

HLS Therapeutics®

HLS THERAPEUTICS INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 26, 2026
AND
MANAGEMENT INFORMATION CIRCULAR

Dated: May 21, 2026

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HLS Therapeutics®

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of HLS Therapeutics Inc. (the "**Company**") is scheduled to be held on June 26, 2026 at 10:00 a.m. (Toronto time) in a virtual format via live webcast available online using https://meetnow.global/M52QDVG for the following purposes:

(a) to receive the audited consolidated financial statements of the Company as at and for the year ended December 31, 2025 together with the auditor's report thereon;

(b) to elect directors of the Company for the ensuing year;

(c) to reappoint the auditor of the Company for the ensuing year and authorize the directors of the Company to fix such auditor's remuneration;

(d) to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve a new long-term incentive plan for the Company, the full text of which is set forth in Annex "C" of the accompanying management information circular; and

(e) to transact such other business as may properly be brought before the Meeting or any adjournment(s) thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting. The directors of the Company have fixed May 19, 2026 as the record date for determining those Shareholders entitled to receive notice of and vote at the Meeting.

The Company will be conducting the Meeting in a virtual only format via live audio webcast available online using https://meetnow.global/M52QDVG. Shareholders will have an equal opportunity to participate in the Meeting online regardless of their geographic location. Registered Shareholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting provided they are connected to the internet and comply with all of the requirements set out herein. The Company hopes that hosting a virtual meeting helps enable greater participation by Shareholders by allowing Shareholders that might not otherwise be able to travel to a physical meeting to attend online. It is also a more cost-efficient and environmentally friendly arrangement for the Company and Shareholders. See also the section "*Attending the Meeting*" in the Circular.

Registered Shareholders may attend the Meeting virtually or may be represented by proxy. If you are a registered Shareholder (i.e., your Common Shares are registered in your name), whether or not you plan to attend the Meeting, we encourage you to exercise your right to vote by dating, signing and returning the accompanying form of proxy to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"). To be valid, completed proxy forms must be dated, completed, signed and deposited with Computershare (i) by mail using the enclosed return envelope or one addressed to Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or (ii) by hand delivery to Computershare, 320 Bay Street, 14th Floor, Toronto, ON M5H 4A6. Registered Shareholders may also vote by Telephone at 1-866-732-VOTE (8683) Toll Free or through the internet at www.investorvote.com. In each case, Computershare must receive the proxy form or other instructions by no later than 10:00 a.m. (Toronto time) on June 24, 2026 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Toronto, Ontario) before any adjournment or postponement of the Meeting.

Non-registered Shareholders may attend the Meeting and vote by duly appointing themselves as proxyholder. Non-registered Shareholders that have not duly appointed themselves as proxyholder will be able to attend and listen to the Meeting as guests, but guests will not be able to participate or vote at the Meeting. If you are a non-registered Shareholder and have received these materials from your broker or other intermediary, please complete and return the voting instruction form or other authorization form provided

to you by your broker or other intermediary in accordance with the instructions provided. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting.

A Shareholder that wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including non-registered Shareholders that wish to appoint themselves as proxyholder in order to participate or vote at the Meeting) must carefully follow the instructions in the Circular and on their form of proxy or voting instruction form. These instructions include the additional step of registering such proxyholder with Computershare after submitting the form of proxy or voting instruction form. Failure to register the proxyholder with Computershare will result in the proxyholder not receiving an invite code to participate in the Meeting via e-mail and only being able to attend as a guest.

Dated at Toronto, Ontario, this 21st day of May, 2026.

BY ORDER OF THE BOARD OF DIRECTORS OF HLS THERAPEUTICS INC.

"Ryan C. Lennox"

RYAN C. LENNOX
Corporate Secretary and Senior Vice President, Legal, HR and Compliance

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies for use at the annual meeting (the "Meeting") of the holders (the "Shareholders") of common shares ("Common Shares") of HLS Therapeutics Inc. ("HLS" or the "Company") to be held on June 26, 2026 and any adjournment(s) thereof for the purposes set forth in the Notice of Meeting.

The management of HLS is soliciting the proxies of Shareholders for use at the Meeting. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited by telephone, or other personal contact, by regular employees of the Company, without special compensation. The Company may also engage a third party to provide proxy solicitation services on behalf of management in connection with the solicitation of proxies for the Meeting. The costs of solicitation will be borne by the Company.

The Company presents its consolidated financial statements in United States dollars. In this Circular, all references to "US$" and "$" are to United States dollars and all references to "C$" are to Canadian dollars.

On March 12, 2018, HLS Therapeutics Inc. ("**Former HLS**") and Automodular Corporation ("**AMD**") amalgamated by way of a plan of arrangement (the "**Arrangement**") in accordance with Section 183 of the Business Corporations Act (Ontario). The Arrangement constituted a reverse takeover of AMD by Former HLS under the policies of the TSX Venture Exchange (the "**TSXV**"). On February 7, 2019, HLS graduated to the Toronto Stock Exchange (the "**TSX**") where Common Shares are listed under the symbol HLS. In this Circular, "you" and "your" refer to the Shareholders of HLS. "We", "us", "our", "the Company" and "HLS" each refer to HLS Therapeutics Inc. and/or to Former HLS, as the context requires.

The information contained in this Circular is provided as at May 20, 2026 except where otherwise indicated.

ATTENDING THE MEETING

Virtual Only Format

The Company will be holding the Meeting in a virtual only format which will be conducted via live audio webcast available online using https://meetnow.global/M52QDVG. Attending the Meeting online enables registered Shareholders and duly appointed proxyholders, including non-registered Shareholders that have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time. Registered Shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting. Guests, including non-registered Shareholders that have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below. Guests can listen to the Meeting but are not able to participate or vote.

If you have any difficulties accessing the Meeting, please contact our webcast provider at: Local 888-724-2416 or International +1 781-575-2748.

For more information, please see Computershare's Virtual AGM User Guide, attached hereto as Annex B.

It is recommended that Shareholders and proxyholders submit their questions as soon as possible during the Meeting so they can be addressed at the right time. Questions may be submitted in writing by using the relevant dialog box in the function "Q&A" during the Meeting. Written questions or comments submitted through the dialog box function which relate to a matter to be voted on at the Meeting will be read or summarized by a representative of the Company, after which the Chair of the Meeting or members of management present at the Meeting will respond, before a vote is held on such matter. If several submissions relate to the same or very similar topic, the Company may group the submissions and state that it has received similar submissions. Submissions that do not relate to a matter to be voted on at the Meeting, but that are of general interest to all Shareholders, may be answered in a virtual question and answer session to be held immediately following completion of the Meeting.

In the event of technical malfunction or other significant problem that disrupts the Meeting, the Chair of the Meeting may adjourn, recess or expedite the Meeting, or take such other action as the Chair determines is appropriate considering the circumstances.

A summary of the information Shareholders will need to attend the online Meeting is provided below.

Participation by Registered Shareholders and Duly Appointed Proxyholders

Registered Shareholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting. Attendees can login to the Meeting as follows:

- Go to https://meetnow.global/M52QDVG. It is recommended that you log in at least 15 minutes prior to the start of the Meeting. The latest version of Chrome, Safari, Microsoft Edge or Firefox will be needed.
- Click on "*I have a control number*".
  - Registered shareholders will need to enter the 15-digit control number located on their form of proxy or in the email notification they received.
  - Duly appointed proxyholders will need to enter the Invite Code provided by Computershare by email following the proxy voting deadline (see "*Registering a Proxyholder*" below).

It is important that registered Shareholders and duly appointed proxyholders eligible to vote at the Meeting are and remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is the responsibility of each registered Shareholder and duly appointed proxyholder to ensure connectivity for the duration of the Meeting.

If a registered Shareholder that has submitted a form of proxy attends the Meeting via webcast and proceeds with voting at the Meeting, any and all previously submitted proxies will be revoked. If you are a registered Shareholder and you do not wish to revoke your previously submitted proxies, do not vote at the Meeting.

Participation by Non-Registered Shareholders

Non-registered Shareholders that have not duly appointed themselves as proxyholder to vote at the Meeting but who wish to attend the Meeting virtually will only be able to attend as a guest by going to https://meetnow.global/M52QDVG at least 15 minutes prior to the start of the Meeting, clicking on "Guest" and completing the online form. Such non-registered Shareholders will be able to listen to the Meeting but will not be able to vote or submit questions.

HOW TO VOTE YOUR SHARES

How to Vote if you are a Registered Shareholder

You are a registered Shareholder if your name appears on a share certificate representing your Common Shares or if you are registered as the holder of your Common Shares in book-entry form. In either case, your name will be shown on the list of Shareholders kept by Computershare Investor Services Inc. ("**Computershare**"), the registrar and transfer agent of the Company.

If you are not sure whether you are a registered Shareholder, please contact Computershare at 514-982-7555 or at 1-800-564-6253 (toll free in Canada and the United States) or by e-mail at service@computershare.com.

Voting by Proxy

Voting by proxy is the easiest way to vote. Voting by proxy means that you are giving the person or people named on your proxy form (the "**Proxyholder**") the authority to vote your Common Shares for you at the Meeting or any adjournment. If you are a registered Shareholder, you will receive a form of proxy from Computershare with this Circular.

If you are a registered Shareholder you may vote by submitting your proxy before 10:00 a.m. (Toronto time) on June 24, 2026 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Toronto, Ontario) before any adjournment or postponement of the Meeting, in any of the following ways:

By Internet	By Mail	By Facsimile	By Appointing Another Person to Attend and Vote at the Meeting
Go to www.investorvote.com (you will require your 15-digit control number found on the form of proxy)	Complete, sign and date the form of proxy and return it in the envelope provided or otherwise to: Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1(Attention: Proxy Department)	Call the number listed below from a touch tone telephone. 1-866-732-VOTE (8683) Toll Free from Canada and the United States	Insert the name of the person or company you are appointing in the blank space provided in the enclosed form of proxy. Complete your voting instructions, date and sign the form of proxy and return it to Computershare using one of the methods outlined here. The person does not have to be a Shareholder but please ensure that he or she knows that you have appointed them and they are available to attend the Meeting on your behalf. **Registered Shareholders that wish to appoint a third-party proxyholder to represent them at the Meeting must follow the instructions set out under "Registering a Proxyholder" in order to register such proxyholder with Computershare in advance of the Meeting. Registering your proxyholder is an additional step to be completed AFTER your have submitted your form of proxy. Failure to register the proxyholder at http://www.computershare.com/HLStherapeutics will result in the proxyholder not receiving an invite code, which is required to participate in and vote at the Meeting.**

Voting at the Meeting

A registered Shareholder that wishes to vote his, her or its Common Shares personally at the Meeting does not need to complete and return the form of proxy. To vote online during the Meeting:

- Log in at https://meetnow.global/M52QDVG at least 15 minutes before the Meeting starts;
- Click on "*Shareholder*";
- Enter your 15-digit control number; and
- Vote when polls are open.

If you attend the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the related procedures.

How to Change your Vote/Revoke your Proxy if you are a Registered Shareholder

- If you are a registered Shareholder and you have submitted a proxy, you may revoke a vote you made by proxy: by voting again on the internet before 10:00 a.m. (Toronto time) on June 24, 2026;
- by completing a proxy that is dated later than the proxy form you are changing, and sending it to Computershare so that it is received before 10:00 a.m. (Toronto time) on June 24, 2026;
- by sending a notice in writing from you or your authorized attorney (or, if the Shareholder is a corporation, by a duly authorized officer) revoking your proxy to Ryan Lennox, the Corporate Secretary and Senior Vice President, Legal, HR and Compliance of HLS, at the registered office of the Company, located at 10 Carlson Court, Suite 701, Etobicoke, Ontario, M9W 6L2, so that it is received before 10:00 a.m. (Toronto time) on June 24, 2026;

- by giving a notice in writing from you or your authorized attorney (or, if the Shareholder is a corporation, by a duly authorized officer) revoking your proxy to the chair of the Meeting, at the Meeting or any adjournment; or in any other manner permitted by law.

