the Company currently trades on the TSX, for comparison purposes, the Company’s stock performance is compared against the S&P/TSX Composite Index in the graph above.

Executive officers’ compensation is not based primarily on the performance of the Shares and, as such, executive officers’ compensation may not be directly correlated to the performance of the Company’s Shares. In addition to market performance, Named Executive Officer’s compensation is based on a number of non-market driven factors.

Although one of the main focuses of the Company is to create shareholder value, share price performance alone cannot be taken into account to draw appropriate conclusions with respect to the executive officers’ compensation. Nonetheless, a portion of the Named Executive Officer’s aggregate compensation, as shown on the Summary Compensation Table, is composed of stock options. Accordingly, long-term compensation for the Named Executive Officers is dependent on the trading prices for the Shares. Therefore, the actual level of these individuals’ compensation is linked, to a certain degree, to the performance of the Shares.

Compensation Components

There are three main elements of InMed’s executive compensation program: base salary, performance bonus, and equity-based incentives (stock options). Additionally, the Company offers to all employees extended health insurance.

In certain instances, employee expenses for other minor business-related expenses are reimbursed (cell phones, parking, etc.).

Base Salary

The Company's executives are currently compensated based on fixed, or 'base', salary paid semi-monthly in arrears. In establishing fees or salaries for the Company's CEO and other executive officers, consideration is given to salary ranges for comparable positions in similar size and stage biotechnology companies. Data for such comparisons is obtained from the evaluation of compensation against industry peers including those with a similar market capitalization and in the business of biotechnology. In setting salaries within competitive ranges, the Company considers performance related factors including the Company's overall results during the past year and its performance relative to a budgeted plan or stated objectives. Consideration also is given to an individual's contribution to the Company and the accomplishments of departments for which that officer has management responsibility, and the potential for future contributions to the Company. Overall, salaries are targeted between the 25th and 50th percentile of private companies as the Board determined this benchmark to be most similar to the size and development stage of InMed. Over time, the Company intends to move towards the public biotech benchmark which has a higher cash compensation component relative to its equity compensation component.

Cash Bonus

A cash bonus system has been developed by the Company to encourage the achievement of critical success factors, or goals, of the Company. The target bonus level is determined by position and typically ranges from 30%-40% of base salary for the Company's executives. Goals are determined by the direct supervisor of each employee, in discussion with the CEO and, ultimately, the Compensation Committee and Board of Directors.

The goals for each position are split into two segments: Task Achievement and Personal Effectiveness. The Task portion is heavily weighted (75%) and aligns with the overall corporate objectives. The Personal Effectiveness (25%) portion analyzes several criteria for each employee such as Initiative, Problem Solving, Teamwork, Integrity, and Leadership, among other criteria. Scoring for both sections are combined to determine what percentage of the employee's target bonus will be paid, if any.

An example:

Task Achievement (50/75) + Personal Effectiveness (23/25) = Goal Achievement Score (73%);
Goal Achievement Score (73%) x Target Bonus (30%) x Base Salary (\$100,000) = Cash Bonus (\$21,900)

The payment of cash bonuses to employees, if any, is based on several factors as determined by the Board of Directors. Key elements include:

- The Company's financial position. As determined solely by the Board of Directors, the Company's current cash position vis-à-vis the anticipated R&D expenditures, ability to raise additional capital and other factors play an overriding role in the payment of any bonuses to any employees.
- Achievement of critical goals. Should the company fail to reach its key corporate strategic goals, as defined by the Board at the beginning of each fiscal year, then the payment of any cash bonuses to any employee, regardless of their specific role within the company, may be negatively impacted such that the Board may determine that no bonuses be paid to anyone.
- As outlined above, Task Achievement and Personal effectiveness.

Additionally, the Board has the sole discretion to award a bonus to any individual employee beyond the target bonus amount based on significantly exceeding their goals, or through accomplishment of objectives well beyond the scope of their role.

Share-based and option-based awards

The Compensation Committee of the Board of Directors of InMed believes that equity-based compensation is an important component of InMed's overall compensation structure. Based on the data from the recent compensation assessment, the Compensation Committee has determined that in order to present executives with a competitive

package, the equity positions (via stock option grants) needed to target private company ownership levels to offset the lower range of salaries. The Compensation Committee believes this approach will better align executives with the long-term prospects of the Company.

It has been the Compensation Committee's practice to approve grants of stock options to InMed employees on an intermittent basis, typically in conjunction with signing of an employment agreement, following a dilutive financing, or upon other corporate events. Going forward, the Compensation Committee will be moving these award grants to an annual and off-cycle basis for existing employees. As part of regularly scheduled grants and in accordance with the Compensation Committee's charter, any equity award to employees is recommended by the Compensation Committee and submitted for approval by the full Board of Directors. In addition to the regularly scheduled grants, the CEO may make a recommendation for other grants (referred to herein as "off-cycle grants") in situations where InMed is seeking to attract a senior level hire, recognize employees for certain achievements or in other special circumstances.

Annual and Off-Cycle Stock Option Grants

The Committee believes that establishing fixed grant dates for the award of equity grants as we move forward is an important practice to ensure the consistency of the award granting process. Accordingly, each annual grant and off-cycle grant of equity-based compensation shall be awarded as follows:

- **Annual Grant.** The annual grant of equity-based compensation awards for employees shall be approved by the Compensation Committee / Board at its meeting in September (or otherwise as outlined in the Company's Option Plan).
- **Off-Cycle Grants.** Off-cycle grants shall be recommended in writing by the Chief Executive Officer to the Compensation Committee / Board and shall be granted on an as-needed basis throughout the year.
- **Other Awards.** With respect to awards other than the annual grant or off-cycle grants, the date the Compensation Committee acts to approve an award, or such later specified date as the Compensation Committee shall designate in the approval, shall be used as the grant date of the award for purposes of InMed's equity compensation plans. If action is taken by written consent in lieu of a meeting, the date of the Compensation Committee action shall be the date that the last Compensation Committee member has executed the consent.

As the Company is in the process of registering its securities with the US Securities Exchange Commission, other than initial grants made in conjunction with the signing of an employment agreement, the Company did not make off-cycle grants in fiscal 2020.

Director Compensation

Director compensation is limited strictly to non-management directors. InMed's director compensation philosophy is as follows:

- To provide a compensation level that will attract exceptionally experienced and skilled candidates and encourage them to play an active role in the strategic development of the Company;
- To compensate for Board work and work on Board committees; and
- To provide stock-based compensation to align director compensation with increases in long-term shareholder value.

Stock-Based Compensation

Effective July 2018, new directors are granted stock options to purchase 3,030 Common Shares, priced at the closing price on the grant date, vesting monthly over a three-year period and expiring five years after the grant date.

On an annual basis and immediately after election of directors at each Annual General Meeting ("AGM"), each non-management director shall be granted stock options to purchase 1,061 Common Shares, priced as of the close of market on the date of the Company's AGM, vesting 100% on the one year anniversary of the grant date or immediately prior the following year's AGM, whichever is sooner, and expiring five years after date of grant.

Annual Cash Retainers

Each non-management Director shall receive an annual retainer of US\$25,000 per year paid quarterly in arrears. Additionally, the Chair of the Board will receive an additional US\$25,000 per year paid quarterly in arrears.

For committee participation, Directors who are members of at least two committees are eligible to receive up to an additional US\$15,000 per year paid quarterly. At this time, there are no incremental fees for chairing a committee. At this time, there are no other compensation elements for Directors such as meeting fees, per diems, etc. Should a Director travel on behalf of the Company, they will be reimbursed for any reasonable out-of-pocket expenses.

The AON/Radford compiled in mid-2020 to assess executive compensation also addressed Director compensation matters. The results from this assessment are under review by the Compensation Committee and Board of Directors. It is anticipated that the resultant target compensation levels for Directors will be implemented in fiscal 2021.

The following table summarizes Director compensation (in US\$) as at June 30, 2020:

InMed Directors (all figures in US\$)	Annual Director Fee	Annual Chairman Fee	Committee⁽¹⁾	Annual Committee Memberships Fee	Total Annual Fees
William Garner, MD	\$25,000	\$25,000	C, G	\$15,000	\$65,000
Catherine Sazdanoff	\$25,000	-	A, C, G	\$15,000	\$40,000
Andrew Hull	\$25,000	-	A, C , G	\$15,000	\$40,000
Adam Cutler	\$25,000	-	A , G	\$15,000	\$40,000
Eric A. Adams	-	-	-	-	\$0

(1) A = Audit; C= Compensation; G = Governance and Nomination. **Bold** = Chair

InMed Compensation Committee

The Compensation Committee acts on behalf of the Board of Directors of InMed to determine and approve the compensation of executive officers of the Company and to provide oversight of the Company's global compensation philosophy. The committee oversees the Company's compensation plans, including equity compensation plans and plans applicable to Directors and senior management. The purpose of the Compensation 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 incentivizing in order to attract and retain the executive management and other key employees of InMed and to oversee compliance by Executive Management with the Company's Code of Conduct.

The Compensation Committee is currently comprised of three members, all of whom are "independent" within the meaning of National Instrument 52-110 - Audit Committees, as amended. These members currently include Andrew Hull (Chair), Catherine Sazdanoff and William Garner, MD. Each of these individuals has extensive executive experience in biotech and pharmaceuticals companies, has been involved in establishing compensation for executive level employees, and has direct experience in negotiating executive employment agreements. Additionally, they have been entrusted on behalf of their respective organizations to make important strategic decisions as they pertain to proper resource allocation to maximize the likelihood of corporate success.

Any Compensation 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 or until the member resigns or is replaced, whichever first occurs.

The Compensation Committee is required to meet at least annually, but currently meets at least quarterly. 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 Compensation Committee is 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.

The Chair of the Compensation Committee shall:

- (a) Call and conduct the meetings of the Compensation Committee.
- (b) Be entitled to vote to resolve any ties.
- (c) Prepare and forward to members of the Compensation Committee the agenda for each meeting of the Compensation Committee, and include, in the agenda, any items proposed for inclusion in the agenda by any member of the Compensation Committee.
- (d) Review with the CEO the Company's policies and strategies in determining the compensation of its Executive Management.
- (e) Engage, on behalf of the Compensation Committee and the Board, independent consultants to advise the Compensation Committee on the compensation strategies and policies of the Company.
- (f) Appoint a secretary to take minutes of the meetings of the Compensation Committee.
- (g) Ensure that the Compensation Committee meetings are conducted in an efficient, effective and focused manner.

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

- (a) Review the organizational structure and report any significant organizational changes, along with the Compensation 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 determining (or making recommendations to the Board with respect to) the CEO's compensation level based on this evaluation.
- (c) Review the compensation philosophy and guidelines for Executive Management, for recommendation to the Board for its consideration and approval.
- (d) Review and recommend the compensation of each member of Executive Management and report its broad conclusions 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 to be granted to Executive Management and guidelines with respect thereto.
- (f) With respect to the granting of securities-based compensation to Executive Management:
 - (i) in conjunction with management, administer such incentive plans or other benefit plans as determined and established by the Board to be granted to Executive Management;
 - (ii) review management's recommendations for and, subject to confirmation by the Board, approve 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) suggest and review any amendments which the Compensation Committee considers necessary to any incentive plan and make recommendations to the Board with respect to those amendments; provided, however, that all amendments to such plans shall be subject to the consideration and approval of the Board.

- (g) Recommend the Directors' compensation plan to the Board.
- (h) Within any guidelines established by the Board:
 - (i) in conjunction with management, administer the matching contribution plan, if any; and
 - (ii) suggest and review any amendments which the Compensation Committee considers for the matching contribution plan, if any, and make recommendations to the Board for the consideration and approval of the Board; provided, however, that all amendments to such plans be subject to the consideration and approval of the Board.
- (i) Subject to the approval of the Board, review and approve benefits other than those applicable to employees generally to be granted to Executive Management including levels and types of benefits.
- (j) Approve and recommend to the Board any changes in the benefit provisions of any pension plan.
- (k) Consider and make recommendations to the Board for its approval all matters concerning incentive awards, perquisites and other remuneration matters with respect to Executive Management.
- (l) Oversee the selection of and terms of reference for outside consultants to review the Executive Management and Board compensation programs as appropriate.
- (m) With respect to 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 board on which individual members of senior management may participate;
 - (ii) receive notice of proposed membership by a member of senior management and upon consultation with the CEO have a right to object to such membership; and
 - (iii) confirm in writing, through the CEO, to such member of senior management that the Company shall not indemnify the employee nor be exposed to liability with respect to the employee's participation on such board.
- (n) Review and approve executive and Board compensation disclosure in the annual information circular and other disclosure documents before such information is publicly disclosed.
- (o) Have such other powers and duties as delegated to it by the Board.
- (p) The Compensation Committee may annually develop a calendar of activities or forward agenda to be undertaken by the Compensation 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.

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

The Compensation 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. The Compensation Committee Charter, as approved by the Board on April 22, 2020, is available on the Company's website.

Compensation Governance and Risk Assessment

The Board of Directors and the Compensation Committee have not formally considered the implications of the risks associated with the Company's compensation policies and practices. Although the Company does not have formal policies specifically targeting risk-taking in a compensation context, the practice of management and the Board is to consider all factors relating to an executive officer's performance, including any risk mitigation efforts or excessive risk-taking, in determining compensation. Such risks, however, are mitigated by the Board's active involvement at the strategic level of the Company's businesses, including:

- annual approval of the Company's operational and capital budgets and ongoing review of variances between actual and budgeted operational results, including at regularly scheduled board meetings; and
- approval of business opportunities as they arise, including a review of the partnering process and undertaking of due diligence.