If a registered Shareholder that has submitted a proxy attends the Meeting and votes via webcast, any votes cast by such Shareholder on a ballot will be counted and the submitted form of proxy will be revoked and disregarded.

How to Vote if you are a Non-Registered Shareholder

Information set forth in this section is very important to persons who hold Common Shares otherwise than in their own names. You are a non-registered Shareholder if your broker or another intermediary (your "Nominee") holds your Common Shares for you. If you are a non-registered Shareholder, HLS will not have any record of your ownership and so the only way that you can vote your Common Shares is by instructing your Nominee. Your Nominee is required to ask for your voting instructions before the Meeting.

Voting by Proxy

In most cases, you will receive a voting instruction form from your Nominee that allows you to provide your voting instructions by telephone, on the internet or by mail. You should complete the voting instruction form and sign and return it in accordance with the directions on that form. Every Nominee has its own mailing procedures and its own return instructions, which should be carefully followed by non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. Please contact your Nominee if you did not receive a voting instruction form or a proxy form.

In accordance with the Canadian Securities Administrators' National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), the Company is distributing copies of materials related to the Meeting to Nominees for distribution to non-registered Shareholders and such Nominees are to forward the materials related to the Meeting to each non-registered Shareholder (unless the non-registered Shareholder has declined to receive such materials). Such Nominees often use a service company (such as Broadridge Investor Communication Solutions in Canada ("Broadridge")) to permit the non-registered Shareholder to direct the voting of the Common Shares held by the Nominee on behalf of the non-registered Shareholder. The Company is paying Broadridge to deliver, on behalf of the Nominees, a copy of the materials related to the Meeting to each "objecting beneficial owner" (as such term is defined in NI 54-101).

Voting at the Meeting

Although non-registered Shareholders may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of their Nominee, a non-registered Shareholder may virtually attend the Meeting as proxyholder for the registered shareholder and vote their Shares in that capacity. Non-registered Shareholders that wish to virtually attend the Meeting and vote their own Shares as proxyholder for the registered holder should enter their own names in the blank space on the voting instruction form provided to them and return the same to their Nominee in accordance with the instructions provided by such Nominee well in advance of the Meeting and follow the instructions set out under "*Registering a Proxyholder*" for registering themselves as a proxyholder with Computershare in advance of the Meeting. Registering yourself as proxyholder is an additional step to be completed AFTER you have submitted your voting instruction form. If you fail to register yourself as proxyholder you will not receive the control number that is required to participate in and vote at the Meeting.

Non-registered Shareholders that have appointed themselves as proxyholders and received an Invite Code to join the Meeting must follow the steps outlined below:

- Log in at https://meetnow.global/M52QDVG at least 15 minutes before the Meeting starts;
- Click on "*Invitation*";
- Enter the Invite Code; and
- Vote when polls are open.

If you have appointed yourself as a proxyholder to vote your Common Shares at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility

to ensure connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the related procedures.

How to Change Your Vote if you are a Non-Registered Shareholder

A non-registered Shareholder may revoke previously given voting instructions by contacting his or her Nominee and complying with any applicable requirements imposed by such Nominee. A Nominee may not be able to revoke voting instructions if it receives insufficient notice of revocation.

United States Beneficial Shareholders

To attend and vote at the virtual meeting, you must first obtain a valid Legal Proxy from your broker, bank or other agent and then register in advance to attend the meeting. Follow the instructions from your broker or bank included with the Proxy materials or contact your broker or bank to request a Legal Form of Proxy. After first obtaining a valid Legal Proxy from your broker, bank or other agent, you must submit a copy of your Legal Proxy to Computershare in order to register to attend the meeting. Requests for registration should be sent:

By mail to:	COMPUTERSHARE 320 BAY STREET 14th FLOOR TORONTO, ON M5H 4A6
By email at:	USLegalProxy@computershare.com

Requests for registration must be labeled as "Legal Proxy" and be received no later than 10:00 a.m. (Toronto time) on June 24, 2026. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your Common Shares at https://meetnow.global/M52QDVG during the Meeting. Please note that you are required to register your appointment at http://www.computershare.com/HLStherapeutics.

REGISTERING A PROXYHOLDER

Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting, including non-registered Shareholders who wish to appoint themselves as proxyholder to attend and vote at the Meeting, must submit their form of proxy or voting instruction form, as applicable, prior to registering a proxyholder. Registering a proxyholder is an additional step Shareholders will need to complete after submitting a form of proxy or voting instruction form**.** To register a proxyholder, Shareholders must complete the form found at the following website: http://www.computershare.com/HLStherapeutics. **Failure to register a proxyholder will result in the proxyholder not receiving an invite code, which is required** to participate **in and vote** at the Meeting.

PROXYHOLDER MATTERS

Completing the Form of Proxy

You can choose to vote "**FOR**" or "**WITHHOLD**" your vote in respect of the following resolutions:

- the election of each person nominated as a director of the Company (each, a "Director"); and
- the reappointment of the auditor for the ensuing year and the authorization of the Directors to fix the auditor's remuneration.

The Common Shares represented by proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called and if you specify a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

If you are an individual, you or your authorized attorney must sign the proxy form. If you are a corporation or other legal entity, an authorized officer or attorney must sign the proxy form. A proxy form signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following their signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with HLS).

If you need help completing your proxy form, please contact Computershare at 514-982-7555 or at 1-800-564-6253 (toll free in Canada and the United States) or by e-mail at service@computershare.com.

How Proxyholders Will Vote

When you sign the proxy form, you authorize John Welborn, the Chair of the Board, or Ryan Lennox, the Corporate Secretary and Senior Vice President, Legal, HR and Compliance, to vote your Common Shares for you at the Meeting according to your instructions**. If you return your proxy form and do not tell us how you want to vote your Common Shares, your Common Shares will be voted**:

- FOR electing each of the individuals nominated as a Director who are listed in this Circular; and
- FOR reappointing Ernst & Young LLP as auditor and authorizing the Directors to fix the auditor's remuneration.

Your Proxyholder will also be entitled to vote your Common Shares as he or she sees fit in respect of amendments to matters identified in the Notice of Meeting and on any other item of business that may properly come before the Meeting or any adjournment(s) thereof. At the date of this Circular, the Directors and management of the Company are not aware that any such amendments or other matters are to be submitted to the Meeting.

Shareholders Can Choose any Person or Company as their Proxyholder

You have the right to appoint a person other than the persons designated in the proxy form to represent you at the Meeting. Such right may be exercised by inserting the name of the person or company in the blank space provided in the enclosed form of proxy or by completing another form of proxy. **If you do not specify how you want your Common Shares voted, your Proxyholder will vote your Common Shares as he or she sees fit on any matter that may properly come before the Meeting.**

RECORD DATE AND QUORUM

The board of directors of the Company (the "**Board**" or the "**Board of Directors**") has fixed May 19, 2026 as the record date (the "**Record Date**") for the purpose of determining which Shareholders are entitled to receive the Notice of Meeting and vote at the Meeting or any adjournment(s) thereof, either in person or by proxy. No person acquiring Common Shares after that date shall, in respect of such Common Shares, be entitled to receive the Notice of Meeting and vote at the Meeting or any adjournment(s) thereof.

A quorum for the transaction of business at the Meeting or any adjournment(s) thereof (other than an adjournment for lack of quorum) shall be two persons present and each entitled to vote at the Meeting who, together, hold or represent by proxy not less than 15% of the votes attaching to the outstanding Common Shares entitled to vote at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS

HLS is authorized to issue an unlimited number of Common Shares. As of May 20, 2026, the Company had 31,274,931 outstanding Common Shares, each carrying the right to one vote at the Meeting.

As of May 20, 2026, the only persons or companies who, to the knowledge of the Company, its Directors or executive officers, based on publicly available information, beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the outstanding Common Shares are as follows:

Name and Municipality of Residence of Principal Shareholder	Common Shares Owned	
	Number	Percentage (undiluted)
Stadium Capital Management, LLC (New Canaan, Connecticut, USA)	5,964,842	19.07%
Polar Asset Management Partners Inc.	5,477,867	17.52%

FINANCIAL STATEMENTS

The audited consolidated financial statements of HLS as at and for the year ended December 31, 2025, together with the auditor's report thereon, have been sent to Shareholders that have requested that they receive a copy. These financial statements are also available on the Company's profile on the SEDAR+ website at www.sedarplus.ca.

ELECTION OF DIRECTORS

The articles of the Company provide for a minimum of three and a maximum of ten Directors. The Board has the authority to set the number of Directors, such number presently being fixed at eight. Each of the eight individuals listed below is being recommended for election as a Director, as the term of office for each current Director expires at the close of the Meeting. If elected, they will hold office until the close of the next annual meeting of Shareholders or until their successors are elected or appointed, unless such office is earlier vacated in accordance with the Company's by-laws. All of the proposed nominees are currently Directors.

It is the intention of the individuals named in the enclosed form of proxy to vote FOR the election of each of the individuals listed below under the heading "Nominees for Election to the Board" as Directors, to hold office until the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed, unless specifically instructed in the proxy to withhold such vote. Management of the Company does not contemplate that any of the nominees will be unable or unwilling to serve as a Director; however, if such event should occur prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote in their discretion for other nominees.

Advance Notice Provisions

The Company's by-laws provide for advance notice of nominations of Directors ("**Advance Notice Provisions**") in circumstances where nominations of persons for election to the Board are made by Shareholders other than by or at the direction or request of one or more Shareholders pursuant to a proposal or a requisition of the Shareholders made in accordance with applicable law.

To be an eligible Shareholder for making nominations under the Advance Notice Provisions, the nominating Shareholder must (a) comply with the notice procedures set forth in the Advance Notice Provisions, as outlined below, and (b) at the close of business on the date of the giving of the applicable notice and on the record date for notice of the applicable Shareholder meeting, be entered in the Company's register as a holder of one or more Common Shares carrying the right to vote at such meeting or beneficially own Common Shares that are entitled to be voted at such meeting.

The Advance Notice Provisions fix deadlines by which an eligible Shareholder must notify the Company of nominations of individuals for election to the Board as follows: such notice must be provided to the Corporate Secretary of the Company (a) in the case of an annual meeting, not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date (the "**Notice Date**") that is the earlier of the date that a notice of meeting is filed for such meeting and the date on which the first public announcement of the date of such meeting was made, notice may be given not later than the close of business on the tenth day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual general meeting) of Shareholders called for the purpose of electing Directors (whether or not called for other purposes), not later than the close of business on the fifteenth day following the Notice Date. The Advance Notice Provisions also stipulate that certain information about any proposed nominee and the nominating Shareholder be included in such a notice in order for it to be valid.

The Advance Notice Provisions are intended to: (a) facilitate orderly and efficient annual general or, where the need arises, special meetings; (b) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (c) allow Shareholders to register an informed vote.

A copy of the Company's by-laws is available on the Company's website at www.hlstherapeutics.com and on its profile on the SEDAR+ website at www.sedarplus.ca.

Nominees for Election to the Board

The following tables set forth profiles of the eight individuals who are nominated for election as Directors, including the positions and offices with the Company now held by each nominee, the present principal occupation or employment of

each nominee, the business experience over the last five years of each nominee, the period during which each nominee has served as a Director and the number of securities of the Company (Common Shares, options to purchase Common Shares ("**Options**") and deferred share units ("**DSUs**")) beneficially owned, or controlled or directed, directly or indirectly, by each nominee as at the date of this Circular. The information as to Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly, by each nominee has been furnished by the respective proposed nominees individually.