The Board of Directors' oversight helps to ensure proper monitoring of the level of risk-taking by management. This allows the Board to be responsive to management's potential bias towards achieving short-term goals at the expense of long-term sustainability and Shareholders' value. Furthermore, the Compensation Committee and the Board can use their discretion when assessing both an individual Named Executive Officer's and the Company's overall performance.

InMed has developed an Employee Handbook that contains all corporate policies and guidelines for professional behaviour. The Company policies and practices apply to all employees, regardless of title. These guidelines encompass Code of Business Conduct, Terms of Reference for Board of Directors and all Committees, and policies for corporate disclosure, insider trading, whistle blower, etc.

Under the Company's Insider Trading Policy, executive officers and Directors are not permitted to purchase financial instruments (including prepaid variable contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by the executive officer or Director. Specifically to the issue of hedging/speculation in the Company's securities, the Insider Trading Policy states:

Speculating in Securities. Directors, officers, and employees of the Company shall not:

- (i) short-sell securities of the Company or its affiliates (i.e., sell securities that they do not yet own), except in limited circumstances permitted by corporate and securities laws; and
- (ii) buy put options, or sell call options, on securities of the Company or its affiliates.

In fiscal 2020, the Compensation Committee did not identify any significant risks arising from the Company's executive compensation programs that are reasonably likely to have a material adverse effect on the Company.

Summary Compensation Table

The following table summarizes the compensation of the Named Executive Officers for the financial years ended on June 30 for each of 2020, 2019, and 2018:

Name and principal position	Fiscal year	Salary & Consulting	Share-based awards	Option-based awards ¹	Non-equity incentive plan compensation		Pension value	All other compensation	Total compensation
		(\$)	(\$)	(\$)	(\$)	Annual incentive plans ²	Long-term incentive plans	(\$)	(\$)
Eric A. Adams <i>President and CEO</i> <i>Director</i>	2020	385,700	-	579,381	2,000	-	-	-	967,081
	2019	380,000	-	273,540	124,600	-	-	-	778,140
	2018	315,000	-	2,142,450	117,500	-	-	-	2,574,950
Bruce Colwill ³ <i>CFO & Secretary</i>	2020	272,248	-	117,198	900	-	-	-	390,346
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Eric Hsu ⁴ <i>Senior VP,</i> <i>Preclinical</i> <i>Research and</i> <i>Development</i>	2020	298,700	-	249,644	2,000	-	-	-	550,344
	2019	232,000	-	388,200	62,008	-	-	-	682,208
	2018	43,750	-	797,700	13,125	-	-	-	854,575
Alexandra Mancini ⁵ <i>Senior VP, Clinical</i> <i>& Regulatory</i> <i>Affairs</i>	2020	309,000	-	189,291	2,000	-	-	-	500,291
	2019	262,400	-	351,848	77,784	-	-	12,750	704,782
	2018	176,250	-	140,627	50,000	-	-	-	366,877
Michael Woudenberg ⁶ <i>VP, Chemistry,</i> <i>Manufacturing &</i> <i>Controls</i>	2020	285,600	-	177,248	2,000	-	-	-	464,848
	2019	177,955	-	303,875	49,883	-	-	-	531,713
	2018	-	-	-	-	-	-	-	-

NOTES:

- 1 The fair value of each stock option award is estimated as at the date of grant using Black-Scholes Option Pricing Model. The weighted average option pricing assumptions and the resultant fair values for options awarded to Named Executive Officers in fiscal 2020 are as follows: expected average option term of five years; a zero dividend yield; a weighted average expected volatility of 104.65%; and, a weighted average risk-free interest rate of 1.28%. The weighted average option pricing assumptions and the resultant fair values for options awarded to Named Executive Officers in fiscal 2019 are as follows: expected average option term of five years; a zero dividend yield; a weighted average expected volatility of 120.15%; and, a weighted average risk-free interest rate of 1.69%. The weighted average option pricing assumptions and the resultant fair values for options awarded to Named Executive Officers in fiscal 2018 are as follows: expected average option term of five years; a zero dividend yield; a weighted average expected volatility of 185.57%; and, a weighted average risk-free interest rate of 2.16%.
- 2 Bonus amounts under the annual incentive plan for the fiscal period ending June 30, 2020 have not been determined as at the date of this filing and are thus not calculable.
- 3 Bruce Colwill was appointed CFO & Secretary on August 9, 2019.
- 4 Eric Hsu was appointed Vice President of Preclinical Research and Development on March 8, 2018. Prior to March 1, 2019 Eric Hsu was employed on a part-time basis.
- 5 Prior to January 1, 2019 Alexandra Mancini was employed on a part-time basis.
- 6 Michael Woudenberg was appointed Vice President, Chemistry, Manufacturing & Controls on November 5, 2018.

The Company, during the most recently completed year ended June 30, 2020, had the following formal employment agreements with its NEOs.

Adams Contract

On June 15, 2016 the Company entered into an employment agreement with Eric A. Adams (the “**Adams Contract**”) with an effective date of June 16, 2016. Effective July 1, 2019, Mr. Adams’ base salary was set at \$387,500 per annum. Mr. Adams’ agreement also provides that he is eligible to be considered for an annual discretionary bonus which will be subject to the approval of the Board and the compensation committee of the Company, in their sole discretion, on an annual basis in accordance with the Company’s annual performance and compensation review process.

Furthermore, in accordance with the Adams Contract, equity compensation included:

1. 30,303 common shares to be issued upon execution of the Adams Contract (issued) and;
2. 60,606 stock options granted in accordance with the Company’s Option Plan (granted, see details in “**Outstanding Option-Based and Share-Based Awards**” table).

Additionally, other benefits included eligibility to participate in the Company’s insurance benefits plan, if any, and vacation entitlement of 30 days per calendar year.

See “Termination and Change of Control” for further details.

Colwill Contract

The Company entered into an employment agreement with Mr. Colwill effective August 9, 2019 providing for compensation at an initial annual base salary of \$310,000. Mr. Colwill’s agreement also provides that he is eligible to be considered for an annual discretionary bonus which will be subject to the approval of the Board and the compensation committee, in their sole discretion, on an annual basis in accordance with our annual performance and compensation review process.

Furthermore, the employment agreement provides for an initial grant of 30,303 stock options granted in accordance with our Option Plan and which vest over 36 months (granted, see details in “**Outstanding Option-Based and Share-Based Awards**” table).

Additionally, other benefits included eligibility to participate in our insurance benefits plan, if any, and vacation entitlement of 30 days per calendar year.

See “Termination and Change of Control” for further details.

Hsu Contract

Effective March 8, 2018, the Company entered into an employment agreement with Eric Hsu (the “**Hsu Contract**”). Effective March 1, 2019, Mr. Hsu base salary was set at \$290,000 per annum.

Mr. Hsu’s agreement also provides that he is eligible to be considered for an annual discretionary bonus which will be subject to the approval of the Board and the compensation committee of the Company, in their sole discretion, on an annual basis in accordance with the Company’s annual performance and compensation review process.

Furthermore, in accordance with the Hsu Contract, equity compensation included an initial grant of 450,000 stock options granted in accordance with the Company’s Option Plan and which vest over 24 months (granted, see details in “**Outstanding Option-Based and Share-Based Awards**” table).

Additionally, other benefits included eligibility to participate in the Company's insurance benefits plan, if any, and vacation entitlement of 30 days per calendar year, which will be pro-rated for any period in which Mr. Hsu is not a full-time employee.

See "Termination and Change of Control" for further details.

Mancini Contract

Effective October 28, 2016, the Company entered into an employment agreement with Ms. Mancini (the "**Mancini Contract**"). Effective July 1, 2019, her salary was set at \$309,000. Ms. Mancini's agreement also provides that she is eligible to be considered for an annual discretionary bonus which will be subject to the approval of the Board and the compensation committee, in their sole discretion, on an annual basis in accordance with our annual performance and compensation review process.

Furthermore, the Mancini Contract provided for an initial grant of 12,121 stock options granted in accordance with our Option Plan and which vested over 18 months (granted, see details in "**Outstanding Option-Based and Share-Based Awards**" table).

Additionally, other benefits included eligibility to participate in our insurance benefits plan, if any, and vacation entitlement of 30 days per calendar year.

Woudenberg Contract

The Company entered into an employment agreement with Michael Woudenberg (the "**Woudenberg Contract**") with an effective date of November 5, 2018 providing for compensation at an initial annual base salary \$270,000. The Mancini Contract also provides that he is eligible to be considered for an annual discretionary bonus which will be subject to the approval of the Board and the compensation committee of the Company, in their sole discretion, on an annual basis in accordance with the Company's annual performance and compensation review process.

Furthermore, in accordance with the Woudenberg Contract, equity compensation included an initial grant of 21,212 stock options granted in accordance with the Company's Option Plan and which vest over 24 months (granted, see details in "**Outstanding Option-Based and Share-Based Awards**" table).

Additionally, other benefits included eligibility to participate in the Company's insurance benefits plan, if any, and vacation entitlement of 30 days per calendar year, which will be pro-rated for any period in which Mr. Woudenberg is not a full-time employee.

See "Termination and Change of Control" for further details.

Incentive Plan Awards

Outstanding Option-Based and Share-Based Awards

The following table sets out the option-based and Share-based awards outstanding at June 30, 2020 for the Named Executive Officers:

Name and principal position	Number of securities underlying unexercised options	Option-based awards			Share-based awards		
		Option exercise price	Option expiration date	Value of unexercised in-the-money options ¹	Number of Shares that have not vested	Market or payout value of Share-based awards that have not vested	Market or payout value of vested Share-based awards not paid out or distributed
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Eric A. Adams	60,606	2.640	May 16, 2021	360,000	-	-	-
<i>President and CEO</i>	60,606	3.630	June 15, 2021	300,000	-	-	-
<i>Director</i>	13,636	14.850	June 2, 2022	-	-	-	-
	13,636	51.150	March 8, 2023	-	-	-	-
	45,455	33.660	May 16, 2023	-	-	-	-
	28,485	14.355	May 27, 2024	-	14,242	-	-
							-
Bruce Colwill	30,303	8.910	August 9, 2024	-	30,303	-	-
<i>CFO & Secretary</i>							
Eric Hsu	13,636	51.150	March 8, 2023	-	-	-	-
<i>Senior</i>	3,788	33.660	May 16, 2023	-	-	-	-
<i>VP, Preclinical</i>	8,182	27.060	August 31, 2023	-	2,045	-	-
<i>Research and</i>	7,727	19.800	March 4, 2024	-	3,864	-	-
<i>Development</i>	13,636	14.355	May 27, 2024	-	6,818	-	-
Alexander Mancini	12,121	6.435	October 28, 2021	26,000	-	-	-
<i>Senior VP, Clinical</i>	3,030	12.210	February 20, 2022	-	-	-	-
<i>& Regulatory</i>	1,515	14.850	June 2, 2022	-	-	-	-
<i>Affairs</i>	1,515	51.150	March 8, 2023	-	-	-	-
	12,121	33.660	May 16, 2023	-	-	-	-
	3,030	16.830	January 21, 2024	-	1,515	-	-
	12,121	14.355	May 27, 2024	-	6,061	-	-
Michael Woudenberg	21,212	14.850	Dec. 5, 2023	-	5,303	-	-
<i>VP, Chemistry,</i>	9,848	14.355	May 27, 2024	-	4,924	-	-
<i>Manufacturing & Controls</i>							

NOTES:

- The value of unexercised in-the-money options is calculated as the excess, if any, of the product of the difference between the June 30, 2020 closing price on the TSX of \$8.580 per Common Share less the option exercise price multiplied by the number of securities underlying the unexercised options.

Incentive plan awards – value vested or earned during the year

The following table sets out the value vested or earned with respect to option-based, share-based awards and non-equity annual incentive plans during the financial year ended June 30, 2020 for the Named Executive Officers:

Name and principal position	Option-based awards – Value vested during the year ¹ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year ² (\$)
Eric A. Adams <i>President and CEO Director</i>	-	-	2,000
Bruce Colwill <i>CFO & Secretary</i>	-	-	900
Eric Hsu <i>Senior VP, Preclinical Research and Development</i>	-	-	2,000
Alexandra Mancini <i>Senior VP, Clinical & Regulatory & Regulatory Affairs</i>	-	-	2,000
Michael Woudenberg <i>VP, Chemistry, Manufacturing & Controls</i>	-	-	2,000

NOTES:

- 1 The value of vested stock options that would have been realized if exercised on the vesting date is determined by the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.
- 2 The dollar amounts in this column are the same amounts as shown previously in the “Non-equity incentive plan compensation – Annual incentive plans” column in the Summary Compensation Table.

Stock Option Plan

Pursuant to the 2017 Stock Option Plan, approved by the shareholders of the Company at the Company’s special meeting on March 24, 2017 (the “**Option Plan**”), the Board of Directors of the Company may, from time to time, in its discretion and in accordance with the Exchange requirements, grant to Directors, officers, employees and consultants of Company (the “**Optionee**”), non-transferable options to acquire Common Share (the “**Options**”) to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed twenty percent (20%) of the issued and outstanding Common Shares at the date the Options are granted (on a non-diluted basis), exercisable for a period of up to ten (10) years from the date of grant.

The exercise price and the term of Options are determined by the Board of Directors and are subject to approval by the Exchange. However, the exercise price cannot be lower than the greater of the closing market prices of the Common Shares on the trading day prior to the date of grant of the Options and the date of grant of the Options.

In the event an Optionee dies prior to the expiry of his option, his legal representatives may, by the earlier of:

- a) one year from the date of the Optionee’s death (or such lesser period as may be specified by the Board at the time of granting the option); and
- b) the expiry date of the option;

exercise any portion of such option.