The Board has determined that six of the eight individuals nominated for election as a Director at the Meeting are independent. The only Directors who are not independent are Mr. Craig Millian, because he serves as the Chief Executive Officer of HLS, and Mr. John Hanna, because he serves as the Chief Financial Officer of HLS. All of the members of each of the Audit Committee and the Compensation and Governance Committee ("**C&G Committee**") are independent Directors. For more information about the Company's independence standards and assessment, see the section of this Circular entitled "*Statement of Governance Practices – Director Independence*". For information on the compensation paid to non-management Directors, see the section of this Circular entitled "*Directors' Compensation*". In addition, a description of the share ownership guidelines applicable to Non-Employee Directors (as defined below), including the timeline for achieving the required ownership level, can be found under the heading "*Statement of Executive Compensation – Share Ownership Guidelines*" and a description of such guidelines applicable to the Chief Executive Officer can be found under the heading "*Statement of Executive Compensation– Share Ownership Guidelines*". A description of the role of the Board is included in the section of this Circular entitled "*Statement of Governance Practices – Board Mandate*" and a copy of the Mandate of the Board of Directors (the "**Board Mandate**") is attached as Annex A to this Circular.

JOHN L. WELBORN JR.
Wilmington, North Carolina,
USA
Director since:
June 18, 2021
Age: 48

John Welborn is the Chair of the Board of HLS and currently serves as a Senior Advisor for Stadium Capital Management, LLC ("Stadium"), an investment advisory firm. Mr. Welborn joined Stadium in 2000 as an Associate and from 2007 to 2022 was Managing Director, Co-Chief Investment Officer for Stadium. From 1998 to 2000, Mr. Welborn was a Financial Analyst at The Beacon Group, LLC ("Beacon"), a principal investment and advisory firm that is now part of J.P. Morgan Chase & Co. At Beacon, Mr. Welborn was a member of the Mergers & Acquisitions Group, focusing on financial services companies and the Liquid Investments Committee.

Mr. Welborn earned a Bachelor of Science degree in Commerce, with concentrations in Finance and Accounting, from the McIntire School of Commerce at the University of Virginia in 1998. Mr. Welborn has served on the boards of Intermountain Community Bancorp, Panhandle State Bank, Inc., and Ascena Retail Group, Inc. He has also served as a board observer at West Coast Bancorp.

Board/Committee Membership	**Principal Occupation(s) (for the past 5 years)**
Board Audit Committee	Senior Advisor for Stadium Capital Management, LLC since December 2022; previously, from 2007 to 2022, Managing Director, Co-Chief Investment Officer for Stadium Capital Management, LLC

Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly

Common Shares (#)	**Options (#)**	**DSUs (#)**	**Complies with Share Ownership Guidelines**
141,284[(1)]	0	242,251*	Yes

(1) Mr. Welborn reports that he does not own or exercise control or direction over, directly or indirectly, the 5,964,842 Common Shares that are controlled or directed by Stadium Capital Management, LLC

CRAIG MILLIAN
Hanover, Massachusetts, USA
Director since:
May 1, 2023
Age: 58

Craig Millian was appointed Chief Executive Officer of HLS in May 2023. Most recently, he served as Chief Operating Officer and Chief Commercial Officer at Corbus Pharmaceuticals Holdings, Inc. Prior to that, Mr. Millian held various commercial leadership positions at EMD Serono, including Senior Vice President, Head of U.S. Fertility and Endocrinology, and Senior Vice President, Head of U.S. Neurology and Immunology. Previously, Mr. Millian served as Vice President, Commercial at Vertex Pharmaceuticals where he helped design and build organizational capabilities in advance of their first commercial launch. Earlier in his career, Mr. Millian held marketing leadership roles for several blockbuster brands at both Pfizer Inc. and Sanofi including US team leader for Lipitor when it was the best-selling prescription medicine in the country. Mr. Millian is an experienced industry leader, having led commercial organizations at several biopharma companies over the past 20 years and with a track record building successful businesses across a range of therapeutic areas. Mr. Millian holds a Master of Business Administration from New York University and a Bachelor of Science in Finance from the University of Pennsylvania.

Board/Committee Membership	Principal Occupation(s) (for the past 5 years)
Board	Chief Executive Officer of HLS from May 2023 to current; Chief Operating Officer of Corbus Pharmaceuticals, a pharmaceutical company, from 2021 to April 2023; Chief Commercial Officer of Corbus Pharmaceuticals from 2019 to 2021

Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly

Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
12,500	1,185,000	0	Yes

JOHN HANNA
Victoria, British Columbia
Canada
Director since:
June 21, 2023
Age: 61

Mr. Hanna was first appointed Interim Chief Financial Officer of HLS in January 2024 and was then named full time Chief Financial Officer of HLS in September 2024. Mr. Hanna is a seasoned finance executive with more than 24 years working with C-level executives and Board members within public companies. Mr. Hanna has a demonstrated track record in leading successful transformation initiatives. Most recently, he was CFO at Inca Networks Inc. Prior to Inca Networks Inc., he spent 10 years as the CFO of Vecima Networks, Inc. ("Vecima") with operational P&L responsibilities and successfully monetized non-core assets and acquired strategic assets to grow Vecima's core business. Earlier in his career, Mr. Hanna held a number of senior financial roles within The Westaim Corporation including VP Corporate Development with Westaim Biomedical Corp.

Mr. Hanna holds a Master of Business Administration from the University of British Columbia, a Bachelor of Science from the University of Victoria and is a designated accountant (CPA). Mr. Hanna has served on the boards and board committees of a number of venture-backed technology companies including Vector 12 Corporation and LTG Lasertech Group Inc.

Board/Committee Membership	Principal Occupation(s) (for the past 5 years)
Board	Chief Financial Officer of HLS from September 2024 to current; Interim Chief Financial Officer of HLS from January to September 2024; CFO at Inca Networks Inc, from November 2020 to October 2023

Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly

Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
8,000	200,000	26,187	Yes

RODNEY HILL
Toronto, Ontario, Canada
Director since:
March 12, 2018
Age: 58

Rodney Hill is an independent Director of HLS. Mr. Hill has extensive experience in business management, risk management, finance and accounting. He is currently the Global Head of Technology, Data and Security Ontario Municipal Employees Retirement System Administration Corporation ("OMERS").

Mr. Hill has more than 30 years of experience in business management, risk management, technology, finance and accounting. He joined OMERS in 2011 as EVP & Chief Auditor, in 2015 he was appointed to serve as OMERS first Chief Risk Officer and in 2023 he moved to his current role. Prior to joining OMERS, Mr. Hill spent 22 years working at PricewaterhouseCoopers. In his last 10 years there, he served as a Partner specializing in auditing complex public and private companies in a variety of sectors, including pharmaceuticals, Mr. Hill holds an Honours degree in Accounting with Computing from University of Kent at Canterbury. He is an Associate of the Institute of Chartered Accountants in England and Wales (ACA-UK) and a Chartered Professional Accountant (CPA, CA) in Canada. Mr. Hill has completed the ICD-Rotman Directors Education Program,

Board/Committee Membership	Principal Occupation(s) (for the past 5 years)
Board Audit Committee (Chair)	Global Head of Technology, Data and Security for Ontario Municipal Employees Retirement System from June 2023 to current; Chief Risk Officer of Ontario Municipal Employees Retirement System from November 2015 to 2023

Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly

Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
0	21,695	120,019*	Yes

NORMA BEAUCHAMP
Toronto, Ontario, Canada
Director since:
June 18, 2021
Age: 65

Norma Beauchamp is a corporate director with over 30 years of healthcare experience in corporate and non-profit organizations, including executive positions at Bayer Healthcare (Canada and Global) and Sanofi Canada.
Ms. Beauchamp currently serves on the boards of directors of Aurora Cannabis Inc., as Chair of its Nominating and Corporate Governance Committee, a member of its Audit Committee, and a member of its Human Resources and Compensation Committee; and Extendicare Inc., as Chair of the Quality and Risk Committee.

Formerly, Ms. Beauchamp served on the board of directors of Dialogue Health Technologies Inc., before its acquisition by Sun Life Financial Inc. and MedReleaf Corp., prior to its acquisition by Aurora Cannabis Inc.

Ms. Beauchamp also serves as a member of the National Research Council Canada and is a Regional Ambassador with Women Get on Board. Ms. Beauchamp has completed the University of Toronto's Rotman School of Management Directors Education Program (ICD.D) and holds a Bachelor of Business Administration in Marketing from Bishop's University.

Board/Committee Membership	Principal Occupation(s) (for the past 5 years)
Board C&G Committee (Chair)	Corporate Director

Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly

Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
500	0	137,738*	Yes

KYLE DEMPSEY
Boston, Massachusetts
USA
Director since:
November 28, 2022
Age: 37

Kyle Dempsey is a Partner at MVM Partners LLP (MVM), a growth equity firm that has invested in innovative, high growth healthcare businesses since 1997. Dr. Dempsey joined MVM in 2017 as an Investment Principal. Before joining MVM, Dr. Dempsey was a consultant at Bain & Company, working mainly in the healthcare practice to support clients with commercialization and business development projects. He received his M.D. from Harvard Medical School, his Master of Business Administration from Harvard Business School, and his Bachelor of Arts in biochemistry from Bowdoin College. Dr. Dempsey currently serves as a director of GT Medical and Neurent Medical, and he is also a board observer at MDxHealth SA (NASDAQ: MDXH).

Board/Committee Membership	Principal Occupation(s) (for the past 5 years)
Board Audit Committee	Partner at MVM Partners LLP since 2018

Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly

Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
1,765[(1)]	0	137,280*	Yes

(1) Dr. Dempsey reports that he does not own or exercise control or direction over, directly or indirectly, the 1,764,900 Common Shares that are controlled or directed by MVM Partners, LLC

CHRISTIAN ROY
Beaconsfield, Quebec,
Canada
Director since:
June 16, 2023
Age: 62

With 30 years of experience in healthcare both with large multinational corporations and as an entrepreneur, Christian Roy is a consultant for businesses mainly in the healthcare industry. He was Partner and Executive Vice President of the Healthcare division at TANK Worldwide Inc. until June 2022, when it was acquired by WPP plc. He joined TANK in 2013 where he contributed to the exceptional growth of the communications company and to positioning TANK as one of the largest healthcare agencies in Canada and around the world. TANK now has over 350 employees distributed across its offices in Montreal, Toronto, New York and London. Before joining TANK in 2013, Mr. Roy spent over 20 years in the pharmaceutical industry. Between 2008 and 2013, he was Vice President of Marketing for Pfizer in Canada. As a member of several marketing teams, he has worked on projects in the United States, Europe and Asia. Mr. Roy holds a Bachelor of Chemical Engineering from University of Sherbrooke.

Board/Committee Membership	Principal Occupation(s) (for the past 5 years)
Board C&G Committee	Consultant from June 2022; Partner and Executive Vice President of the Healthcare Division, TANK Worldwide from 2013 to June 2022

Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly

Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
0	0	112,009*	Yes

CHRISTINE ELLIOTT Toronto, Ontario Canada Director since: March 12, 2025 Age: 71	Ms. Elliott has been Counsel at Fasken Martineau DuMoulin LLP since September 2022. Prior to that, she spent over 15 years in public service, including serving as Deputy Premier of Ontario, Minister of Health, and MPP Newmarket-Aurora from 2018 to 2022, and as Ontario's first Patient Ombudsman from 2016 to 2018. Ms. Elliott has held positions on a range of boards in the health care sector, including the Lakeridge Health Whitby Foundation, Durham Mental Health Services, and Grandview Children's Centre. She currently sits on the Board of Directors for Life Sciences Ontario, the Centre for Addiction and Mental Health (CAMH), SEC Health, LOFT Community Services and she is the Chair of the Board of the Health Research Foundation. Ms. Elliott graduated from the University of Western Ontario law school and was admitted to the Ontario Bar in 1980.