If an Optionee ceases to be a Director, officer, employee or consultant for any reason other than death, his Option shall terminate as specified by the Board at the time of granting the Option, and all rights to purchase Common Shares under such Option shall cease and expire and be of no further force or effect.

Subject to Exchange Policies, if any Option granted under the Option Plan shall expire or terminate for any reason without having been exercised in full, such unexercised Options shall become available for future Option grants under the Option Plan.

The Board of Directors may amend the Option Plan, subject to, as the case may require, the approvals of the Exchange, or the Optionees who have been granted Options.

The full text of the Option Plan will be available for review at the Meeting and will be supplied free of charge to Shareholders upon written request made directly to the Company at its registered head office located at Suite 310 – 815 West Hastings St., Vancouver British Columbia, V6C 1B4, Attention: President and CEO.

Pension Plan Benefits

During the Company's most recently completed financial year, the Company and its direct and indirect subsidiaries did not have a defined benefit plan, deferred contribution plan, deferred compensation plan or pension plan.

Termination and Change of Control Benefits

The Company does not have any pension or retirement plan which is applicable to the NEO's. The Company has not provided compensation, monetary or otherwise, during the most recently completed financial year June 30, 2020, to any person who now or previously has acted as an NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company. In the case of resignation, retirement or termination of employment with cause, every Named Executive Officer contract provides there will be no severance payment made. However, the Named Executive Officers would be entitled to any vacation due.

The Company has employment agreements with its NEOs which include termination and change of control provisions as described herein below. The change of control provisions recognize the critical nature of these positions and the individuals involved and the requirement to protect the individuals from disruption to their engagement in the event of a change of control of the Company. The change of control provisions are designed to treat the individuals in a manner consistent with industry standards for executives in similar positions.

For the purposes of the employment agreements with the NEOs, "Change in Control" is defined as (i) the sale of all or substantially all of the assets of the Company to an unrelated person or entity; (ii) a merger, reorganization, or consolidation involving the Company in which the shares of the voting stock outstanding immediately prior to the transaction represent or are converted into or exchanged for securities of the surviving or resulting entity that immediately upon completion of the transaction, represents 51% or less of the outstanding voting power of the surviving or resulting entity; (iii) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a person or group of persons; or (iv) any other acquisition of the business of the Company, as determined by the Board (but any public offering by the Company or another capital raising event, or a merger effected solely to change the Company's domicile does not constitute a Change of Control).

For the purposes of the employment agreements with the NEOs and in the context of a Change of Control, "Good Reason" is defined as the occurrence of any of the following events without the NEO's prior written consent: (i) a change in the NEO's position which materially reduces the NEO's responsibilities from the responsibilities in effect immediately prior to the Change of Control; (ii) a reduction by the Company of the NEO's base salary or target bonus percentage, except for an across-the-board salary reduction affecting all senior executives of the Company; or (iii) a relocation of the NEO's principal place of employment by more than 30 kilometres.

The employment agreements with the NEOs provide that if, following a Change of Control, the Company terminates the NEO’s employment with the Company without cause or the NEO resigns from his/her employment with the Company for Good Reason, then the NEO will be entitled to a Change in Control Severance Amount.

The actual amounts that a Named Executive Officer would receive upon termination of employment can only be determined at the time of termination and is based on the number of months of base salary at that time. The following table provides a description of the severance requirements and the estimated corresponding value that the Named Executive Officers that were employed by the Company at the end of the financial year would have received if the termination had occurred on June 30, 2020:

	Termination without cause		Change of Control	
	Description	Value (\$)	Description	Value (\$)
Eric A. Adams <i>President and CEO Director</i>	24 month’s salary plus “average bonus payment” ⁽¹⁾	852,767	24 month’s salary plus “average bonus payment” ⁽¹⁾	852,767
Bruce Colwill <i>CFO & Secretary</i>	10 month’s salary plus “average bonus payment” ⁽¹⁾	259,233	12 month’s salary plus “average bonus payment” ⁽¹⁾	310,900
Eric Hsu <i>Senior VP, Preclinical Research and Development</i>	4 month’s salary plus “average bonus payment” ⁽¹⁾	125,278	12 month’s salary plus “average bonus payment” ⁽¹⁾	324,411
Alexandra Mancini <i>Senior VP, Clinical & Regulatory Affairs</i>	12 month’s salary plus “average bonus payment” ⁽¹⁾	352,261	12 month’s salary plus “average bonus payment” ⁽¹⁾	352,261
Michael Woudenberg <i>VP, Chemistry, Manufacturing & Controls</i>	6 month’s salary plus “average bonus payment” ⁽¹⁾	160,094	12 month’s salary plus “average bonus payment” ⁽¹⁾	302,894

- (1) “average bonus payment” is equal to the average of the actual bonus payments, if any, made to the NEO from the previous 3 years preceding the date of termination, pro-rated for the then current year up to and including the date of termination.

Director Compensation

The Company currently pays cash compensation to non-management directors as outlined in the earlier section “Director Compensation – Annual Cash Retainers”. In addition, the Directors are reimbursed for expenses occurred in carrying out their duties as Directors and are granted stock options.

The Company has a formalized Option Plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and incentivizing the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders. The granting of incentive options allows the Company to reward Directors’ efforts to increase value for shareholders without requiring the Company to use cash from its treasury.

The following table summarizes the compensation in Canadian \$ of the Directors for the financial year ended June 30, 2020:

Name	Fees earned ¹ (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
William J. Garner	87,930	-	11,407	-	-	-	-	99,337
Adam Cutler	54,111	-	11,407	-	-	-	-	65,518
Andrew Hull	54,111	-	11,407	-	-	-	-	65,518
Catherine Sazdanoff	54,111	-	20,087	-	-	-	-	74,198

¹ Payment of Directors' fees is denominated in US\$. The table above reflects the Canadian \$ equivalent amounts recorded in the Company's financial statements.

Outstanding Option-Based and Share-Based Awards

The following table sets out the option-based and Share-based awards outstanding as at June 30, 2020 for the Directors:

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options ¹	Number of Shares that have not vested	Market or payout value of Share-based awards that have not vested	Market or payout value of vested Share-based awards not paid out or distributed
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
William J. Garner	24,242	4.290	June 10, 2021	103,998	-	-	-
	1,061	16.500	Jan. 14, 2024	-	1,061	-	-
	1,061	8.250	Jan. 11, 2025	350	-	-	-
Adam Cutler	6,061	4.785	Nov. 23, 2020	23,001	-	-	-
	1,515	4.620	Nov. 27, 2020	5,999	-	-	-
	22,727	3.630	July 26, 2021	112,499	-	-	-
	1,061	16.500	Jan. 14, 2024	-	-	-	-
	1,061	8.250	Jan. 11, 2025	350	1,061	-	-
Andrew Hull	30,303	3.630	Sept. 12, 2021	150,000	-	-	-
	1,061	16.500	Jan. 14, 2024	-	1,061	-	-
	1,061	8.250	Jan. 11, 2025	350	-	-	-
Catherine Sazdanoff	3,030	10.890	July 1, 2019	-	2,104	-	-
	1,061	8.250	Jan. 11, 2025	350	1,061	-	-

NOTES:

¹ The value of unexercised in-the-money options is calculated as the excess, if any, of the product of the difference between the June 29, 2020 closing price on the TSX of \$8.580 per Common Share less the option exercise price multiplied by the number of securities underlying the unexercised options.

Incentive plan awards – value vested or earned during the year

The following table sets out the value vested or earned with respect to option-based and Share-based awards during the financial year ended June 30, 2020 for the Directors:

Name	Option-based awards – Value vested during the year ¹ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
William J. Garner	-	-	-
Adam Cutler	-	-	-
Andrew Hull	-	-	-
Catherine Sazdanoff	334	-	-

NOTES:

- 1 The value of vested stock options that would have been realized if exercised on the vesting date is determined by the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth as at the year ended June 30, 2020, the number of securities authorized for issuance under the Company’s Option Plan:

Option Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by security holders	588,635	\$14.73	455,508
Equity compensation plans not approved by security holders	—	—	—
Total	588,635	\$14.73	455,508

- (1) The maximum number of Shares issuable under the Option Plan is limited to 20% of the total number of Shares issued and outstanding from time to time. The figures in this column are based upon 5,220,707 shares issued and outstanding as at June 30, 2020.

The following table provides the annual burn rate associated with the Company’s Option Plan for each of the Company’s three most recent fiscal years:

Fiscal year	Number of stock options granted under the Option Plan ⁽¹⁾	Weighted-average number of Shares outstanding ⁽²⁾	Annual burn rate ⁽³⁾
2020	52,728	5,220,707	1.01%
2019	145,454	5,220,707	2.79%
2018	249,697	5,177,296	4.82%

- (1) Corresponds to the number of stock options granted under the Option Plan in the applicable fiscal year.
(2) The weighted average number of Shares issued and outstanding during the period corresponds to the number of Shares issued and outstanding at the beginning of the period, adjusted by the number of Shares issued during the period multiplied by a time-weighting factor.
(3) The annual burn rate percent corresponds to the number of stock options granted under the Option Plan

divided by the weighted average number of Shares outstanding.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Circular, no current or former Director, executive officer or employee of the Company or any of its subsidiaries is indebted to the Company or any of its subsidiaries in relation to a purchase of securities or otherwise, or to another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (as defined in National Instrument 51-102) or any associate or affiliate of any such informed person had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries since the beginning of the most recently completed financial year, other than as set out herein or in the notes to the Company's most recent audited annual and interim financial statements, which have been filed on SEDAR and are available at www.sedar.com.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Our Directors and officers are covered by directors' and officers' liability insurance. Under this insurance coverage, we will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of our Directors and officers, subject to a deductible for each loss, which will be paid by us. Individual Directors and officers of our Company will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by our Company. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts.

STATEMENT OF CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, disclosure of the Company's governance system is attached to this Information Circular as Schedule A.

APPOINTMENT OF AUDITOR

At the Meeting, the members will be called upon to re-appoint KPMG LLP ("KPMG"), as the auditors of the Company, to hold office until the next annual general meeting of shareholders at remuneration to be fixed by the Board.

Management recommends that the shareholders of the Company approve the appointment of KPMG, as auditor for the Company.

Unless instructions are given to abstain from voting with regard to the appointment of the Auditors, it is the intention of management nominees to vote FOR the appointment of KPMG as auditors of the Company.

MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by an individual or company other than the Directors or executive officers of the Company or a subsidiary.

MATTERS TO BE CONSIDERED AT THE MEETING

Approval of Amended Option Plan

In accordance with the rules of the TSX, the continuance of the Company's Option Plan must be approved by Shareholders at least every three years. The Option Plan was last approved by Shareholders on March 24, 2017.

At the Meeting, the Company is seeking approval from Shareholders of the Option Plan, with two amendments to the previously approved plan, being: (1) update the definition of "Blackout Period"; (2) extend the period after a Blackout Period that an Option may be exercised (the "**Amended Option Plan**"); all other terms of the Amended Option Plan are the same as the Option Plan. The complete Amended Option Plan, dated October 5, 2020, is attached herein as **Schedule C**.

Stock Option Plan

The following is a summary of important provisions of the Amended Option Plan. **The below summary is not a comprehensive discussion of all of the terms and conditions of the Amended Option Plan and is qualified in its entirety by the full terms of the Amended Option Plan. In the case of any conflict or discrepancy between the summary set forth below and the terms of the Amended Option Plan, the terms of the Amended Option Plan will govern. Readers are advised to review the full text of the Amended Option Plan to fully understand all terms and conditions of the Amended Option Plan.** A copy of the Amended Option Plan can be obtained by contacting the Company at: Attn: Chief Financial Officer, Suite 310-815 West Hastings Street, Vancouver, British Columbia V6C 1B4.

- *Purpose.* The purpose of the Amended Option Plan is to promote the Company's interests by providing directors, officers, employees and consultants with greater incentive to further develop and promote the Company's business and financial success, to further the identity of interest of persons to whom options may be granted with those of the Shareholders generally through a proprietary ownership interest in the Company, and to assist the Company in attracting, retaining and motivating its directors, officers, employees and consultants.
- *Administration.* Under the Amended Option Plan, the board of directors can, at any time, appoint a committee (the "**Compensation Committee**") to, among other things, interpret, administer and implement the Amended Option Plan on behalf of the board of directors in accordance with such terms and conditions as the board of directors may prescribe, consistent with the Amended Option Plan (provided that if at any such time such a committee has not been appointed by the board of directors, the Amended Option Plan will be administered by the board of directors).
- *Eligible Persons.* Under the Amended Option Plan, options may be granted to any director, officer, employee or consultant (as defined in the Amended Option Plan) of the Company, or any of its affiliates, or a person otherwise approved by the Compensation Committee (an "**Eligible Person**"). A participant ("**Participant**") is an Eligible Person to whom an option has been granted under the Amended Option Plan.
- *Share Reserve.* The number of Common Shares in respect of which options may be granted under the Amended Option Plan will be determined by the Shareholders at the Meeting, and may be increased, decreased or fixed by our Board of Directors, as permitted under the applicable rules and regulations of our regulatory authorities to which the Company is subject. The maximum number of Common Shares approved for issuance under the Amended Option Plan and all other securities-based compensation arrangements of the Company (including, for greater certainty, any Common Shares issuable upon the exercise of outstanding options granted under the Existing Option Plan) will be 20% of the Company's issued and outstanding Common Shares, on a rolling basis.
- *Amending Provisions.* The Amended Option Plan allows the Compensation Committee of the Board of Directors to amend the Amended Option Plan or any award agreement under the Amended Option Plan at any time provided that shareholder approval has been obtained by ordinary resolution. Notwithstanding the foregoing, shareholder approval would not be required for amendments of a clerical nature, amendments to reflect any regulatory

authority requirements, amendments to vesting provisions, amendments to the term of options held by non-insiders, amendments to the option exercise price of options held by non-insiders, and any amendments which provide a cashless exercise feature to an award that provides for the full deduction of the number of underlying Common Shares from the total number of Common Shares subject to the Amended Option Plan.