Board/Committee Membership	**Principal Occupation(s) (for the past 5 years)**
Board	Counsel at Fasken Martineau DuMoulin LLP since September 2022; Corporate and charitable director

Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly

Common Shares (#)	**Options (#)**	**DSUs (#)**	**Complies with Share Ownership Guidelines**
0	0	15,251*	Yes

* The number of DSUs for each Director nominee have been rounded for the System for Electronic Disclosure by Insiders reporting purposes.

Skills Matrix

The C&G Committee employs a skills matrix to assist with reviewing the skills and experience of director candidates, and the overall strength and diversity of the Board as a whole. The matrix, which is set forth below, outlines a complement of diverse qualifications, attributes, skills and experience that are viewed as being relevant to the proper functioning of the Board. This is not intended to be an exhaustive list of each Director's skills.

	Top Five Skills														
Name	**Public Company Board Experience**	**CEO Experience**	**C-Suite/Executive Experience**	**Pharma Industry Background**	**Corporate Governance Expertise**	**Sales and Marketing Expertise**	**Strategic Planning**	**Business Development Expertise**	**Finance / Accounting Expertise**	**Operational Expertise**	**Human Resource Expertise**	**Legal/Compliance Expertise**	**Risk Management Expertise**	**Capital Markets/Investor Relations**	**Public Policy/Government Relations**
John Welborn	X				X		X	X	X						
Craig Millian			X	X		X	X			X					
John Hanna			X				X		X		X			X	
Rodney Hill	X		X		X				X				X		
Norma Beauchamp	X	X		X	X	X									
Kyle Dempsey	X				X		X	X	X						
Christian Roy			X	X		X		X		X					
Christine Elliott	X		X									X	X		X

Board and Committee Meetings Held and Attendance of Directors

Each Director is expected to attend all meetings of the Board and any committee of which he or she is a member.

There were eight Board meetings, four Audit Committee meetings and four C&G Committee meetings held during the year ended December 31, 2025. The chart below sets out the attendance of each Director at such meetings during such Director's tenure as a Director and a member of the applicable committees of the Board.

Directors	Board of Directors	Audit Committee	C&G Committee
John Welborn	8 of 8	4 of 4	n/a
Craig Millian	8 of 8	n/a	n/a
John Hanna	8 of 8	n/a	n/a
Rodney Hill	8 of 8	4 of 4	n/a
Norma Beauchamp	8 of 8	n/a	4 of 4
Kyle Dempsey	8 of 8	4 of 4	4 of 4
Christian Roy	8 of 8	n/a	4 of 4
Christine Elliott[(1)]	6 of 8	n/a	2 of 4

Notes: [(1)] Ms. Elliott became a Director of the Company on March 12, 2025 and a member of the C&G Committee on June 20, 2025.

Majority Voting Policy

HLS has adopted a majority voting policy. Pursuant to the policy, Shareholders vote for the election of individual Directors at each annual meeting of Shareholders, rather than for a fixed slate of Directors. Further, in an uncontested election of Directors at an applicable meeting of Shareholders, any nominee for Director who does not receive a greater number of votes "for" his or her election than votes "withheld" from such election (a "**Majority Withhold Vote**") shall promptly tender his or her resignation to the Chair of the Board (the "**Chair**") following the applicable meeting of Shareholders. A Director who tenders his or her resignation under this policy may not participate in any portion of a meeting of the C&G Committee or the Board at which the resignation is considered. However, such Director shall remain active and engaged in all other C&G Committee activities, deliberations and decisions during this C&G Committee process. The C&G Committee will promptly consider such tendered resignation and recommend to the Board the action to be taken with respect to such tendered resignation. The recommendation of the C&G Committee may be to accept or reject the resignation on such basis as the C&G Committee determines appropriate, provided that the C&G Committee shall recommend the acceptance of the resignation if there are no exceptional circumstances present that would support rejection of the resignation. In any event, the resignation will be accepted or rejected within 90 days of the applicable meeting of Shareholders. The Board must promptly disclose its decision, including reasons for its decision, via press release. The Company shall provide a copy of such press release to the TSX.

If the Board determines not to accept the resignation, the press release must fully state the reasons for that decision. In making its recommendation to the Board, the C&G Committee is authorized to consider all factors it deems relevant to the best interests of the Company, including without limitation: (i) any stated reasons why Shareholders withheld their vote with respect to the subject director; (ii) what the C&G Committee believes to be the underlying reasons for the Majority Withhold Vote, including whether these reasons relate to the incumbent director's performance as a director, whether these reasons relate to the Company or another corporation, and whether these reasons are curable and alternatives for effecting any cure; (iii) the other policies of the Company; (iv) the overall composition of the Board, including whether accepting the resignation would cause the Company to fail to meet the requirements of any applicable corporate or securities laws and the rules of the TSX; and (v) whether the resignation of the director could result in the triggering of change in control or similar provisions under any contract by which the Company is bound and, if so, the potential impact thereof. If a resignation is accepted, the Board may leave the resultant vacancy in the Board unfilled until the next annual meeting of Shareholders, fill the vacancy through the appointment of a director whom the Board considers to merit the confidence of HLS's Shareholders, reduce the size of the Board, or call a special meeting of the Shareholders to consider the election of a nominee recommended by the Board to fill the vacant position.

Interlocking Directorships

The Board does not set a formal limit on the number of interlocking board memberships. The C&G Committee reviews director interlocks as part of its annual evaluation of director independence. As of the date hereof, there are no public company board interlocks among the nominated Directors.

Cease Trade Orders

To the knowledge of the Company, no proposed Director (nor any personal holding company of any such individual) is, as of the date of this Circular, or was within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the individual was acting in the capacity as a director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the individual ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that individual was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Except as otherwise disclosed herein, to the knowledge of the Company, no proposed Director (nor any personal holding company of any such individual): (i) is, as of the date of this Circular, or has been within the ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that individual was acting in that capacity, or within a year of that individual 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 (ii) has, within the ten years before the date of this 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 its assets. John Welborn was a director of Ascena Retail Group, Inc. in July 2020 when it filed for Chapter 11 bankruptcy protection.

Penalties or Sanctions

To the knowledge of the Company, no proposed Director (nor any personal holding company of any such individual) has been subject to: (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for the proposed Director.

REAPPOINTMENT OF AUDITOR

It is proposed that Ernst & Young LLP, the current auditor of the Company, be reappointed as the auditor of the Company, to hold office until the close of the next annual meeting of Shareholders, or until a successor is appointed, and that the Directors be authorized to fix Ernst & Young LLP's remuneration. The Audit Committee has recommended to the Board, and the Board has approved, the nomination of Ernst & Young LLP for such reappointment. Ernst & Young LLP has been the auditor of the Company (including Former HLS) since June 2015.

See the heading "Audit Committee Information" in this Circular for further details regarding the services of the auditor provided to HLS, the fees paid to the auditor for those services and information regarding the Audit Committee of the Company.

It is the intention of the individuals named in the enclosed form of proxy to vote FOR the reappointment of Ernst & Young LLP as auditor of HLS to hold office until the close of the next annual meeting of Shareholders and in favour of authorizing the Directors to fix the remuneration of the auditor, unless specifically instructed in the proxy to withhold such vote.

LONG TERM INCENTIVE PLAN MATTERS

At the Meeting, Shareholders will be asked to consider, and if thought fit, pass with or without amendment, an ordinary resolution set forth below to ratify, confirm and approve the Company's long term incentive plan (the "**LTIP**") and to reserve Common Shares from treasury for issuance pursuant to the settlement of options, stock appreciation rights, restricted share units or performance share units under the LTIP. The Company has historically granted equity-based compensation through grants of Options; however, the Board has determined that it is in the best interests of the Company to adopt a more flexible incentive plan that provides for a variety of award types.

The LTIP was adopted by the Board on May 20, 2026. The LTIP was adopted to promote a further alignment of interests between senior management and the Shareholders of the Company, as determined by the Board to associate a portion of the compensation payable to such individuals with the returns achieved by Shareholders of the Company and to attract and retain management with the knowledge, experience and expertise required by the Company. A summary of certain terms of the LTIP is set out under "*Statement of Executive Compensation – Equity Incentive Plans – Long-Term Incentive Plan*" below.

LTIP Resolution

At the Meeting, Shareholders will be asked to consider, and if thought fit, to pass with or without amendment, the following ordinary resolution (the "**LTIP Resolution**"):

"**RESOLVED**, as an ordinary resolution of the shareholders of HLS Therapeutics Inc. (the "**Company**") that:

1. The long-term incentive plan (the "**LTIP**") of the Company, substantially in the form appended to the Company's management information circular in respect of the 2026 annual general meeting (the "**2026 AGM**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") in the capital of the Company, is hereby adopted and approved.

2. All unallocated options to purchase Common Shares of the Company ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**"), and stock appreciation rights ("**SARs**") under the Company's LTIP be and are hereby approved.

3. The Company be hereby approved and authorized to reserve, set aside and make Common Shares available for issuance pursuant to the LTIP, and to continue granting Options, RSUs, PSUs and SARs under the LTIP, until June 26, 2029, which is the date that is three (3) years from the date of the 2026 AGM at which Shareholder approval is being sought, unless the LTIP is once again approved by Shareholders before such date.

4. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver all such documents, instruments and assurances as in the opinion of such director or officer may be necessary or desirable to give effect to the foregoing resolutions."

Approval of the LTIP Resolution will require that it be passed by a majority of the votes cast by Shareholders thereon in person (virtually) and by proxy. **The Board unanimously recommends that Shareholders vote FOR the approval of the LTIP Resolution.**

It is the intention of the individuals named in the enclosed form of proxy to vote <u>FOR</u> the approval of the LTIP Resolution unless specifically instructed otherwise in the proxy.

DIRECTORS' COMPENSATION

Director compensation is set by the Board on recommendation of the C&G Committee and in accordance with director compensation guidelines and principles established by the C&G Committee. Under these guidelines and principles, the Board seeks to maintain director compensation at a level that is competitive with the median director compensation at comparable companies in the peer group. HLS has established a flat fee director compensation model that awards Directors a mix of cash and equity (which is provided in the form of DSUs issued under the DSU Plan (each as defined herein)).

Directors who are also officers of HLS do not receive compensation for acting in the capacity of a Director.

In March 2024, the Board, having received advice from the independent compensation advisory firm Mercer, a subsidiary of Marsh & McLennan, determined that it was in the best interests of the Company to reduce the compensation payable to Directors, effective as of January 1, 2024. See also "*Directors' Compensation –Use of Independent Compensation Consultants*" and "*–Elements of Compensation Program*". The annual flat fee retainers that Directors were eligible to receive effective during the year ended December 31, 2025 are summarized in the table below. All amounts are paid quarterly in arrears, and Directors do not receive per meeting fees for attendance at Board or committee meetings. Directors may also be entitled to receive additional fees for service on any ad hoc committees of the Board.

Non-Executive Directors	**Annual Retainers and Fees**	
	Cash	**Equity**
Board Chair	$85,000	$70,000
Board Member	$50,000	$50,000
Chair of the Audit Committee	$20,000	Nil
Chair of the Compensation and Governance Committee	$15,000	Nil
Non-Chair member of Audit Committee	$10,000	Nil
Non-Chair member of Compensation & Governance Committee	$7,500	Nil

The Board has adopted a deferred share unit plan (the "**DSU Plan**") to replace the issuance of stock option grants for non-employee directors ("**Non-Employee Directors**"). The intention of the DSU Plan is to promote a strong link to long-term shareholder value and help promote share ownership among Non-Employee Directors. Non-Employee Directors are eligible to receive deferred share units ("**DSUs**") under the Company's DSU Plan. DSUs issued to Non-Employee Directors in respect of the years 2021 through 2023 will vest equally over four years. DSUs issued to Non-Employee Directors in respect of the years 2024 and beyond will automatically vest and be credited to such Non-Employee Directors' DSU accounts on the last day of each fiscal quarter. Any vested DSUs will be settled in cash on termination of services. Non-Employee Directors are not entitled to participate in the Stock Option Plan (as defined below).

The following table sets out all amounts of compensation provided to the Directors of HLS for the company's most recently completed financial year:

Name	**Cash fees earned ($)**	**Option-based awards ($)**	**Share-based awards ($)**	**Non-equity incentive plan compensation ($)**	**Total ($)**
John Welborn	116,667	-	70,000	-	186,667
Rodney Hill	87,333	-	50,000	-	137,333
Norma Beauchamp	65,000	-	50,000	-	115,000
Kyle Dempsey	84,833	-	50,000	-	134,833
Christian Roy	57,500	-	50,000	-	107,500
Christine Elliott[(1)]	44,067	-	40,278	-	84,346
Craig Millian[(2)]	-	-	-	-	-
John Hanna[(2)]	-	-	-	-	-

Note:

(1) Ms. Elliott became a member of the Board on March 12, 2025, and a member of the C&G Committee, on June 20, 2025.

(2) Mr. Millian is a non-independent member of the Board and is ineligible for compensation for acting in the capacity of a Director. Mr. Hanna was appointed as Interim CFO on January 26, 2024, and full time CFO in September 2024, became a non-independent member of the Board as a result of his appointment, and became ineligible for compensation for acting in the capacity of a Director.

Outstanding Option-Based and Share-Based Awards

The following table sets out all option-based and share-based awards outstanding as of December 31, 2025 for all non-executive Directors of HLS. The value of unexercised in-the-money options and the payout value of share-based awards outstanding is based on a closing share price of C$4.82 on December 31, 2025 and an exchange rate of US$0.7296 per C$1.00, being the rate reported by the Bank of Canada for December 31, 2025.

Option-based Awards					Share-based Awards		
Name	**Number of securities underlying unexercised options**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of share-based awards not paid out or distributed ($)**
John Welborn	-	-	-	-	45,001	158,255	308,822
Rodney Hill	11,695 10,000	C$15.55 C$15.56	7-Jun-26 9-Nov-27	- -	42,383	149,046	259,041
Norma Beauchamp	-	-	-	-	42,383	149,046	259,041
Kyle Dempsey	-	-	-	-	37,793	132,907	165,360
Christian Roy	-	-	-	-	20,254	71,227	140,522
Christine Elliott	-	-	-	-	-	-	39,650

Value Vested During the Year

The table below sets out all amounts, including Options-based and Share-based amounts held by non-executive Directors of HLS, that vested or were paid to non-executive Directors during the year ended December 31, 2025.

Name	**Option-based awards – Value vested during the year ($)**	**Share-based awards – Value vested during the year ($)**	**Non-equity incentive plan compensation – Value received during the year ($)**
John Welborn [(1)]	-	139,779	-
Rodney Hill [(2)]	-	116,758	-
Norma Beauchamp [(3)]	-	116,758	-
Kyle Dempsey [(4)]	-	88,847	-
Christian Roy [(5)]	-	70,748	-
Christine Elliott [(6)]	-	41,313	-

Notes:

(1) Mr. Welborn holds the following DSUs that vested in 2025:

- 3,217.775 DSUs representing 25% of the 12,871.099 DSUs granted on December 8, 2021;
- 5,045.492 DSUs representing 25% of the 20,181.968 DSUs granted on December 12, 2022;
- 13,318.681 DSUs representing 25% of the 53,274.723 DSUs granted on March 18, 2024; and
- 20,067.545 DSUs were granted and vested in fiscal 2025.

(2) Mr. Hill holds the following Options and DSUs that vested in 2025:

- 3,217.775 DSUs representing 25% of the 12,871.099 DSUs granted on December 8, 2021;
- 5,045.492 DSUs representing 25% of the 20,181.968 DSUs granted on December 12, 2022;
- 12,445.737 DSUs representing 25% of the 49,782.946 DSUs granted on March 18, 2024; and
- 14,333.962 DSUs were granted and vested in fiscal 2025.

(3) Ms. Beauchamp holds the following DSUs that vested in 2025:

- 3,217.775 DSUs representing 25% of the 12,871.099 DSUs granted on December 8, 2021;
- 5,045.492 DSUs representing 25% of the 20,181.968 DSUs granted on December 12, 2022;
- 12,445.737 DSUs representing 25% of the 49,782.946 DSUs granted on March 18, 2024; and
- 14,333.962 DSUs were granted and vested in fiscal 2025.

(4) Dr. Dempsey holds the following DSUs that vested in 2025:

- 456.180 DSUs representing 25% of the 1,824.719 DSUs granted on December 12, 2022:
- 12,445.737 DSUs representing 25% of the 49,782.946 DSUs granted on March 18, 2024; and
- 14,333.962 DSUs were granted and vested in fiscal 2025.

(5) Mr. Roy holds the following DSUs that vested in 2025:

- 6,751.397 DSUs representing 25% of the 27,005.588 DSUs granted on March 18, 2024: and
- 14,333.962 DSUs were granted and vested in fiscal 2025.

(6) Ms. Elliott holds the following DSUs that vested in 2025:

- 11,274.905 DSUs were granted and vested in fiscal 2025.

Share Ownership Guidelines

In April 2022, the Company adopted share ownership guidelines (the "**Share Ownership Guidelines**") that apply to all Directors who are not employees of the Company (the "**Non-Employee Directors**") and the Chief Executive Officer. Non-Employee Directors are expected to own Common Shares with a value equal to at least three times their aggregate annual retainer (including both cash and equity components thereof but excluding any additional retainer received for membership on any committee of the Board). Non-Employee Directors may meet the Share Ownership Guidelines through direct or indirect beneficial ownership of Company securities, including DSUs, provided that the in-the-money value of any Options held by Non-Employee Directors will not be counted toward the satisfaction of the Share Ownership Guidelines for Non-Employee Directors. Non-Employee Directors have five years from the date of adoption of the Share Ownership Guidelines (or the date of appointment or election to the Board, if later) to achieve the required ownership level. In the event of an increase to the annual retainer of a Non-Employee Director, such Non-Employee Director will have two years to meet the requirements of the Share Ownership Guidelines. For the Share Ownership Guidelines applicable to the Chief Executive Officer, see *"Statement of Executive Compensation– Share Ownership Guidelines"*.

STATEMENT OF GOVERNANCE PRACTICES

Director Independence

Currently, the Board is comprised of eight Directors, six of whom are considered to be independent within the meaning of Section 1.4 of National Instrument 52-110 –Audit Committees ("**NI 52-110**"), being Mses. Beauchamp and Elliott, Dr. Dempsey, and Messrs. Welborn, Hill, and Roy.

Mr. Millian is not considered to be an independent Director because he is the Chief Executive Officer of the Company, and Mr. Hanna is not considered to be an independent Director because he serves as the Chief Financial Officer of the Company.

The Company has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management of the Company. Both HLS' Audit Committee and its C&G Committee are comprised entirely of independent Directors. The independent Directors hold in camera sessions, without the non-independent Directors and members of management present, during regularly scheduled Board meetings. The independent Directors held 8 in camera sessions in 2025.

Board Mandate

The Board operates under the Board of Directors Mandate set out at Annex A to this Circular, pursuant to which it provides governance and stewardship to the Company and its business. The Mandate also describes the Board's responsibility for, among other things: participating in the development of and adopting a strategic plan for the Company; supervising the activities and managing the affairs of the Company; defining the roles and responsibilities of management and delegating

management authority to the Chief Executive Officer; reviewing and approving the business and investment objectives to be met by management; assessing the performance of and overseeing management; identifying and managing risk exposure; ensuring the integrity and adequacy of the Company's internal controls and management information systems; succession planning; establishing committees of the Board, where required or prudent, and defining their mandate; ensuring effective and adequate communication with Shareholders, other stakeholders and the public; and monitoring the integrity and ethics of the Company.

Board Committees

Audit Committee

HLS's Audit Committee consists of Rodney Hill (Chair), John Welborn, and Kyle Dempsey, all of whom meet the requirements for independence under NI 52-110. The Board has adopted a written charter for the Audit Committee setting out its responsibilities. The text of the Audit Committee's Charter is available on the Company's website and in its annual information form for the year ended December 31, 2025, which is available under the Company's profile on SEDAR+ at http://www.sedarplus.ca.

C&G Committee

The C&G Committee consists of Norma Beauchamp, Christian Roy, Kyle Dempsey, and Christine Elliott, all of whom are independent for the purposes of National Instrument 58-101 – Disclosure of Corporate Governance Practices and NI 52-110. The Board has adopted a written charter for the C&G Committee setting out its responsibilities with respect to compensation, nomination and governance matters, as described below under the headings *"Nomination and Election of Directors", "Orientation and Continuing Education", "Compensation" and "Assessments"*.

Ms. Beauchamp, Mr. Roy, Dr. Dempsey, and Ms. Elliott collectively, have many years of direct experience with the design, implementation or oversight of compensation programs that is relevant to their responsibilities on the C&G Committee, and they draw upon that experience to make decisions on the suitability of the Company's compensation policies and practices. Ms. Beauchamp has served on the boards of various public companies and is currently the Chair of the Nominating and Governance Committee of Aurora, and a member of the Audit Committee, and was previously a member of the Human Resources and Compensation Committee. Mr. Roy has served in numerous leadership roles in both the public and private sectors, and was co-owner of a healthcare marketing agency with over 250 employees, where he managed many compensation-related matters. Additionally, Ms. Beauchamp and Mr. Roy have served as executive officers with increasing seniority various pharmaceutical and specialty life sciences companies, where they were each involved in compensation decisions during their respective tenures. Dr. Dempsey has served on the C&G committee of several private and public companies, including a NASDAQ-listed specialty pharmaceutical company. Ms. Elliott brings institutional experience from decades in public service, including managing large-scale organizational transitions and complex regulatory frameworks. She also has extensive experience serving on boards and various healthcare foundations, which provides her with the specific corporate oversight and committee-level expertise required for the Committee.

Position Descriptions

The Board has adopted a written position description for the Chair of the Board, which sets out the Chair's key responsibilities, including: providing leadership to foster the effectiveness of the Board; together with the Lead Director, preparing the agenda and leading the activities and meetings of the Board; chairing Board and Shareholder meetings; ensuring an effective relationship between the Board and senior management of the Company; consulting with the C&G Committee on candidates for nomination to the Board; working with the Chief Executive Officer to ensure the Board is provided with the resources necessary to carry out its responsibilities; and ensuring the Directors receive information required for proper performance of their duties and that the appropriate committee structure is in place.

The Board has also adopted a written position description for the Chair of each Board committee, which sets out the key responsibilities of such Chair, including duties relating to: providing leadership to foster the effectiveness of the Board committee; ensuring there is an effective relationship between the Board and the Board committee; preparing the agenda for each meeting of the Board committee; ensuring that all committee members receive information required for proper performance of their duties; chairing Board committee meetings; and providing additional services required by the Board and the Board committee.