- *Limits on Grants.* Subject to the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Canadian Stock Exchange, the number of Common Shares that may be purchased under any grant of options will be determined by the Compensation Committee.
- *Adjustment of Exercise/Settlement during Blackout Periods.* Our officers, directors and employees may be prohibited from trading in our securities for an interval of time, or the “Blackout Period”. As Blackout Periods are of varying length and may occur at unpredictable times, options may expire or settle during a Blackout Period. As a result, the Amended Option Plan provides that where the expiry date of an option occurs during or within twenty non-blackout trading days following the end of a Blackout Period, the expiry date for such option shall be the date which is twenty non-blackout trading days following the end of such Blackout Period.
- *Computation of Available Shares.* For the purposes of computing the number of Common Shares available for grant under the Amended Option Plan, the Amended Option Plan provides that Common Shares subject to any option (or portion thereof) that have expired or are forfeited, surrendered, cancelled or otherwise terminated prior to the issuance or transfer of such Common Shares, or are settled in cash in lieu of settlement in Common Shares, shall again be available for grant under the Amended Option Plan. Notwithstanding the foregoing, any Common Shares subject to an option that are withheld or otherwise not issued in order to satisfy the Participant’s withholding obligations, or in payment of any option exercise price, shall reduce the number of Common Shares available for grant.
- *Exercise Price of Options.* The Amended Option Plan provides that the exercise price for each option is to be determined by the Compensation Committee, but in no event may be lower than:
 - where the Common Shares are listed on a stock exchange or other organized market, the closing price of the Common Shares on such stock exchange or other organized market as determined by the Compensation Committee for the trading session ending on the day prior to the time of grant; or
 - where the Common Shares are not publicly traded, the value which is determined by the Compensation Committee to be the fair value of the Common Shares at the time of grant, taking into consideration all factors that the Compensation Committee deems appropriate, including, without limitation, recent sale and offer prices of the Common Shares in private transactions negotiated at arm’s length.
- *Grant, Exercise, Vesting, Settlement of Options.* Subject to the terms of the Amended Option Plan, the Compensation Committee may grant to any Eligible Person one or more options as it deems appropriate. The Compensation Committee may also impose such limitations or conditions on the exercise, vesting, or settlement of any options as it deems appropriate.
- *Payment of Exercise Price of Options.* Participants in the Amended Option Plan may pay the exercise price by cash, bank draft or certified cheque, or by such other consideration as the Compensation Committee may permit.
- *Net Exercises.* The Compensation Committee may, in its discretion, permit an option to be exercised by delivering to the participant a number of Common Shares having an aggregate fair market value (determined as of the date of exercise in accordance with the Amended Option Plan) equal to the excess, if positive, of the fair market value of the Common Shares underlying the options being exercised on the date of exercise, over the exercise price of the option for such Common Shares.
- *Term of Options.* Subject to the Blackout Period provisions described above, an option will expire on the date determined by the Compensation Committee and specified in the option agreement pursuant to which such option is granted, or such earlier date as may be required by applicable law, rules or regulations, including those of any exchange or market on which the Common Shares are listed or traded. If an optionee’s status as a director, officer,

employee or consultant terminates for any reason other than death or termination for cause, the option will expire on the date determined by the Compensation Committee or as specified by agreement among InMed and the director, officer, employee or consultant, and in the absence of such specification, will be deemed to be the date that is three months following the director, officer, employee or consultant's termination, provided that notice has been given to such Participant that they have ceased to be an Eligible Person. If the optionee's status as a director, officer, employee or consultant is terminated for cause, the option shall expire immediately. In the event that the optionee dies before otherwise ceasing to be a director, officer, employee or consultant, or before the expiration of the option following such a termination, the option will expire one year after the date of death, or on such other date determined by the Compensation Committee and specified in the option agreement. Notwithstanding the foregoing, except in the case of death or as expressly permitted by the Compensation Committee, all stock options will cease to vest as at the date upon which the optionee ceases to be eligible to participate in the Amended Option Plan.

- *Change in Control.* In the event of a merger or acquisition transaction that results in a change of control of the Company, the Compensation Committee may, at its option, take any of the following actions: (a) determine the manner in which all unexercised or unsettled options granted under the Amended Option Plan will be treated, other than with respect to vesting; (b) offer any participant under the Amended Option Plan the opportunity to obtain a new or replacement option, if applicable; or (c) commute for or into any other security or any other property or cash, any option that is still capable of being exercised or settled.
- *Vesting Upon Change in Control.* In the event the Company enters into a definitive agreement for a merger or acquisition transaction which would result in a change in control, or a change in control of InMed, all unexercised or unsettled options shall become immediately vested and exercisable.
- *Transferability.* Options granted under the Amended Option Plan are not transferable or assignable and may be exercised only by the grantee, subject to exceptions in the event of the death or disability of the grantee.
- *Termination and Suspension.* The Compensation Committee will have the right at any time to suspend, amend or terminate the Amended Option Plan, subject to compliance with all applicable rules and regulations of all regulatory authorities to which the Company is subject.

RESOLUTION APPROVING AMENDED OPTION PLAN

At the Meeting, Shareholders shall be asked to consider and, if deemed advisable, approve an ordinary resolution to continue the Option Plan, as amended, and approve all unallocated options thereunder, until November 20, 2023, which is the date that is three years from the date of the Meeting (the "**Amended Option Plan Resolution**").

The Amended Option Plan Resolution, the full text of which is set out below, must be passed by a majority of the votes cast by Shareholders present or voting by proxy on the resolution at the Meeting:

WHEREAS:

- A. the Board have adopted an Option Plan;
- B. the rules of the TSX provide that all unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed number of maximum securities issuable must be approved every three years;
- C. the Shareholders last approved the Option Plan on March 24, 2017; and
- D. the Board wishes to amend the previously approved Option Plan such that: (1) the definition of "Blackout Period" is updated and (2) the period after a Blackout Period that an Option may be exercised is extended from ten Non-Blackout Trading Days to twenty Non-Blackout Trading Days.

BE IT RESOLVED THAT:

1. The Company's Amended Option Plan, as set out in the copy attached to the information circular of the Company dated October 7, 2020, be and is hereby authorized, ratified, confirmed and approved, and shall continue to remain in effect until further ratification is required pursuant to the rules of the TSX or other applicable regulatory requirements.
2. All unallocated options, rights and entitlements under the Amended Option Plan be and are hereby authorized and approved.
3. The Company's ability to grant options under the Amended Option Plan until November 20, 2023 (or such date that is three years after the date of the Meeting at which Shareholder approval is being sought or any adjournment or postponement thereof), be and is hereby authorized and approved.
4. Any one director or officer of the Company be and is hereby authorized and directed to perform all such acts, deeds and things and execute all such documents and other instruments as may be required to give effect to the intent of this resolution.

If Shareholder approval of the Amended Option Plan Resolution is obtained at the Meeting, the Company shall not be required to seek further approval of the grant of unallocated options under the Option Plan until November 20, 2023.

If approval of the Amended Option Plan Resolution is not obtained at the Meeting, options which have not been allocated as at November 20, 2020 shall no longer be available for granting and options that are cancelled, terminated or exercised after November 20, 2020 shall no longer be available for re-granting. Previously allocated options under the Option Plan shall be unaffected by the approval or disapproval of the Amended Option Plan Resolution.

The Board unanimously recommends that the Shareholders vote for the Amended Option Plan Resolution. Unless such authority is withheld, the management representatives named in the as incorporated in Form of Proxy intend to vote for the Amended Option Plan Resolution.

Approval of Amendment to Articles

Shareholders will be asked to pass a special resolution altering Section 11.3 of the Company's Articles to increase the quorum at a meeting of Shareholders to two persons present or represented by proxy representing not less than 33 1/3% of the issued shares of the Company. Section 11.3 of the Articles currently reads as follows:

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

The Company wishes to increase the quorum at a meeting of Shareholders to two persons present or represented by proxy representing not less than 33 1/3% of the issued shares of the Company in connection with its application to list its common shares on the Nasdaq Stock Market.

At the Meeting, Shareholders shall be asked to consider and, if deemed advisable, approve a special resolution to increase the quorum at a meeting of Shareholders to two persons present or represented by proxy representing not less than 33 1/3% of the issued shares of the Company (the "**Quorum Resolution**").

The Quorum Resolution, the full text of which is set out below, must be passed by two thirds of the votes cast by Shareholders present or voting by proxy on the resolution at the Meeting:

BE IT RESOLVED, as a special resolution, THAT:

1. Section 11.3 of the Articles of InMed Pharmaceuticals Inc. (the “**Company**”) be deleted in its entirety and replaced with the following:

“11.3 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 33 1/3% of the issued shares entitled to be voted at the meeting.”

2. Pursuant to section 259 of the British Columbia *Business Corporations Act*, the alteration of Article 11.3 of the Articles of the Company shall not take effect until a copy of this resolution is received for deposit at the Company’s records office and a Notice of Alteration identifying the date of this resolution has been filed with the Registrar of Companies.
3. Any one director or officer of the Company be authorized to execute and deliver all such documents and instruments, including a Notice of Alteration, and to do such further acts, as may be necessary to give full effect to this resolution or as may be required to carry out the full intent and meaning thereof.

The directors of the Company be and are authorized to revoke this special resolution before it is acted on without further approval of the Shareholders.”

The Board unanimously recommends that the Shareholders vote for the Quorum Resolution. Unless such authority is withheld, the management representatives named in the as incorporated in Form of Proxy intend to vote for the Quorum Resolution.

The Directors know of no matters to come before the Meeting other than those referred to in the Notice of Annual Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the Director representatives named in the Form of Proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

ADDITIONAL INFORMATION

Information contained herein is given as of October 7, 2020, except as otherwise noted. If any matters which are not now known should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person voting it.

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Additional information in respect of the Audit Committee is contained in the Annual Information Form, a copy of which is available on SEDAR at www.sedar.com. In addition, the full text of the “Terms of Reference for the Audit Committee” is set out in Schedule A to the Annual Information Form. Additional financial information is provided in the Company’s audited consolidated financial statements and management’s discussion and analysis for the Company’s most recently completed financial year. A copy of the Company’s financial statements and management’s discussion and analysis is available, free of charge, upon written request to the Chief Financial Officer of InMed Pharmaceuticals Inc., Suite 310 – 815 West Hastings St., Vancouver, British Columbia V6C 1B4. These documents are also available on SEDAR at www.sedar.com.

APPROVAL OF INFORMATION CIRCULAR

The contents and mailing to Shareholders of this Information Circular have been approved by the Board.

(signed) Eric A. Adams
President & CEO
Vancouver, British Columbia
October 7, 2020

SCHEDULE A

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Unless the context otherwise requires, references to the Company in this Schedule A include the Company and its direct and indirect subsidiaries. Four of the five current Directors are “independent” as defined under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. The Directors have established an audit committee (“**Audit Committee**”) and a compensation committee (the “**Compensation Committee**”) consisting of independent directors and a nominating and governance committee (“**Nominating and Governance Committee**”) consisting of all five of the Directors including the CEO who is not independent.