The Board has also adopted a position description for the Chief Executive Officer which sets out the key responsibilities of the Chief Executive Officer, including: developing and recommending to the Board a long-term strategy and vision for the Company that is consistent with creating Shareholder value; providing leadership and vision, maintaining a high level of employee morale and motivation, with a view to ensuring the implementation of the Company's strategy; fostering a corporate culture that promotes integrity and ethical values throughout the organization; developing and motivating executive officers, and providing overall management to ensure the effectiveness of the leadership team; developing and recommending to the Board annual business plans and budgets that support the Company's long-term strategy; ensuring that succession plans are in place for the Company; and serving as the Company's chief spokesperson.

Orientation and Continuing Education

The C&G Committee reviews, monitors and makes recommendations regarding new Director orientation and the ongoing development of existing Directors. The committee is responsible for recommending to the Board an appropriate annual process to evaluate the Board and each of the committees, and the responsibilities of each of the Directors individually.

The C&G Committee also coordinates the continuing education program for Directors in order to maintain or enhance their skills and abilities as Directors, as well as ensuring that their knowledge and understanding of the Company and its business remains current. The Company's Board members are expected to keep themselves current with industry trends and developments, while the Company provides Directors with continuous education opportunities and programs throughout the year, by way of presentations on key business areas, business updates and site visits. The Board annually holds a series of in person meetings at the Company's offices in either Toronto or Montreal, for site visits and strategy discussions. Additionally, HLS staff members of varying levels of seniority provided the Directors with updates on the Company's business, including key strategic initiatives and operating matters. Furthermore, additional continuing education sessions are held with certain of the Company's outside legal, financial and banking advisors, where such advisors provided the Board with updates on relevant topics, including on matters such as cybersecurity, director duties and industry trends.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") applicable to each Director, officer, employee and representative of the Company and its subsidiaries, including part-time, contract, and temporary employees. The Code provides a set of ethical standards for conducting the business and affairs of the Company with honesty, integrity and in accordance with high ethical and legal standards. The Code is available on the Company's website at www.hlstherapeutics.com, on the Company's profile on SEDAR+ at http://www.sedarplus.ca and upon request from the Corporate Secretary and Senior Vice President, Legal, HR and Compliance of the Company, at 10 Carlson Court, Suite 701, Etobicoke, Ontario M9W 6L2.

The Code has been designed to define and clarify legal and ethical expectations for all HLS personnel and includes standards concerning ethical decision making and compliance, conflicts of interest, insider trading, timely disclosure commitments, confidential information, and ethical relationships with healthcare professionals. The Code also provides information about potentially challenging situations that may arise during the normal course of business. HLS requires that all personnel participate annually in training on the Code. As part of this annual training, all personnel must certify their understanding of and compliance with the principles of the Code and related HLS policies and procedures.

The C&G Committee is responsible for receiving reports from the Chief Executive Officer regarding breaches of the Code, and in turn reporting those breaches to the Board. The Committee also reviews investigations and any resolutions of complaints received under the Code and reports annually to the Board thereon. The Company has also adopted a Complaints Reporting and Whistleblower Policy to receive, retain and address all complaints received by the Company regarding accounting, internal accounting controls or auditing matters, fraud/theft, workplace violence and other issues; an Insider Trading Policy to avoid civil and criminal insider trading violations; and a Disclosure Policy to ensure that the Company's disclosure obligations are met.

Risk Oversight and Management

The Board is responsible for overseeing the Company's risk management framework and ensuring that key risks are identified, assessed, and appropriately mitigated. Management is charged with the day-to-day management of risks and has implemented a structured approach to monitor legal, regulatory, financial, operational, and other key strategic risks facing the Company.

To support this process, the Company's management team maintains an internal risk dashboard that consolidates and tracks key risk areas, including emerging and ongoing matters. The risk dashboard is reviewed and updated on a regular basis by senior management and is used as a central tool to facilitate proactive risk identification and response.

The Board receives periodic updates from management regarding the status of the Company's key risks, mitigation efforts, and any material changes to the risk environment. These updates are typically provided at regularly scheduled Board meetings, or more frequently as circumstances warrant.

The Company's approach to risk management reflects its size and resources and is designed to be appropriately scaled and responsive to the evolving nature of its operations and external environment.

Nomination and Election of Directors

The C&G Committee is currently responsible for, in consultation with the Chair of the Board, the Lead Director and the Chief Executive Officer, annually or as required, recruiting and identifying individuals qualified to become new Board members and recommending to the Board new Director nominees for the next annual meeting of Shareholders. The C&G Committee, which consists entirely of independent Directors, is responsible for periodically reviewing the size of the Board, with a view to determining the impact of the number of Directors on the effectiveness of the Board, and identifying potential nominees to the Board, reviewing their qualifications and experience, determining their independence as required under all applicable corporate and securities laws, and recommending to the Board the nominees for consideration by, and presentation to, the Shareholders at the Company's next annual meeting. In making its recommendations, the C&G Committee considers 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, as well as the competencies and skills each new nominee will bring to the boardroom. The C&G Committee also considers the amount of time and resources that nominees have available to fulfill their duties as Board members or committee members, as applicable. The C&G Committee may also recommend for Board approval the removal of a Director from the Board or a Board committee if he or she is no longer qualified to serve as a Director under applicable requirements or for any other reason the C&G Committee considers appropriate.

Compensation

The C&G Committee's purpose is to: (i) determine and make recommendations with respect to all forms of compensation to be granted to the Chief Executive Officer and review the Chief Executive Officer's recommendations respecting compensation of the other senior executives of the Company; and (ii) oversee corporate governance of the Company.

The C&G Committee's responsibilities include reviewing and recommending to the Board the compensation of the Chief Executive Officer and other officers of HLS appointed by the Board; reviewing and recommending to the Board the compensation policies, plans and programs for HLS's executive officers and other senior management, as well as its overall compensation plans and structure; reviewing and discussing with management and recommending to the Board the compensation-related disclosure to be included for use in any annual reports, prospectuses, proxy circulars or information circulars; recommending to the Board the compensation for Directors; and administering the Stock Option Plan and share compensation arrangements.

The C&G Committee seeks to ensure an objective process for determining compensation through compliance with the Board's conflicts of interest guidelines. The C&G Committee reviews the various compensation elements both individually and in total to seek alignment with HLS's compensation program objectives. The C&G Committee then makes recommendations on all executive pay, short-term incentives and long-term incentive options to the Board for approval. For more information about the process of determining compensation, please refer to the discussion under the heading "*Statement of Executive Compensation – Overview and Description of Director and Named Executive Officer Compensation*" in this Circular.

Other Board Committees

The Board does not have any standing committees other than the Audit Committee and the C&G Committee.

Assessments

The C&G Committee, in consultation with the Chair of the Board, is responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Board, the Board committees and individual Directors, with a view to ensuring that they are fulfilling their respective responsibilities and duties and working effectively together as a unit. The assessment includes an annual questionnaire that each director must complete. The annual questionnaire covers a range of topics including: (i) individual self-assessment; (ii) assessment of the Board and committee performance and effectiveness; and (iii) an assessment of peer performance at the Board level and at the committee level. An online service is used to collect the results of the completed questionnaires and provide them to the Chair of the C&G Committee in an aggregate and anonymized format. The Chair of the C&G Committee then reviews and analyzes the data, together with the members of the C&G Committee, and additional feedback is sought and received from Directors where necessary or appropriate. The C&G Committee then prepares and presents to the Board a report that contains the recommendations of the C&G Committee to improve the effectiveness of the Board in light of the results of the annual performance evaluation. The C&G Committee's report includes the aggregated data and any other items that, in the opinion of the Chair of the C&G Committee, warrant reporting to the Board.

Succession Planning

The Board is responsible for overseeing the succession planning processes of the Company with respect to senior management and director positions. At least annually, the Board reviews the succession plans of the Company for the Chief Executive Officer, the Chief Financial Officer, and other executive officers, including the appointment, training and monitoring of such positions. It also reviews the skills and experience of Board members to ensure continued alignment with the business operations, growth and strategic direction of the Company.

Board Renewal

The Company does not currently have a policy with respect to Board member term limits and mandatory retirement. The Company was initially formed in 2015 and went public in 2018. Since 2015, the number of Directors, and composition of the Board has changed and, as a result of retirements and new Directors joining the board, the number of independent Directors has increased to six. At this stage of the Company's development and in light of the recent turnover among Directors, the Board believes that policies related to age or term limits would not be appropriate. The Company continues to benefit from the depth of industry, capital markets and governance experience on the Board as constituted, and implementing these policies would have the effect of forcing directors to resign from the Board who have expertise and insight in the highly specialized industry in which the Company operates. The Company continues to periodically monitor director performance through the formal annual assessment process described above, and, together with input from the Company's external third party advisory firms, the Company periodically analyzes the skills and experience necessary for the Board and evaluate the need for director changes to ensure that the Company has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

Diversity

Board of Directors

The Board recognizes the benefits that diversity brings to the Company. The Board aims to be composed of directors who have a range of perspectives, insights and views in relation to the issues affecting HLS. The Board adopted a written diversity policy (the "**Diversity Policy**") on March 16, 2022. The Diversity Policy reflects the Company's commitment to ensuring that members of the Board and senior management provide the necessary range of perspectives, experience and expertise required to achieve the Company's objectives and deliver for its stakeholders. Furthermore, the Diversity Policy outlines HLS's commitment to cultivating a diverse and inclusive culture and selecting the best individuals to fill Board and senior management roles, free of conscious or unconscious bias and discrimination. The Diversity Policy indicated that the Board should include individuals from diverse backgrounds, having regard to, among other things, gender, status, age, business experience, professional expertise, education, nationality, race, culture, language, personal skills and geographic background. Accordingly, consideration of whether the diverse attributes highlighted in the Diversity Policy are sufficiently represented on the Board is an important component of the selection process for new Board members. The C&G Committee has emphasized the Board's commitment to the recruitment of women by making the identification of candidates who are women a key search criterion in the director selection and nomination process. In order to promote the specific objective of gender diversity on the Board, the selection process for Board appointees and nominees for election ensures that appropriate efforts

are made to include women in the list of candidates being considered for a Board position and, in any event, that at least one woman is included in the short list of candidates being considered for a Board position. This process resulted in the Company's first female Director joining the Board in 2019, Norma Beauchamp joining the Board in 2021 and Christine Elliott joining the Board in 2025. The Diversity Policy mandates that at least one woman be included on the shortlist of candidates identified during any selection process for a Board position. As of the date of this Circular, two of eight Directors (25%) are women. The Board recognizes the value of the contribution of members with diverse characteristics and perspectives on the Board and is committed to ensuring that women, in particular, are represented on the Board.

Management

HLS believes that a diversity of backgrounds, opinions and perspectives and a culture of inclusion helps to create a healthy and dynamic workplace, which improves overall business performance. This belief in diversity is further reflected in the Company's written Diversity Policy. The Diversity Policy recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role of qualified women in contributing to diversity of perspective in senior management positions. Accordingly, in order to promote the specific objective of gender diversity, the Company will:

- implement policies that address impediments to gender diversity in the workplace and review their availability and utilization;
- foster flexible scheduling programs and other family friendly policies for mid-career women to assist with recruitment and retention;
- regularly review the proportion (in percentage terms) of persons at all levels of the Company who are women; and
- continue to identify new ways to entrench diversity as a cultural priority across the Company.