The Directors and the Board consider good governance to be central to the effective and efficient operation of the Company and are committed to reviewing and adapting their governance practices so that they meet the Company’s changing needs and to ensure compliance with regulatory requirements.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>1. Directors/Board</p> <p>(a) Disclose the identity of directors who are independent.</p>	<p>Catherine Sazdanoff, Adam Cutler, William J. Garner, and Andrew Hull are independent directors.</p>
<p>(b) Disclose the identity of directors who are not independent and describe the basis for that determination.</p>	<p>Eric A. Adams is not an independent director as that term is defined under National Instrument 58-101 – <i>Disclosure of Corporate Governance Practices</i>.</p> <p>Mr. Adams is not independent as he is Chief Executive Officer (“CEO”) of the Company.</p>
<p>(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board does to facilitate its exercise of independent judgement in carrying out its responsibilities.</p>	<p>A majority of the Directors are independent.</p>
<p>(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>None of the Directors is presently a director of another reporting issuer except as follows:</p> <p>Adam Cutler is a director of Navidea Biopharmaceuticals, Inc. (NYSE MKT: NAVB)</p> <p>William J. Garner is a director of Race Oncology Limited (ASX:RAC) and</p> <p>Catherine Sazdanoff is a director of Meridian Bioscience Inc. (NASDAQ: VIVO)</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES																						
<p>(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.</p>	<p>The majority of Directors are independent. Members of management may be excluded from a portion of each regularly scheduled meeting of the Board, as required. Meetings where non-independent directors are not in attendance may be held as required by the Board. This is considered appropriate given the Company's overall governance, and in particular, the majority of the Directors being independent. Examples of Board and Compensation Committee meetings with only Independent Board members included at holding seven <i>in camera</i> sessions during Board meetings, six <i>in camera</i> sessions during Audit Committee meetings, three <i>in camera</i> sessions during Compensation Committee meetings and three <i>in camera</i> sessions during Nominating and Corporate Governance Committee meetings.</p>																						
<p>(f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.</p>	<p>Dr. Garner is currently the Chair of the Board and is an independent director.</p> <p>The Chair of the Board is responsible for, among other things, providing leadership to the Board, coordinating with the CEO to ensure that management strategy, plans and performance are appropriately represented to the Board, Shareholders, and other stakeholders as appropriate, assisting the Directors in reviewing and monitoring the aims, strategy, policy and directions of the Company and the achievement of its objectives, among other duties.</p> <p>The role and responsibilities for the Chair of the Board are set forth in written position descriptions, supplemented from time to time, the current versions of which are available on the Company's website at www.inmedpharma.com.</p>																						
<p>(g) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.</p>	<p>The following attendance records relate to meetings of the Board and the committees thereof held during the most recently completed financial year of the Company.</p> <p><u>Meetings of the Board:</u></p> <table data-bbox="800 1438 1128 1591"> <tr> <td>William Garner</td> <td>9/9</td> </tr> <tr> <td>Catherine Sazdanoff</td> <td>9/9</td> </tr> <tr> <td>Adam Cutler</td> <td>8/9</td> </tr> <tr> <td>Eric A. Adams</td> <td>9/9</td> </tr> <tr> <td>Andrew Hull</td> <td>9/9</td> </tr> </table> <p><u>Meetings of the Audit Committee:</u></p> <table data-bbox="800 1654 1128 1745"> <tr> <td>Adam Cutler</td> <td>6/6</td> </tr> <tr> <td>Catherine Sazdanoff</td> <td>6/6</td> </tr> <tr> <td>Andrew Hull</td> <td>6/6</td> </tr> </table> <p><u>Meetings of the Compensation Committee:</u></p> <table data-bbox="800 1808 1128 1892"> <tr> <td>Andrew Hull</td> <td>4/4</td> </tr> <tr> <td>William Garner</td> <td>4/4</td> </tr> <tr> <td>Catherine Sazdanoff</td> <td>4/4</td> </tr> </table>	William Garner	9/9	Catherine Sazdanoff	9/9	Adam Cutler	8/9	Eric A. Adams	9/9	Andrew Hull	9/9	Adam Cutler	6/6	Catherine Sazdanoff	6/6	Andrew Hull	6/6	Andrew Hull	4/4	William Garner	4/4	Catherine Sazdanoff	4/4
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Catherine Sazdanoff	4/4																						

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
	<p><u>Meetings of the Nominating and Governance Committee:</u></p> <p>Catherine Sazdanoff 4/4 Adam Cutler 2/4 William Garner 4/4 Andrew Hull 4/4</p>
<p>2. Board Mandate</p> <p>Disclose the text of the Board’s written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.</p>	<p>The text of the mandate of the Directors (called “Terms of Reference for the Board of Directors”) is attached as Schedule B to this Information Circular.</p>
<p>3. Position Descriptions</p> <p>(a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.</p>	<p>The Board has developed written position descriptions for the Chair of the Board, and the mandate for each committee of the Board contains written position descriptions for the Chair of each committee.</p>
<p>(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.</p>	<p>The Board and the CEO have developed a written position description for the CEO.</p>
<p>4. Orientation and Continuing Education</p> <p>(a) Briefly describe what measures the Board takes to orient new directors regarding:</p>	
<p>(i) the role of the Board, its committees and its directors; and</p>	<p>New directors are provided with a Director’s Reference Manual which includes the terms of reference for the Board and its various committees, corporate policies, and other relevant material regarding the affairs of the Company. In addition, new directors are oriented to the role of the Board, its committees and its directors through discussions with management and the other directors.</p>
<p>(ii) the nature and operation of the issuer’s business.</p>	<p>The CEO reviews with the Board at each meeting the nature and operations of the business of the Company. Other members of senior management of the Company meet with and present to the Board regularly to review each of their specific areas of responsibility.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>(b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>The Nominating and Governance Committee is responsible for coordinating continuing director development programs to enable the Directors to maintain or enhance their skills and abilities as directors as well as ensuring their knowledge and understanding of the Company and its business remains current. This not only encourages directors to stay abreast of emerging corporate governance topics but also broader topics such as accounting, finance, general business and human resource management. The Company will reimburse directors for all reasonable costs of attending director education programs. At meetings of the Audit Committee, the auditors may periodically review the emerging standards for corporate governance, and the Board meets with independent counsel to the Company to review the governance practices of the directors and the obligations of the Board. The Board has also worked with a third party expert on assessing Executive and Director compensation providing valuable learning to the Board.</p>
<p>5. Ethical Business Conduct</p> <p>(a) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:</p>	<p>The Company has adopted a written code of corporate ethics and behaviour (the “Code”) for the Company’s directors, officers and employees.</p>
<p>(i) disclose how a person or company may obtain a copy of the code;</p>	<p>The Code is available on the Company’s website at https://www.inmedpharma.com/about/corporate_governance/.</p>
<p>(ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and</p>	<p>A copy of the Code is provided to each of the directors, officers and employees of the Company, and each is requested to sign a certification that he or she has read the Code and that, to the best of his or her knowledge, information or belief, no breach of the Code has occurred except those instances reported by him or her for remedial action.</p>
<p>(iii) provide a cross-reference to any material change report(s) filed since the beginning of the issuer’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>	<p>No material change reports have been filed by the Company since the beginning of its most recently completed financial year that pertain to the conduct of a director, officer or senior employee that constitutes a departure from the Code.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>(b) Describe any steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>A director is required to disclose to the Board information regarding any transaction or agreement in which a director or executive officer has a material interest and to abstain from voting on any matter in respect of such transaction or agreement. The Board may request the director to recuse themselves from the portion of any meeting at which such transaction or agreement is discussed. The Board has instigated an annual related party survey of each director.</p>
<p>(c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Board encourages and promotes a culture of ethical business conduct and requires the CEO to conduct himself in a manner that exemplifies ethical business conduct. Each director is entitled to engage an outside advisor at the Company's expense in appropriate circumstances.</p>
<p>6. Nomination of Directors</p> <p>(a) Describe the process by which the Board identifies new candidates for Board nomination.</p>	<p>The Nominating and Governance Committee is mandated to identify new candidates for Board nomination. In making its recommendations, the Nominating and Governance Committee considers the competencies and skills that the Board should possess as a group. When new candidates for Board nomination are reviewed, the Nominating and Governance Committee considers criteria that include, but are not limited to, geographical representation, diversity (including gender diversity), disciplines, areas of expertise and other factors that the Nominating and Governance Committee views appropriate.</p>
<p>(b) Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.</p>	<p>The Nominating and Governance Committee, which has the mandate of a nominating committee, is composed of all four independent directors of the Company. The terms of reference of the Nominating and Governance Committee set out the powers and duties with respect to the nomination process.</p>
<p>(c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>Under its terms of reference, the Nominating and Governance Committee has the responsibility and power to, among other things, administer and make recommendations with respect to the overall approach for the Company and its subsidiaries on corporate governance issues. In addition, the Nominating and Governance Committee assists the Board in identifying nominees for election and re-election to the Board, filling vacancies among the directors and periodically reviews the effectiveness of the directors as a whole and individually and oversees compliance with the Code and the Company's disclosure policy.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>7. Compensation</p> <p>(a) Describe the process by which the Board determines the compensation for the issuer’s directors and officers.</p>	<p>The Compensation Committee recommends to the Board the compensation for the directors with reference to market rates for such services. The Compensation Committee has the responsibility to review and recommend adjustments for compensation for directors as warranted in the future. Compensation for officers and other key employees is reviewed at least annually by the Compensation Committee of the Board with an assessment of the contributions of each officer to business results achieved and to market-based compensation for similar based positions.</p> <p>For further details, see “<i>Executive Compensation – Setting Executive Compensation</i>” in this Information Circular.</p>
<p>(b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.</p>	<p>The Compensation Committee is composed entirely of independent directors. The Chair of the committee is an independent director, is responsible for, among other things, setting the agenda for Compensation Committee Meetings, engaging independent consultants to assist the Compensation Committee in formulating effective compensation strategies and policies for the Company and has a casting vote.</p>
<p>(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>Under its terms of reference, the Compensation Committee has the responsibility and power to review and make recommendations to the Board respecting the compensation of officers and other key employees.</p> <p>For further details, see “<i>Executive Compensation – Setting Executive Compensation</i>” in this Information Circular.</p>
<p>8. Other Board Committees</p> <p>If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board has no other standing committee.</p>
<p>9. Assessments</p> <p>Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.</p>	<p>The Nominating and Governance Committee has the responsibility to ensure that a process is in place for the annual review of the performance of individual directors, the Board as a whole and the individual committees. During the year the Board completed a review of its assessment tools resulting in an amended assessment process. An assessment of the Board and its Committee’s was in progress as at October 7, 2020 utilizing the revised process.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>10. Term Limits</p> <p>Disclose whether or not the Company has adopted term limits for the directors on the Board or other mechanisms of Board renewal and, if so, include a description of those director term limits or other mechanisms of Board renewal. If the Company Partner has not adopted director term limits or other mechanisms of Board renewal, disclose why it has not done so.</p>	<p>The Company has not adopted term limits for the directors on the Board because the Board believes the imposition of arbitrary term limits may result in an effective director being disqualified and may discount the value of experience and continuity. The Nominating and Governance Committee is responsible for assessing the effectiveness of the Board and board renewal is one of the factors the Nominating and Governance Committee utilizes in its evaluation.</p>
<p>11. Policies Regarding the Representation of Women on the Board</p> <p>Disclose whether the Company has adopted a written policy relating to the identification and nomination of women directors. If the Company has not adopted such a policy, disclose why it has not done so. If the Company has adopted such a policy, disclose the following in respect of the policy:</p> <ul style="list-style-type: none"> (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the Company in achieving the objectives of the policy, and (iv) whether and, if so, how the Board or its Nominating and Governance Committee measures the effectiveness of the policy. 	<p>The Company has not yet adopted a written policy relating to diversity. The Company does not believe adopting set targets or a formal policy at this time would further enhance gender diversity efforts beyond the current recruitment and selection process carried out by the Nominating and Governance Committee. However, the Board believes diversity is an important factor to help promote better corporate governance and performance and effective decision-making by having a diverse range of views and considerations represented at the Board level. In considering directors for election to the Board, the Nominating and Governance Committee considers diversity criteria, with factors such as gender, ethnicity, age, religion, education, experience, geographical representation, and disability all being considered. Other factors that the Nominating and Governance Committee takes into consideration when considering the composition of the Board include the current strengths, skills and experience on the Board, any planned retirement dates and the strategic direction of the Company.</p>
<p>12. Consideration of the Representation of Women in the Director Identification and Selection Process</p> <p>Disclose whether and, if so, how the Board or Nominating and Governance Committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the Company does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the Company's reasons for not doing so.</p>	<p>The Nominating and Governance Committee considers the diversity of the Board, including the level of representation of women, as one of the factors in identifying and nominating candidates for election or re-election to the Board. The other factors that the Nominating and Governance Committee considers include: the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; the competencies and skills that the Board considers each existing director to possess; the competencies and skills each new nominee will bring to the Board; the time and energy of the proposed nominee to devote to the role; and, the understanding by the proposed nominee of the nature of the business and operations of the Company.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>13. Consideration Given to the Representation of Women in Executive Officer Appointments</p> <p>Disclose whether and, if so, how the Company considers the level of representation of women in executive officer positions when making executive officer appointments. If the Company does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the Company's reasons for not doing so.</p>	<p>The Company considers diversity in its executive officer positions, including the level of representation of women, as one of the important factors in making executive officer appointments. The Company also considers the skills and experience necessary for the position.</p>
<p>14. The Company's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</p> <p>(a) Disclose whether the Company has adopted a target regarding women on the Board. If the Company has not adopted a target, disclose why it has not done so.</p>	<p>The Company has not adopted a target regarding women on the Board. Diversity, including gender diversity, is one of the important factors that the Nominating and Governance Committee considers in identifying and nominating candidates for election or re-election to the Board. The other factors that the Nominating and Governance Committee considers are described in part 12 above. The Nominating and Governance Committee believes all of these factors are relevant to ensure high functioning Board members and that establishing formal targets based solely upon gender may disqualify desirable director candidates.</p>
<p>(b) Disclose whether the Company has adopted a target regarding women in executive officer positions of the Company. If the Company has not adopted a target, disclose why it has not done so.</p>	<p>The Company has not adopted a target regarding women in executive officer positions of the Company. Diversity, including gender diversity, is one of the important factors that the Company considers in identifying executive officers. The other factors that the Company considers are described in part 13 above. The Company believes all of these factors are relevant to ensure that the most qualified executive officers are hired and retained, and that establishing targets based solely upon gender may disqualify desirable executive officer candidates.</p>
<p>15. Number of Women on the Board and in Executive Officer Positions</p> <p>(a) Disclose the number and proportion (in percentage terms) of directors on the Board who are women.</p>	<p>One of the five Directors of the Company is a woman, representing 20% of the Board.</p>
<p>(b) Disclose the number and proportion (in percentage terms) of executive officers of the Company, including all subsidiaries of the Company, who are women.</p>	<p>One of the five executive officers of the Company is a woman, representing 20% of the Company's executive officers.</p>

SCHEDULE B

TERMS OF REFERENCE AND GUIDELINES FOR DIRECTORS

See attached.



INMED PHARMACEUTICALS INC.

("InMed" or the "Company")

TERMS OF REFERENCE AND GUIDELINES FOR DIRECTORS

A. TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

1. Purpose

- (a) These terms of reference are for the board of directors (the "**Board**") of the Company.
- (b) The Board has the responsibility to oversee the conduct of the business of the Company and to supervise management, which is responsible for the day-to-day conduct of business. It is the overall responsibility of the Board that the Company meets its obligations on an ongoing basis and operates in a reliable and safe manner. In performing its functions, the Board also considers the legitimate interests that other stakeholders such as employees, suppliers, customers and communities may have in the Company. In supervising the conduct of business, the Board through the Chief Executive Officer ("**CEO**") shall set the standards of conduct for the Company.

2. Organization and Procedures

- (a) The Board is to be composed of a majority of individuals who are "independent" within the meaning of *National Instrument 58-101 – Disclosure of Corporate Governance Practices, Rule 5605(a)(2) of the Nasdaq listing standards*, as amended, and Rule 10C of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and "non-employee" is defined in accordance with Rule 16b-3 of the Exchange Act. A director is independent if, in the opinion of the Board, he or she has no direct or indirect material relationship with the Company. A "material relationship" is a relationship, which could, in the opinion of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment in carrying out the responsibilities of a director.
- (b) The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself.
- (c) The Board retains the responsibility for managing its own affairs including by:
 - (i) selecting its Chair;
 - (ii) if the Chair is not independent, developing a procedure to provide leadership for its independent directors;

- (iii) nominating candidates for election to the Board, after considering the recommendations of the Nominating and Governance Committee;
 - (iv) constituting committees of the Board;
 - (v) determining director compensation; and
 - (vi) holding regularly scheduled meetings at which members of management are not in attendance.
- (d) Subject to the Articles of the Company and the *Business Corporations Act* (British Columbia), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

3. Duties and Responsibilities

- (a) Selection of Management. With respect to the selection of management:
- (i) the independent, non-employee members of the Board have the responsibility: (i) to appoint and replace the CEO; (ii) to monitor the CEO's performance; (iii) to approve the CEO's compensation; (iv) to provide advice and counsel in the execution of the CEO's duties; and (v) to the extent feasible, to satisfy itself as to the integrity of the CEO and other executive officers in order to create a culture of integrity throughout the organization;
 - (ii) acting upon the advice of the CEO, and the recommendation of the Compensation Committee, the independent, non-employee members of the Board have the responsibility for approving the appointment and remuneration of all corporate officers; and
 - (iii) the Board has the responsibility for ensuring that plans have been made for management succession for executive management, including appointing, training and monitoring senior management.
- (b) Orientation and Continuing Education. With respect to orientation and continuing education:
- (i) the Board shall ensure that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and energy that the Board expects from its directors); and
 - (ii) the Board shall provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the business of the Company remains current.
- (c) Monitoring and Acting. The Board has the responsibility:
- (i) for monitoring the progress of the Company towards its goals, and to revise and alter its direction through management in light of changing circumstances;

- (ii) for approving dividends by the Company to shareholders of the Company;
 - (iii) for approving financing by the Company;
 - (iv) for the identification of the principal risks of the business of the Company and taking all reasonable steps to ensure the implementation of appropriate systems to manage these risks;
 - (v) for directing management to ensure systems are in place for the implementation and integrity of the internal control and management information systems of the Company; and
 - (vi) for directing management to ensure appropriate disclosure controls and procedures are in place to enable information to be recorded, processed, summarized and reported within the time periods required by law.
- (d) Strategy Determination. The Board has the responsibility:
- (i) to adopt a strategic planning process and approve, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business of the Company;
 - (ii) to review with management the mission of the business, as well as objectives and goals, and the strategy by which it proposes to reach those goals; and
 - (iii) to review progress in respect to the achievement of the goals established in the strategic plans.
- (e) Policies and Procedures. The Board has the responsibility:
- (i) to approve and monitor compliance with all significant policies and procedures by which the Company is operated; and
 - (ii) to direct management to implement systems which are designed to ensure that the Company operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.
- (f) Compliance Reporting and Corporate Communications. The Board has the responsibility:
- (i) to ensure that the financial performance of the Company is adequately reported to shareholders and other security holders in order that the Company can meet its responsibilities to report the financial performance to shareholders of the Company and regulators on a timely and regular basis;
 - (ii) to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;
 - (iii) to ensure that the Company has appropriate disclosure controls and procedures that enable information to be recorded, processed, summarized and reported within the time periods required by law;
 - (iv) to ensure the timely reporting of any developments that are required to be disclosed by applicable law;

- (v) to provide information to enable the Company to report annually to shareholders of the Company on the stewardship of the directors of the Company for the preceding year; and
- (vi) to assist the directors of the Company to enable it to communicate effectively with shareholders of the Company, stakeholders and the public generally.
- (g) General Legal Obligations of the Board of Directors. With respect to the general legal obligations of the Board:
 - (i) The Board is responsible for directing management to ensure that legal requirements have been met, and that documents and records have been properly prepared, approved and maintained.
 - (ii) The *Business Corporations Act* (British Columbia) identifies the following, among other things, as legal requirements for the Board and individual directors:
 - (A) to manage the affairs and business of the Company including the relationships with the direct and indirect subsidiaries of the Company, their members or security holders, directors and officers;
 - (B) to act honestly and in good faith with a view to the best interests of the Company;
 - (C) to exercise the care, diligence and skill of a reasonably prudent person; and
 - (D) in particular, the following matters must be considered by the Board as a whole:
 - (1) to submit to the shareholders of the Company any question or matter requiring the approval of the shareholders;
 - (2) to fill a vacancy among the directors or in the office of the auditor of the Company;
 - (3) to issue securities except in the manner and on the terms authorized by the directors;
 - (4) to declare dividends by the Company;
 - (5) to purchase, redeem or otherwise acquire shares issued by the Company;
 - (6) to pay a commission to any person in consideration of that person purchasing or agreeing to purchase shares or other securities of the Company or procuring or agreeing to procure purchasers for any such shares or other securities of the Company;
 - (7) to approve a management proxy circular;
 - (8) to approve a take-over bid circular or directors' circular;

- (9) to approve any financial statements; and
- (10) to adopt, amend or repeal Articles of the Company.

B. TERMS OF REFERENCE FOR A DIRECTOR

1. Goals and Objectives

As a member of the Board, each of the directors shall:

- (a) fulfil the legal requirements and obligations of a director which includes a comprehensive understanding of the statutory and fiduciary roles;
- (b) represent the interests of all shareholders of the Company in the governance of the Company ensuring that the best interests of the Company are paramount; and
- (c) participate in the review and approval of the Company's policies and strategy and in monitoring their implementation.

2. Duties and Responsibilities

- (a) Board Activity. As a member of the Board, each director shall:
 - (i) exercise good judgment and act with integrity;
 - (ii) use his or her abilities, experience and influence constructively;
 - (iii) be an available resource to management and the Board;
 - (iv) respect confidentiality;
 - (v) advise the CEO and/or Chair when introducing significant and/or previously unknown information or material at a Board meeting;
 - (vi) understand the difference between governing and managing, and not encroach on management's area of responsibility;
 - (vii) identify potential conflict areas - real or perceived - and ensure they are appropriately identified and reviewed;
 - (viii) when appropriate, communicate with the Chair and CEO between meetings;
 - (ix) demonstrate a willingness and availability for one on one consultation with the Chair and CEO;
 - (x) evaluate the performance of the CEO and the Company; and
 - (xi) assist the Company in meeting the long-term objectives of the Company.
- (b) Preparation and Attendance. To enhance the effectiveness of Board and committee meetings, each director shall:

- (i) prepare for Board and committee meetings by reading reports and background materials prepared for each meeting;
 - (ii) maintain an excellent Board and committee meeting attendance record;
 - (iii) attend the annual shareholders meeting either in-person or remotely;
 - (iv) have acquired adequate information necessary for decision making.
- (c) Communication. Communication is fundamental to Board effectiveness and therefore each Board member shall:
- (i) participate fully and frankly in the deliberations and discussions of the Board;
 - (ii) encourage free and open discussion of the affairs of the Company by the Board and its members;
 - (iii) ask probing questions, in an appropriate manner and at proper times; and
 - (iv) focus inquiries on issues related to strategy, policy, implementation and results rather than issues relating to the day to day management of the Company.
- (d) Independence. Recognizing that the cohesiveness of the Board is an important element in its effectiveness, each director shall:
- (i) be a positive force with a demonstrated interest in the long-term success of the Company; and
 - (ii) speak and act independently.
- (e) Board Interaction. As a member of the Board, each director shall strive to establish an effective, independent and respected presence and a collegial relationship with other Board members.
- (f) Committee Work. In order to assist Board committees in being effective and productive, each director shall:
- (i) participate on committees and become knowledgeable with the purpose and goals of the committee; and
 - (ii) understand the process of committee work, and the role of management and staff supporting the committee.
- (g) Business, Corporate and Industry Knowledge. Recognizing that decisions can only be made by well-informed Board members, each director shall:
- (i) become generally knowledgeable of the Company's research and development, products, services and industry in which it operates;
 - (ii) develop an understanding of the unique role of the Company within its various communities;

- (iii) maintain an understanding of the regulatory, legislative, business, social and political environments within which the Company operates;
- (iv) become acquainted with the officers of the Company;
- (v) remain knowledgeable about the Company's facilities and visit them when appropriate; and
- (vi) be an effective ambassador and representative of the Company.

C. ADMINISTRATIVE GUIDELINES FOR THE BOARD OF DIRECTORS

1. The Board assumes the responsibility for the stewardship of the business of the Company. While, in law, the Board is called upon to manage the business, this is done by proxy through the CEO who is charged with the day-to-day leadership and management of the business of the Company.
2. The Board has the authority and obligation to protect and enhance the assets of the Company in the interest of all shareholders. Although directors are elected to bring special expertise or a point of view to Board's deliberations, the best interests of the business of the Company must be paramount at all times.
3. Terms of reference for the Board, the Chair, committees and the CEO are annually reviewed by the Nominating and Governance Committee, or other committee where applicable, and any changes are recommended to the Board for approval.
4. Every year the Board reviews and approves a long-range strategic plan and one-year operating and capital plans for the business of the Company.
5. The Board has concluded that the appropriate size for the Board is five members.
6. All directors stand for election every year.
7. The Board does not believe that directors who retire from or otherwise change their current position responsibilities should necessarily retire from the Board. There should, however, be an opportunity for the Board, through the Nominating and Governance Committee, to review the appropriateness of continued Board membership.
8. The Board believes there should be a majority of independent directors on the Board.
9. The Board currently supports the concept of the separation of the role of Chair from that of the CEO. The Board is able to function independently of management when necessary and the Chair's role is to effectively manage and provide leadership to the Board and to interface with the CEO.
10. The Board will evaluate the performance of the CEO at least annually. The evaluation will be based on criteria that include the performance of the business of the Company, the accomplishment of long-term strategic objectives and other non-quantitative objectives established at the beginning of each year.
11. The Chair of the Board, with the assistance of the CEO, will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda.
12. The Board will meet at least four times per year and schedule meetings reasonably in advance.

13. Materials will be delivered at least three days in advance of meetings for items to be acted upon. Presentations on specific subjects at director and Board meetings will only briefly summarize the material sent to directors so that discussion can be focused on issues relevant to the material.
14. The Board encourages the CEO to bring employees into Board meetings who can provide additional insight into the items being discussed because of personal involvement in these areas, and/or employees whom represent future potential who the CEO wishes to bring to the attention of the Board.
15. The Board is responsible, in fact as well as in procedure, for selecting candidates as directors or for Board membership. The Board delegates the screening process to the Nominating and Governance Committee.
16. The Nominating and Governance Committee will annually assess the effectiveness of the Board and its committees.
17. Committees established by the Board analyze in-depth policies and strategies, usually developed by management, which are consistent with their terms of reference. They examine proposals and where appropriate make recommendations to the full Board. Committees do not take action or make decisions on behalf of the Board unless specifically mandated to do so.
18. From time to time the Board may create ad hoc committees to examine specific issues on behalf of the Board.
19. Committee members and committee chairs are appointed by the directors and the Board respectively, and where possible, consideration is given to having directors rotate their committee assignments.
20. Committees annually review their terms of reference and changes are recommended to the Board through the Nominating and Governance Committee for approval.
21. Succession and management development plans will be reviewed by the Compensation Committee and reported annually by the CEO to the Board.
22. The Board ensures new directors are appropriately introduced to the Company and the industry of the Company and that directors receive the necessary ongoing industry training and development.
23. The Board shall regularly meet in executive session without management present, as required by Rule 5605(b)(2) of the Nasdaq listing standards.
24. The Board and committees may engage separate independent counsel and/or advisors at the expense of the Company. An individual director may engage separate independent counsel and/or advisors at the expense of the Company in appropriate circumstances with the approval of the Chair.
25. The Board may annually develop a calendar of activities or forward agenda to be undertaken by the Board for each ensuing year and review and approve same following each annual general meeting of shareholders.
26. These Administrative Guidelines are reviewed and approved annually by the Board.

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

SCHEDULE C

INMED PHARMACEUTICALS INC. AMENDED 2017 STOCK OPTION PLAN

See attached.



**INMED PHARMACEUTICALS INC.
AMENDED 2017 STOCK OPTION PLAN**

INMED PHARMACEUTICALS INC.

INMED PHARMACEUTICALS INC. AMENDED 2017 STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

1.1 Purpose of this Plan. The purpose of this Plan is to promote the interests of the Company by:

- (a) furnishing certain directors, officers, employees or consultants of the Company or any Affiliate or other persons as the Compensation Committee may approve with greater incentive to further develop and promote the business and financial success of the Company;
- (b) furthering the identity of interests of persons to whom Options may be granted with those of the shareholders of the Company generally through share ownership in the Company; and
- (c) assisting the Company in attracting, retaining and motivating its directors, officers, employees and consultants.

The Company believes that these purposes may best be effected by granting of Options to Eligible Participants.