HLS further recognizes the value of ensuring that the Company has leaders who are from diverse backgrounds. The Company prides itself on developing its employees internally and providing them with opportunities to advance their careers. The Company has established procedures to support the Company's senior management diversity objectives, including that the Chief Executive Officer, together with the C&G Committee will, when considering, recommending and reviewing recommendations for the appointment of candidates for senior management positions:

- consider diversity criteria, including, but not limited to, the level of representation of women, when determining the optimum composition of senior management;
- consider and, if deemed necessary, implement policies to address impediments to diversity in the workplace;
- review potential candidates from a variety of backgrounds and perspectives, with the Company's diversity objectives in mind;
- regularly review the level of diversity at all levels of the Company;
- consider initiatives designed to identify, support and develop diverse employees with leadership potential;
- continue to identify new ways to entrench diversity, including gender diversity, as a cultural priority across the organization; and
- in addition to its own searches, as and when appropriate from time to time, engage qualified independent external advisors to conduct a search for candidates to help achieve the Company's diversity objectives in relation to senior management.

Currently, two of eight executive officer positions at the Company (25%) are held by women. HLS has not adopted a target for the number of women in executive officer or senior leadership positions as the Board has determined this would not necessarily result in the identification or selection of the best candidates. HLS does, however, understand the benefits of a diverse workforce and is committed to promoting diversity (including gender diversity) among its senior leadership and will consider the level of female representation and other areas of diversity, outlined above, when deliberating on hires and promotions regarding all senior leadership positions, including executive officers. Furthermore, the Company's written Diversity Policy requires that on an annual basis, the C&G Committee will assess the progress and effectiveness of the board appointment/nomination and senior management appointment processes at achieving the Company's diversity objectives. HLS will also continue to evaluate the appropriateness of adopting targets in the future.

STATEMENT OF EXECUTIVE COMPENSATION

The following discussion describes the significant elements of the Company's executive compensation program, with particular emphasis on the process for determining compensation payable to the Company's named executive officers ("**NEOs**") for fiscal year 2025, being Chief Executive Officer Craig Millian, Chief Financial Officer John Hanna, Chief Commercial Officer Brian Walsh, Senior Vice President, Legal, HR and Compliance Ryan Lennox, and Vice President, Scientific Affairs Jason Gross. The following also summarizes any material changes the Company has adopted or intends to adopt for its executive compensation program for fiscal year 2026.

Oversight and Description of Director and Named Executive Officer Compensation

The C&G Committee sets guidelines for determining the short-term and long-term compensation of executive officers based on their performance, the compensation of executive officers at comparable companies, compensation in previous years, the experience and skills of the officer, and any other factor the committee determines to be relevant. The C&G Committee, in its discretion, recommends annual and long-term performance goals and objectives for the executive officers to the Board. The C&G Committee evaluates the performance of the Chief Executive Officer and the other NEOs in light of the approved performance goals and objectives. The C&G Committee makes recommendations to the Board with respect to incentive-based compensation plans and equity-based plans, including the Stock Option Plan. The C&G Committee also reviews and recommends the compensation for independent directors and committee members for approval by the Board on an annual basis.

The Board approves the compensation of the NEOs based on the recommendations of the C&G Committee. In the case of the named executive officers other than the Chief Executive Officer, these approvals and recommendations reflect consideration of the recommendations of the Chief Executive Officer, which are based on similar factors to those that are considered by the C&G Committee in establishing its recommendation respecting the compensation of the Chief Executive Officer.

Compensation Objectives

Our compensation philosophy consists of several key principles:

- We aim to attract, retain, motivate, and engage highly skilled and experienced individuals who excel in their respective fields. We encourage and reward executives for achieving both ambitious yet realistic short-term and long-term targets. Our executive compensation is aligned with HLS' operational and financial objectives, as well as the long-term interests of our Shareholders.
- In determining base salary levels, we take into consideration the market median, while also considering the executive's performance and tenure within the organization. We believe in aligning compensation with operational and financial results, as well as the returns achieved by Shareholders.
- Through our equity programs, we further promote alignment of interests between our employees and Shareholders. This allows employees to share in the success of the Company and fosters a sense of ownership and commitment.
- We maintain simplicity in our compensation programs to ensure a clear line of sight and focus on HLS's key priorities. By keeping the programs clear and transparent, we can effectively communicate our compensation strategy and maintain a strong connection between performance and rewards.

The Board of Directors is responsible for identifying and mitigating any risk associated with HLS's compensation policies and practices that could incentivize an executive officer or other employee to take inappropriate or excessive risk, or that could otherwise have a material adverse effect on HLS.

Use of Independent Compensation Consultants

The C&G Committee reviews NEO compensation packages annually to ensure that NEOs are being compensated in line with industry practices. To assist in executing its responsibilities, the C&G Committee engages independent compensation advisors.

In our goal of maintaining the highest standards of objectivity and expertise in our compensation practices, HLS regularly reviews and evaluates the external advisors we engage. In 2025, the C&G Committee retained Mercer (Canada) Limited ("**Mercer**") as its independent compensation consultant to provide advice on executive compensation matters. Mercer is a subsidiary of Marsh, and is a global consulting leader known for its expertise in human resources, financial services, and related fields. Mercer was selected based on their extensive experience and proven track record in executive compensation consulting, ensuring that our compensation policies remain competitive, equitable, and aligned with our compensation philosophy, the long-term interests of our Shareholders, and principles of good governance.

All work conducted by Mercer is pre-approved by the C&G Committee and Mercer does not provide any non-Board approved services to the Company. The C&G Committee takes Mercer's reports and recommendations into consideration when assessing compensation structure and awards, but ultimately makes its own decisions and recommendations for the Board to approve.

Mercer's fees incurred in the two most recently completed fiscal years are as follows:

Fiscal year	Executive Compensation-Related Fees (C$)	All Other Fees (C$)
2024	$16,910	$0
2025	$4,110	$0

Compensation Peer Group

In alignment with our commitment to ensuring competitive and appropriate compensation practices, the Company conducts comprehensive benchmarking exercises to evaluate executive compensation on a periodic basis. This approach ensures that our compensation assessments are both thorough and reflective of longer-term market trends, rather than short-term fluctuations.

For 2025, the Board did not undertake a formal compensation benchmarking review for the NEOs. Base salary adjustments for existing NEOs were determined primarily based on individual performance, scope of responsibilities and tenure with the organization.

In preparation for 2026 compensation decisions, the Company, with the support of Mercer, conducted a review of its compensation peer group and executive compensation positioning. As part of this process, the Company updated its compensation peer group, taking into account the following characteristics:

- public companies operating primarily in North America and listed on a major stock exchange;
- total enterprise value within a range of approximately 0.50 to 2.5 times the size of HLS, while also taking into consideration the Total Revenue and Earnings before Interest, Taxes, Depreciation, and Amortization ("EBITDA"); and
- strong focus on the specialty pharmaceutical and biotechnology sector.

The updated peer group is set out in the table below.

Compensation Peer Group		
Karyopharm Therapeutics Inc.	Vanda Pharmaceuticals Inc.	Coherus Oncology, Inc.
Heron Therapeutics, Inc.	Journey Medical Corporation	Amarin Corporation plc
Fennec Pharmaceuticals Inc.	Verrica Pharmaceuticals Inc.	Puma Biotechnology, Inc.
Medexus Pharmaceuticals Inc.	-	-

The Company's pay positioning takes into consideration individual experience, expertise, and contributions, as well as the Company's size relative to the organizations in the compensation peer group.

Elements of Compensation Program

HLS's compensation program for its executive officers is designed to attract, retain, motivate and engage highly skilled and experienced individuals who excel in their field. The objective of the program is to focus HLS's executives on the key business factors that affect Shareholder value and to align their compensation with HLS's business and financial objectives and the long-term interests of Shareholders.

Compensation for executive officers is comprised primarily of four main components:

- base salary;
- short-term incentive compensation;
- participation in long-term incentive arrangements; and
- additional benefit items.

Each component plays a role in meeting HLS's compensation objectives. The mix of compensation is designed to reward short-term results and to motivate long-term performance. The compensation levels of HLS's executive officers reflect to a significant degree the varying roles and responsibilities of HLS's executive officers. The appropriate level of compensation for the NEOs is determined by the Board with the input and recommendations of the C&G Committee on an annual basis.

There are no pension plans at HLS but the Company does make contributions to employees' retirement savings, including a deferred profit-sharing plan and Group RRSP in Canada and a 401(k) plan in the United States.

The following table explains the elements of compensation that the Company adopted for fiscal year 2025. The Company assesses each component separately, and together these are considered total compensation.

Component	Objective/Rationale
(i) Base Salary	Forms the basis for attracting talent and comparing to and remaining competitive with the market. Is compensation relating to the roles and responsibilities of each role. Fixed, and used to determine other aspects of HLS's compensation and benefits. Established when hired and reviewed at the end of the first quarter of each year. To align with the compensation philosophy, base salary levels aim to align with the median of the peer group over time, but also take into account the NEO's individual experience, expertise, contributions, and the size of our compensation peers.
(ii) Annual Cash Bonus / Short Term Incentive Plan ("STIP")	In alignment with the Company's compensation philosophy and market best practice, links pay to Company achievements. Variable ("at-risk") and paid in cash following year-end results based on Company annual performance. Bonuses are not paid unless a threshold level of performance is achieved, with performance benchmarks being specified in a detailed scorecard of corporate performance that contain metrics and weightings that align to the business. Scorecards consist of a mix of corporate, financial and operational metrics. Each NEO is measured by the same corporate performance metrics to ensure alignment and clear line of sight. The target STIP opportunity varies between NEOs, ranging from 35% to 70% of base salary, in alignment with market competitive pay levels, and is associated with expected annual performance results. Capped at 150% of target STIP opportunity.

Component	Objective/Rationale
(iii) Long-term Incentive Plans	Long-term incentives are designed to (i) promote a further alignment of interests between management and Shareholders of the Company; (ii) associate a portion of management's compensation with the returns achieved by Shareholders of the Company; and (iii) attract and retain employees with the knowledge, experience and expertise required by the Company. The Company has granted long-term incentives in the form of Options. With the exception of certain Options granted prior to the completion of the Arrangement, which vest over a four-year period and have a 10-year term to expiry, Options are intended to vest over a four-year period and have a seven-year term to expiry. Options are granted to align with HLS's peer group prevalence and to reward management for performance on a longer-term basis. The Company previously granted participation units ("Participation Units") under the long-term stock-based performance plan (the "Performance Participation Plan") that was introduced in 2020. In 2023, the Company ceased making grants of Participation Units following shareholder approval of certain changes to the Stock Option Plan, on the basis that Options provide a better longer-term alignment to Shareholder returns at this stage of the Company's lifecycle. Outstanding Participation Units that were previously granted under the Performance Participation Plan were set to pay out only if certain performance criteria were met at the end of a defined performance period. The last Participation Units expired in 2025 with no payout to the holders. Quantities of grants of Options are determined by the Board on the recommendation of the C&G Committee, which is based, in part, on consideration of recommendations provided to the C&G Committee by Mercer.
(iv) Other Compensation	Participation in HLS's employee group benefits plans is provided to each NEO where available. Contributions are provided to the NEOs' retirement savings plans, including DPSP and 401(k) accounts, as applicable. There is no pension plan for the NEOs. Designed to be competitive overall with equivalent positions.

Base salary

Individual salaries are determined by each officer's experience, expertise, performance and expected contributions to HLS. The C&G Committee uses industry studies and market data for comparable businesses, including the Peer Group, to assist in setting a range of base salaries for positions. However, these studies and data are only one factor that is reviewed in determining base salary for each executive officer position.