2. DEFINITIONS

2.1 Definitions. In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) **“Affiliate”** means, in relation to the Company, an affiliate company as defined in the Securities Act;
- (b) **“Associate”** means an associate as defined in the Securities Act;
- (c) **“Blackout Period”** means: (i) to the extent that the Company has in place an insider trading policy or any similar policy, such period of time during which trading in securities of the Company by officers, directors and employees of the Company is prohibited by such policy; (ii) such period or periods, as may be determined from time to time by the Board of Directors or chief executive officer of the Company, during which the officers, directors and employees of the Company are prohibited from trading in securities of the Company due to management or the Board of Directors having knowledge of material undisclosed information with respect the Company or its operations or assets; (iii) the exercise of the Option is prohibited by applicable law and (iv) shares may not be purchased or sold by certain employees or directors of the Company due to a

“lock-up” agreement undertaken in connection with an issuance of securities by the Company;

- (d) **“Board of Directors”** means the board of directors of the Company as constituted from time to time;
- (e) **“Change in Control”** means:
 - (i) any merger or consolidation in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction and the composition of the Board of Directors following such transaction is such that the directors of the Company prior to the transaction constitute less than fifty percent (50%) of the Board of Directors membership following the transaction;
 - (ii) any acquisition, directly or indirectly, by a person or related group of persons (other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities;
 - (iii) any acquisition, directly or indirectly, by a person or related group of persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company;
 - (iv) any sale, transfer or other disposition of all or substantially all of the assets of the Company to a non-Affiliate; and
 - (v) a complete liquidation or dissolution of the Company;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results solely from the issuance, in connection with a *bona fide* financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;

- (f) **“Common Shares”** means the common shares in the capital of the Company as constituted on the Effective Date, provided that if the rights of any Participant are subsequently adjusted pursuant to Article 16 hereof, “Common Shares” thereafter means the shares or other securities or property which such Participant is entitled to purchase after giving effect to such adjustment;

- (g) **“Compensation Committee”** has the meaning ascribed thereto in Section 5.1 of this Plan;
- (h) **“Company”** means InMed Pharmaceuticals Inc.;
- (i) **“Consultant”** means any individual, corporation or other person engaged, from time to time, to provide valuable services to the Company or an Affiliate;
- (j) **“Director”** shall mean a member of the Board of Directors.
- (k) **“Effective Date”** has the meaning ascribed thereto by Section 3.1 of this Plan;
- (l) **“Eligible Person”** means a director, officer, employee or Consultant of the Company or an Affiliate or a person otherwise approved by the Compensation Committee;
- (m) **“Exercise Price”** means the price per Common Share at which a Participant may purchase Common Shares pursuant to an Option, provided that if such price is adjusted pursuant to Section 16.1 hereof, “Exercise Price” thereafter means the price per Common Share at which such Participant may purchase Common Shares pursuant to such Option after giving effect to such adjustment;
- (n) **“Fair Market Value”** as it relates to Common Shares means:
 - (i) where the Common Shares are listed for trading on a Stock Exchange, the closing price of the Common Shares on such Stock Exchange as determined by the Compensation Committee, for the Trading Session on the day prior to the relevant time as it relates to an Option; or
 - (ii) where the Common Shares are not publicly traded, the value which is determined by the Compensation Committee to be the fair value of the Common Shares at the relevant time as it relates to an Option, taking into consideration all factors that the Compensation Committee deems appropriate, including, without limitation, recent sale and offer prices of the Common Shares in private transactions negotiated at arm’s length;
- (o) **“Insider”** means:
 - (i) an insider as defined in the Securities Act; and
 - (ii) an Associate or Affiliate of any person who is an insider;
- (p) **“Legacy Options”** has the meaning ascribed thereto by Section 3.2 of this Plan;
- (q) **“Legal Representative”** has the meaning ascribed thereto by Section 10.1 of this Plan;
- (r) **“Merger and Acquisition Transaction”** means:

- (i) any merger;
- (ii) any acquisition;
- (iii) any amalgamation;
- (iv) any offer for shares of the Company which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
- (v) any arrangement or other scheme of reorganization;

that results in a Change in Control;

- (s) **“Non Blackout Trading Day”** means a day on which (i) a Trading Session occurs, and (ii) no Blackout Period is in place;
- (t) **“Options”** means stock options granted hereunder to purchase Common Shares from treasury pursuant to the terms and conditions hereof and as evidenced by an Option Agreement and **“Option”** means any one of them;
- (u) **“Option Agreement”** means an agreement evidencing an Option, entered into by and between the Company and an Eligible Person;
- (v) **“Outstanding Common Shares”** at the time of any share issuance or grant of Options means the number of Common Shares that are outstanding immediately prior to the share issuance or grant of Options in question, on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange;
- (w) **“Participant”** means a person to whom an Option has been granted under this Plan;
- (x) **“Plan”** means this InMed Pharmaceuticals Inc. 2017 Stock Option Plan, as the same may from time to time be supplemented or amended and in effect;
- (y) **“Securities Act”** means the *Securities Act*, R.S.B.C. 1996, c.418, as amended from time to time;
- (z) **“Stock Exchange”** means such stock exchange or other organized market on which the Common Shares are listed or posted for trading;
- (aa) **“Trading Session”** means a trading session on a day which the applicable Stock Exchange is open for trading;

3. EFFECTIVE DATE OF PLAN AND APPLICATION

3.1 Effective Date of this Plan. The effective date (the **“Effective Date”**) of this Plan is March 24, 2017, the date on which this Plan was adopted by the shareholders of the Company.

3.2 Application of this Plan. This Plan applies to all Options granted under this Plan on or after the Effective Date and all stock options of the Company that are outstanding as of the Effective Date (the “**Legacy Options**”) notwithstanding that such Options were issued under a predecessor stock option plan of the Company. The term “Option” in this Plan shall be read to include all Legacy Options.

4. COMMON SHARES SUBJECT TO PLAN

4.1 Common Shares Subject to this Plan. Subject to adjustment as provided in Article 16 and the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange, the total number of Common Shares issuable from treasury by the Company pursuant to the Plan and all other securities-based compensation arrangements of the Company (including, for greater certainty, any Common Shares issuable upon the exercise of any Legacy Options) shall not exceed 20% of the issued and Outstanding Common Shares on a rolling basis. The number of Common Shares in respect of which Options may be granted pursuant to this Plan may be increased, decreased or fixed by the Board of Directors, as permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange.

4.2 Computation of Available Shares. For the purposes of computing the number of Common Shares available for grant under this Plan, Common Shares subject to any Option (or any portion thereof) that have expired or are forfeited, surrendered, cancelled or otherwise terminated prior to the issuance or transfer of such Common Shares and Common Shares subject to an Option (or any portion thereof) that is settled in cash in lieu of settlement in Common Shares shall again be available for grant under this Plan. Notwithstanding the foregoing, any Common Shares subject to an Option that are withheld or otherwise not issued (upon an exercise of any Option) in order to satisfy the Participant’s withholding obligations or in payment of any Option Exercise Price shall reduce the number of Common Shares available for grant under the limitations set forth in this Article 4.

4.3 Reservation of Shares. The Board of Directors will reserve for allotment from time to time out of the authorized but unissued Common Shares sufficient Common Shares to provide for issuance of all Common Shares which are issuable under all outstanding Options.

4.4 No Fractional Shares. No fractional Common Shares may be purchased or issued under this Plan.

5. ADMINISTRATION OF PLAN

5.1 Administration of Plan. The Board of Directors may at any time appoint a committee (the “**Compensation Committee**”) to, among other things, interpret, administer and implement this Plan on behalf of the Board of Directors in accordance with such terms and conditions as the Board of Directors may prescribe, consistent with this Plan (provided that if at any such time such a committee has not been appointed by the Board of Directors or the Board of Directors otherwise determines, this Plan will be administered by the Board of Directors, and in such event references herein to the Compensation Committee shall be construed to be a reference to the Board of Directors). The Board of Directors will take such steps which in its

opinion are required to ensure that the Compensation Committee has the necessary authority to fulfil its functions under this Plan.

5.2 Option Agreements. Each Option will be evidenced by an Option Agreement which incorporates such terms and conditions as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of this Plan (and the execution and delivery by the Company of an Option Agreement with a Participant shall be conclusive evidence that such Option Agreement incorporates terms and conditions approved by the Compensation Committee and is consistent with the provisions of this Plan). Each Option Agreement will be executed by the Participant to whom the Option is granted and on behalf of the Company by any member of the Compensation Committee or any officer of the Company or such other person as the Compensation Committee may designate for such purpose.

5.3 Powers of Compensation Committee. The Compensation Committee is authorized, subject to the provisions of this Plan, to establish from time to time such rules and regulations, make such determinations and to take such steps in connection with this Plan as in the opinion of the Compensation Committee are necessary or desirable for the proper administration of this Plan. For greater certainty, without limiting the generality of the foregoing, the Compensation Committee will have the power, where consistent with the general purpose and intent of this Plan and subject to the specific provisions of this Plan and any approval of the Stock Exchange, if applicable:

- (a) to interpret and construe this Plan and any Option Agreement and to determine all questions arising out of this Plan and any Option Agreement, and any such interpretation, construction or determination made by the Compensation Committee will be final, binding and conclusive for all purposes;
- (b) to determine to which Eligible Persons Options are granted, and to grant Options;
- (c) to determine the number of Common Shares issuable pursuant to each Option;
- (d) to determine the Exercise Price for each Option;
- (e) to determine the time or times when Options will be granted, vest and be exercisable, as applicable;
- (f) to determine the vesting terms of Options, which may be based upon the passage of time, continued employment or service, on the basis of corporate or personal performance objectives, or any combination of the foregoing as determined by the Compensation Committee;
- (g) to determine any acceleration of vesting;
- (h) to determine if the Common Shares that are subject to an Option will be subject to any restrictions or repurchase rights upon the exercise or settlement of such Option including, where applicable, the endorsement of a legend on any certificate representing Common Shares acquired on the exercise or settlement of any Option to the effect that such Common Shares may not be offered, sold or

delivered except in compliance with the applicable securities laws and regulations of Canada, the United States or any other country and if any rights or restrictions exist they will be described in the applicable Option Agreement;

- (i) to determine the expiration date for each Option and to extend the period of time for which any Option is to remain exercisable or may be settled in appropriate circumstances, including, without limitation, in the event of the Participant's cessation of employment or service, subject to compliance with Section 8.1(a) and Article 14 of this Plan;
- (j) to prescribe the form of the instruments relating to the grant, exercise, or settlement, as applicable, and other terms of Options;
- (k) to enter into an Option Agreement evidencing each Option which will incorporate such terms as the Compensation Committee in its discretion deems consistent with this Plan;
- (l) to take such steps and require such documentation from Eligible Persons which in its opinion are necessary or desirable to ensure compliance with the rules and regulations of the Stock Exchange and all applicable laws;
- (m) to adopt such modifications, procedures and subplans as may be necessary or desirable to comply with the provisions of the laws of Canada, the United States and other countries in which the Company or its Affiliates may operate to ensure the viability and maximization of the benefits from the Options granted to Participants residing in such countries and to meet the objectives of this Plan; and
- (n) to determine such other matters as provided for herein.

6. GRANT OF OPTIONS

Subject to the rules set out below, the Compensation Committee or the Board of Directors (or in the case of any proposed Participant who is a member of the Compensation Committee, the Board of Directors) may from time to time grant to any Eligible Person one or more Options as the Compensation Committee or the Board of Directors deems appropriate.

6.1 Date Option Granted. The date on which an Option will be deemed to have been granted under this Plan will be the date on which the Compensation Committee or the Board of Directors, as applicable, authorizes the grant of such Option or such other date as may be specified by the Compensation Committee or the Board of Directors, as applicable, at the time of such authorization.

6.2 Number of Common Shares/Maximum Grant. Subject to the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange, and Article 4 of this Plan, the number of Common Shares that may be purchased under any Option will be determined by the Compensation Committee.

6.3 Exercise Price. The Exercise Price per Common Share under each Option will be determined by the Compensation Committee, in its sole discretion, but will in no event be less than the Fair Market Value of the date of the grant.

6.4 Vesting Terms. Subject to Sections 8.3 and 16.3 of this Plan, Options shall become vested at such times, in such instalments, and subject to such terms and conditions as may be determined by the Compensation Committee and set forth in the applicable Option Agreement.

7. EXERCISE OF OPTIONS

7.1 Exercise of Options. Subject to the terms and conditions of this Plan, the Compensation Committee may impose such limitations or conditions on the exercise or vesting of any Option as the Compensation Committee in its discretion deems appropriate, including limiting the number of Common Shares for which any Option may be exercised during any period as may be specified by the Compensation Committee and which number of Common Shares for which such Option may be exercised in any period will be specified in the Option Agreement with respect to such Option. Each Option Agreement will provide that the Option granted thereunder may be exercised only by notice signed by the Participant or the Legal Representative of the Participant and accompanied by full payment for the Common Shares being purchased. Such consideration may be paid in any combination of the following:

- (a) cash, bank draft or certified cheque; or
- (b) such other consideration as the Compensation Committee may permit consistent with applicable laws.

As soon as practicable after any exercise of an Option, a certificate or certificates representing the Common Shares in respect of which such Option is exercised will be delivered by the Company to the Participant.

7.2 Net Exercises. Notwithstanding Section 7.1, the Compensation Committee may, in its discretion, permit an Option to be exercised by delivering to the Participant a number Common Shares having an aggregate Fair Market Value (determined as of the date of exercise) equal to the excess, if positive, of the Fair Market Value of the Common Shares underlying the Options being exercised on the date of exercise, over the exercise price of the Option for such Common Shares.

7.3 Conditions. Notwithstanding any of the provisions contained in this Plan or in any Option Agreement, the Company's obligation to issue Common Shares to a Participant pursuant to the exercise of an Option will be subject to, if applicable:

- (a) completion of such registration or other qualification of such Common Shares or obtaining approval of such governmental authority as the Company will determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;

- (b) the admission of such Common Shares to listing or quotation on the Stock Exchange; and
- (c) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Common Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

8. TERM OF OPTIONS

8.1 Term of Options. Unless otherwise determined by the Compensation Committee, each Option granted pursuant to this Plan will, subject to the provisions of this Plan, expire automatically on the earlier of:

- (a) the date determined by the Compensation Committee and specified in the Option Agreement pursuant to which such Option is granted, provided that such date may not be, subject to Article 14 later than the earlier of (A) the date which is the tenth anniversary of the date on which such Option is granted, and (B) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange;
- (b) in the event the Participant ceases to be an Eligible Person for any reason, other than the death of the Participant or the termination of the Participant for cause, such period of time after the date on which the Participant ceases to be an Eligible Person as may be specified by the Compensation Committee or as specified in an agreement among the Participant and the Company, and in the absence of such specification or agreement, will be deemed to be the date that is three months following the date on which the Company provides notice in writing to the Participant that the Participant has ceased to be an Eligible Person;
- (c) in the event of the termination of the Participant as a director, officer, employee or Consultant of the Company or an Affiliate for cause, the date of such termination;
- (d) in the event of the death of a Participant prior to: (A) the Participant ceasing to be an Eligible Person; or (B) the date which is the number of days specified by the Compensation Committee pursuant to subparagraph (b) above from the date on which the Participant ceased to be an Eligible Person; the date which is one year after the date of death of such Participant or such other date as may be specified by the Compensation Committee and which period will be specified in the Option Agreement with the Participant with respect to such Option; and
- (e) notwithstanding the foregoing provisions of subparagraphs (b), (c) and (d) of this Section 8.1, the Compensation Committee may, subject Article 15 and to regulatory approval, at any time prior to expiry of an Option extend the period of time within which an Option may be exercised by a Participant who has ceased to be an Eligible Person, but such an extension shall not be granted beyond the original expiry date of the Option as provided for in subparagraph (a) above.

8.2 Options Cease to Vest. Notwithstanding the foregoing, except as expressly permitted by the Compensation Committee, all Options will cease to vest as at the date upon which the Participant ceases to be an Eligible Person.

8.3 Accelerated Vesting of Options on Death. In the event of the death of the Participant prior to the Participant ceasing to be an Eligible Person, the Compensation Committee may exercise its discretion to provide for the immediate vesting of all, or a portion of, the then unvested Options of such Participant.

8.4 Termination of a Participant for Cause. Notwithstanding any other provision hereof or in any Option Agreement, in the case of a Participant's termination for cause, any and all then outstanding Options granted to the Participant, whether or not vested, shall be immediately forfeited and cancelled, without any consideration therefore, and any and all rights of such Participant with respect to and arising from this Plan or any Option Agreement shall terminate, as of the commencement of the date that notice of such termination is given, without regard to any period of reasonable notice or any salary continuance, unless otherwise determined by the Compensation Committee.

9. CHANGE IN STATUS

9.1 A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the Option was granted to such Participant will not result in the termination of the Option granted to such Participant provided that such Participant remains a director, officer, employee or Consultant of the Company or an Affiliate.

10. NON-TRANSFERABILITY OF OPTIONS

10.1 Each Option Agreement will provide that the Options granted thereunder are not transferable or assignable and may be exercised or settled, as the case may be, only by the Participant or, in the event of the death of the Participant or the appointment of a committee or duly appointed attorney of the Participant or of the estate of the Participant on the grounds that the Participant is incapable, by reason of physical or mental infirmity, of managing their affairs, the Participant's legal representative or such committee or attorney, as the case may be (the "**Legal Representative**").

11. REPRESENTATIONS AND COVENANTS OF PARTICIPANTS

11.1 Each Option Agreement will contain representations and covenants of the Participant that:

- (a) the Participant is a director, officer, employee, or Consultant of the Company or an Affiliate or a person otherwise approved as an "Eligible Person" under this Plan by the Compensation Committee;
- (b) the Participant has not been induced to enter into such Option Agreement by the expectation of employment or continued employment with the Company or an Affiliate;

- (c) the Participant is aware that the grant of the Options and the issuance by the Company of Common Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Options or the Common Shares to be distributed thereunder under any applicable securities laws;
- (d) upon each exercise or settlement of an Option, the Participant, or the Legal Representative of the Participant, as the case may be, will, if requested by the Company, represent and agree in writing that the person is, or the Participant was, a director, officer, employee or Consultant of the Company or an Affiliate or a person otherwise approved as an “Eligible Person” under this Plan by the Compensation Committee and has not been induced to purchase the Common Shares by expectation of employment or continued employment with the Company or an Affiliate, and that such person is not aware of any commission or other remuneration having been paid or given to others in respect of the trade in the Common Shares; and
- (e) if the Participant or the Legal Representative of the Participant exercises or settles the Option, the Participant or the Legal Representative, as the case may be, will prior to and upon any sale or disposition of any Common Shares received pursuant to the exercise or settlement of the Option, comply with all applicable securities laws and all applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange, and will not offer, sell or deliver any of such Common Shares, directly or indirectly, in the United States or to any citizen or resident of, or any corporation, partnership or other entity created or organized in or under the laws of, the United States, or any estate or trust the income of which is subject to United States federal income taxation regardless of its source, except in compliance with the securities laws of the United States.

12. PROVISIONS RELATED TO SHARE ISSUANCES

12.1 Each Option Agreement will contain such provisions as in the opinion of the Compensation Committee are required to ensure that no Common Shares are issued on the exercise or settlement of an Option unless the Compensation Committee is satisfied that the issuance of such Common Shares will be exempt from all registration or qualification requirements of applicable securities laws and will be permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange. In particular, if required by any regulatory authority to which the Company is subject, including the Stock Exchange, an Option Agreement may provide that shareholder approval to the grant of an Option must be obtained prior to the exercise or settlement of the Option or to the amendment of the Option Agreement.

13. WITHHOLDING TAX

13.1 The Participant will be solely responsible for paying any applicable withholding taxes arising from the grant, vesting, exercise or settlement of any Option and payment is to be

made in a manner satisfactory to the Company. Notwithstanding the foregoing, the Company will have the right to withhold from any Option or any Common Shares issuable pursuant to an Option or from any cash amounts otherwise due or to become due from the Company to the Participant, an amount equal to any such taxes.

14. EXERCISE AND SETTLEMENT OF OPTIONS DURING BLACKOUT PERIODS

14.1 Adjustment for Exercise of Options during Blackout Periods. Where the expiry date of an Option occurs during a Blackout Period or within twenty Non-Blackout Trading Days following the end of a Blackout Period, the expiry date for such Option shall be the date which is twenty Non-Blackout Trading Days following the end of such Blackout Period.

15. SUSPENSION, AMENDMENT OR TERMINATION OF PLAN

15.1 Suspension, Amendment or Termination of Plan. The Compensation Committee will have the right at any time to suspend, amend or terminate this Plan and, subject to Section 15.2, may:

- (a) with approval of shareholders of the Company by ordinary resolution make any amendment to any Option Agreement or the Plan; and
- (b) without approval of shareholders of the Company make the following amendments to any Option Agreement or the Plan:
 - (i) amendments of a clerical nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
 - (ii) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the Stock Exchange;
 - (iii) subject to the terms and conditions of the Plan, amendments to vesting provisions of Option Agreements;
 - (iv) extend the term of Options held by non-Insiders of the Company;
 - (v) reduce the Exercise Price per Common Share under any Option held by non-Insiders of the Company or replace such Option with a lower Exercise Price per Common Share under such replacement Option; and
 - (vi) amendments which provide cashless exercise features to an Option that require the full deduction of the number of underlying Common Shares from the total number of Common Shares subject to the Plan.

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the Company is subject shall be complied with and obtained in connection with any such suspension, termination or amendment to the Plan or amendments to any Option Agreement.

15.2 Limitations. In exercising its rights pursuant to Section 15.1, the Compensation Committee will not have the right to:

- (a) make any amendment to any Option Agreement or the Plan which requires the approval of the shareholders of the Company under the applicable rules and regulations of the regulatory authorities to which the Company is subject, including the Stock Exchange, without first obtaining such required shareholder approval except as permitted pursuant to Article 16;
- (b) affect in a manner that is adverse or prejudicial to, or that impairs, the benefits and rights of any Participant under any Option previously granted under this Plan (except as permitted pursuant to Article 16 and except for the purpose of complying with applicable securities laws or the bylaws, rules and regulations of any regulatory authority to which the Company is subject, including the Stock Exchange);
- (c) decrease the number of Common Shares which may be purchased pursuant to any Option (except as permitted pursuant to Article 16) without the consent of such Participant;
- (d) set the Exercise Price of any Option below the Fair Market Value of such Option on the date of grant;
- (e) increase the Exercise Price at which Common Shares may be purchased pursuant to any Option (except as permitted pursuant to Article 16) without the consent of such Participant;
- (f) extend the term of any Option beyond a period of ten years or the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange; or
- (g) grant any Option if this Plan is suspended or has been terminated.

15.3 Powers of Compensation Committee Survive Termination. The full powers of the Compensation Committee as provided for in this Plan will survive the termination of this Plan until all Options have been exercised or settled in full or have otherwise expired.

16. ADJUSTMENTS

16.1 Adjustments. Appropriate adjustments in the number of Common Shares subject to this Plan, as regards Options granted or to be granted, in the Option Exercise Price of an Option, in the number of Common Shares to be issued or cash payments to be made in respect of the settlement of any Option, or any other matter will be conclusively determined by the Compensation Committee to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations, substitutions, or reclassifications of the Common Shares, the payment of stock dividends by the Company (other than dividends in the ordinary course) or other relevant changes in the capital of the Company or from a proposed merger, amalgamation or other corporate arrangement or reorganization involving the exchange or

replacement of Common Shares of the Company for those in another corporation. Any dispute that arises at any time with respect to any such adjustment will be conclusively determined by the Compensation Committee, and any such determination will be binding on the Company, the Participant and all other affected parties.

16.2 Merger and Acquisition Transaction. In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction, the Compensation Committee, at its option, may do any of the following:

- (a) the Compensation Committee may, in a fair and equitable manner, determine the manner in which all unexercised Options or unsettled Options granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the exercise or settlement of Options by the Participants, the time for the fulfilment of any conditions or restrictions on such exercise or settlement, and the time for the expiry of such rights; or
- (b) the Compensation Committee or any corporation which is or would be the successor to the Company or which may issue securities in exchange for Common Shares upon the Merger and Acquisition Transaction becoming effective may offer any Participant the opportunity to obtain a new or replacement awards over any securities into which the Common Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Common Shares under Option, including Exercise Price, as applicable (and otherwise substantially upon the terms of the Option being replaced, or upon terms no less favourable to the Participant) including, without limitation, the periods during which the Option may be exercised or settled and expiry dates of such Options; and in such event, the Participant shall, if he accepts such offer, be deemed to have released his Option over the Common Shares and such Option shall be deemed to have lapsed and be cancelled; or
- (c) the Compensation Committee may commute for or into any other security or any other property or cash, any Option that is still capable of being exercised or settled, upon giving to the Participant to whom such Option has been granted at least 30 days written notice of its intention to commute such Option, and during such period of notice, the Option, to the extent it has not been exercised or settled, may be exercised or settled by the Participant without regard to any vesting conditions attached thereto; and on the expiry of such period of notice, the unexercised or unsettled portion of the Option shall lapse and be cancelled.

Section 16.1 and subsections (a), (b) and (c) of this Section 16.2 are intended to be permissive and may be utilized independently or successively in combination or otherwise, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Options in any other manner. All determinations by the Compensation Committee under this Section will be final, binding and conclusive for all purposes.

16.3 Accelerated Vesting on Change in Control. Notwithstanding any other provision hereof, all outstanding Options (including, for greater certainty, any outstanding

Legacy Options) shall become immediately vested and exercisable upon: (i) the Company entering into a definitive agreement with respect to a Merger and Acquisition Transaction; or (ii) a Change in Control of the Company. For greater clarity, any Options that become vested in the circumstances contemplated by this Section 16.3 may only be exercised on a Non Blackout Trading Day.

16.4 Limitations. The grant of Options under this Plan will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

16.5 No Fractional Shares. No adjustment or substitution provided for in this Article 16 will require the Company to issue a fractional share in respect of any Option and the total substitution or adjustment with respect to each Option will be limited accordingly.

17. GENERAL

17.1 No Rights as Shareholder. Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a shareholder of the Company with respect to any Common Shares reserved for the purpose of any Option.

17.2 No Effect on Employment. Nothing in this Plan or any Option Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Company or an Affiliate or affect in any way the right of the Company or any such Affiliate to terminate his or her employment at any time or terminate his or her consulting contract; nor will anything in this Plan or any Option Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any such Affiliate to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or an Affiliate or any present or future retirement policy of the Company or an Affiliate, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Company or an Affiliate. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of the Plan.

17.3 No Fettering of Directors' Discretion. Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board of Directors in connection with any allotment and issuance of Common Shares which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.

17.4 Applicable Law. The Plan and any Option Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

17.5 Interpretation. References herein to any gender include all genders and to the plural includes the singular and vice versa. The insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan.

17.6 Reference. This Plan may be referred to as the “InMed Pharmaceuticals Inc. 2017 Stock Option Plan”.