Short-term incentive compensation

The STIP as defined in more detail below contains predefined Target and Maximum performance hurdles that are tied to the overall corporate objectives set out in more detail below. The target STIP award is set as a percentage of the executive's base salary. If target performance is achieved the STIP would be awarded at 100% of the bonus opportunity, and if maximum performance is achieved the STIP may award up to 150% of the target STIP. The payout opportunity is defined below per executive:

	CEO	CFO	CCO	SVP, Legal, HR & Compliance	VP, Scientific Affairs
Target STIP (% of Base Salary)	70%	50%	50%	40%	35%
STIP Award Range (% of Base Salary)	0-105%	0-75%	0-75%	0-60%	0-52.5%
Target Performance (% of Target)	100%	100%	100%	100%	100%
Maximum Performance (% of Target)	150%	150%	150%	150%	150%

HLS utilizes short-term incentive compensation to reward its executive officers, including the named executive officers, as well as all other non-sales personnel, primarily for the achievement of corporate performance goals recommended by the C&G Committee and approved by the Board in the course of setting the Company's quarterly and annual budgets. Total bonus payable as short-term incentive compensation cannot exceed 150% of the individual's target level of annual short-term incentive compensation, despite any overachievement of criteria.

In considering the STIP awards for the NEOs in 2025, the Board considered the actual level of achievement versus target achievement levels set by the Board with respect to certain commercially sensitive corporate performance indicators as set out in summary fashion only below, in order to both protect confidentiality while at the same time be consistent with regulatory requirements and best practices.

Corporate Goal	Target	Actual Performance	Comments
Financial and Commercial Performance	70%	37.5%	Score was based on the Company's actual performance related to achieving specific financial and commercial objectives, growing total product net sales and AEBITDA.
Product Specific	5%	10%	Score was based on the Company's actual performance in achieving various metrics related to the launch of Nilemdo in Canada.
Corporate Development	25%	25%	Score was based on the Company's actual performance related to successfully achieving certain corporate development goals, including the in-licensing of the bempedoic acid assets, the refinancing of the Company's debt and other business development metrics.

Management and the Board set a series of challenging expectations in 2025 and, based on the above, the actual performance of the Company resulted in an STIP award of 72.5% of target STIP payout for 2025 for each NEO.

Long-term incentives

Long-term incentive compensation is a fundamental component of HLS's executive compensation program. HLS utilizes long-term incentive compensation, in the form of Options, to strengthen retention and align compensation with returns to Shareholders. Options are granted annually by the Board, in quantities based in part on consideration of recommendations provided to the C&G Committee by its compensation advisor, and to ensure compensation for HLS's NEOs that is competitive to suitable peers in the marketplace. In 2024, on the advice of Mercer, the Company ceased the practice of providing company-wide grants of Options to all permanent employees and made option grants to NEOs and certain other senior leaders at target grant levels. For more information, see "– *Stock Option Plan and Other Incentive Plans – Stock Option Plan.*"

The Company previously granted Participation Units to NEOs and selected additional key employees under the terms of the Performance Participation Plan. These awards were, subject to the satisfaction of the performance conditions, to be

settled in cash, based on performance measured at the end of the three-year measurement period, and were intended to be non-dilutive to Shareholders. However, in 2023, the Company decided to cease making awards of Participation Units to NEOs or any other employees on the basis that Options provide a better longer-term alignment to shareholder returns. The last grant of Participation Units expired in 2025, with no payout to the holders. For more information, see "*– Stock Option Plan and Other Incentive Plans – Performance Participation Plan*".

Equity Incentive Plans

The Company has historically granted Options to certain officers, employees and consultants of the Company and its affiliates under the Company's amended and restated stock option plan (the "**Stock Option Plan**"), which was last approved by Shareholders on June 16, 2023. From June 16, 2026, the Company will no longer be entitled to make grants under the Stock Option Plan and expects that any future equity-based compensation will be under the LTIP.

The Company is proposing the LTIP for approval by Shareholders at the Meeting. If approved, the LTIP will allow the Board to grant long-term equity-based awards to eligible participants. The LTIP will provide flexibility to the Company to grant equity-based incentive awards in the form of Options, RSUs, PSUs and SARs, as described in further detail below.

Long-Term Incentive Plan

If the LTIP is approved by Shareholders at the Meeting, the LTIP will be administered by the Board (which may delegate its authority to the C&G Committee), and the Board has the authority to interpret the LTIP, including in respect of any award granted thereunder. The LTIP permits the Board to grant awards of Options, restricted share units ("**RSUs**"), performance share units ("**PSUs**") and stock appreciation rights ("**SARs**") to eligible participants ("**Grants**"). The following discussion is qualified in its entirety by the full text of the LTIP, which is attached as Annex "C" to this Circular.

The purpose of the LTIP is to (i) promote a further alignment of interests between officers, employees and other eligible service providers of the Company and those of Shareholders; (ii) associate a portion of the compensation payable to officers, employees and other eligible service providers of the Company with the returns achieved by Shareholders; and (iii) attract and retain officers, employees and other eligible service providers with the knowledge, experience and expertise required by the Company.

Eligibility

Any individual employed by the Company, including a service provider, who, by the nature of their position or job is, in the opinion of the Board, in a position to contribute to the success of the Company is eligible to receive Grants under the LTIP (each such individual who receives a Grant, a "**Participant**"). Non-Employee Directors shall not be eligible to receive Grants under the LTIP.

Common Shares Reserved for Issuance

The aggregate number of Common Shares that may be issued pursuant to Grants made under the LTIP together with all other security based compensation arrangements of the Company (including the Stock Option Plan) shall be a number equal to 10% of the aggregate number of issued and outstanding Common Shares from time to time. As a result, should the Company issue additional Common Shares in the future, the number of Common Shares issuable under the LTIP will increase accordingly. The LTIP is considered an "evergreen" plan, since the Common Shares covered by Grants which have been exercised or settled, as applicable, shall be available for subsequent grants under the LTIP and the number of Grants available to award increases as the number of issued and outstanding Common Shares of the Company increases. For purposes of computing the total number of Common Shares available for grant under the LTIP or any other security based compensation arrangement of the Company, Common Shares subject to any Grant (or any portion thereof) that is forfeited, surrendered, cancelled or otherwise terminated, including if a number of Common Shares covered by an Option have not been issued due to the exercise of a Tandem SAR connected with such Option, prior to the issuance of such Common Shares shall again be available for grant under the LTIP.

If the LTIP is approved by Shareholders at the Meeting, 3,127,493 Common Shares will be reserved for issuance under the LTIP (representing 10% of the total Common Shares outstanding as of the date hereof), subject to reduction to account for Common Shares underlying outstanding awards granted under any other security based compensation arrangement of the Company. As of the date hereof, no Grants will have been made under the LTIP and 2,744,913 Common Shares are reserved for issuance upon the exercise of Options granted under the Stock Option Plan.

Insider Participation Limit

The maximum number of Common Shares that are (i) issued to Insiders within any one year period; and (ii) issuable to Insiders, at any time, under the LTIP, or when combined with all of the Company's other security based compensation arrangements, shall not exceed 10% of the number of the aggregate issued and outstanding Common Shares.

Individual Limits

The LTIP does not provide for a maximum number of Common Shares that may be issued to any one individual pursuant to the LTIP and any other security based compensation arrangement of the Company (expressed as a percentage or otherwise).

Options

The LTIP provides that Options granted shall vest in accordance with the terms of the Grant approved by the Board and based on continued employment, and may be exercised during a period determined by the Board, which may not exceed ten years. The exercise price for each Common Share subject to an Option is fixed by the Board but under no circumstances may any exercise price be less than 100% of the market price of the Common Shares on the date of grant of the Option. The exercise of Options may be subject to other vesting conditions, including specific time schedules for vesting and performance-based conditions.

Stock Appreciation Rights

The LTIP provides that Participants may be granted standalone SARs, being a right to receive a payment in cash, Common Shares or a combination thereof (as determined by the Board) equal to the amount, if any, by which the market price of the Common Shares on the date of exercise of the SAR exceeds the market price at the time of the grant (the "**Base Price**"). The exercise of SARs may also be subject to conditions similar to those which may be imposed on the exercise of Options.

In addition, SARs may be granted in connection with a grant of Options ("**Tandem SARs**"), which are subject to the same terms and conditions of the grant of Options. Tandem SARs may be exercised only if and to the extent the related Options are vested and exercisable, and on exercise of a Tandem SAR, the related Option is cancelled and the Participant is entitled to the amount in settlement of the Tandem SAR. Upon exercise, the Tandem SAR entitles the Participant to receive, in cash, Common Shares, or a combination thereof (as determined by the Board), an amount equal to the amount, if any, by which the market price on the date of exercise of the Tandem SAR exceeds the exercise price of the related Option at the time of grant.

Share Units

The LTIP provides that Participants may be allocated share units in the form of RSUs or PSUs, which represent the right to receive an equivalent number of Common Shares or a cash payment equal to the market price of such Common Shares on the vesting date. The issuance of such Common Shares may be subject to vesting requirements similar to those described above with respect to the exercise of Options and SARs, including such time or performance based conditions as may be determined from time to time by the Board in its discretion. The LTIP provides for the express designation of RSUs, which have time-based vesting conditions, and PSUs, which have performance-based vesting conditions over a specified period.

Blackout Periods

The LTIP provides that if the expiry date of an Option or SAR falls within any Blackout Period (as defined in the LTIP) or within ten business days following the end of any Blackout Period, then the expiry date of such Option or SAR will be automatically extended to the date that is ten business days following the end of such Blackout Period.

Termination of Grants

Subject to the terms of the applicable Grant agreement: (i) in the case of a Participant's termination due to death, the Participant's outstanding Options that have become vested prior to the Participant's date of death shall continue to be exercisable during the 365-day period following such date of death; (ii) in the case of a Participant's termination due to disability, the Participant's outstanding Options that have become vested prior to the Participant's disability date shall continue to be exercisable during the 180-day period following such disability date; (iii) in the case of a Participant's termination without cause (including by way of constructive dismissal), the Participant's outstanding Options that have become vested prior to the Participant's termination shall continue to be exercisable during the 90-day period following the Participant's date of termination; and (iv) in the case of a Participant's resignation, the Participant's outstanding Options that have become

vested prior to the date of the Participant's termination shall continue to be exercisable during the 90-day period following the Participant's date of resignation.

Subject to the terms of the applicable Grant agreement, in the case of a Participant's termination, other than for cause, any and all then outstanding Options granted to a Participant that have not vested prior to such termination, shall not vest and shall be immediately forfeited and cancelled, without any consideration therefor, as of the date of termination. Unless otherwise determined by the Board, in the case of a Participant's termination for cause, any and all then outstanding Options granted to such Participant whether vested or not vested, shall be immediately forfeited and cancelled, without any consideration therefor, as of the date of termination.

Subject to the terms of the applicable Grant agreement, in the event a Participant's employment is terminated for any reason, including the Participant's resignation, termination without cause, death, disability or termination for cause, RSUs and PSUs that have not vested prior to such termination, shall not vest and all such RSUs and PSUs shall be forfeited immediately.

Transferability

No Grants and no rights or interests therein may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession. A Participant may designate a beneficiary, in writing, to receive any benefits that are provided under the LTIP upon the death of such Participant.

Adjustments

The LTIP contains provisions for the equitable treatment of Grants in relation to any capital changes and with regard to a dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Common Shares or distribution of rights to holders of Common Shares or any other relevant changes to the authorized or issued capital of the Company.

Change in Control

The LTIP provides that in the event of a Change in Control (for the purposes of this section, as defined in the LTIP) prior to the vesting of a Grant, and subject to the terms of a Participant's written employment agreement or contract for services and the applicable Grant agreement, the Board has full authority to determine in its sole discretion the effect, if any, of a Change in Control on the vesting, exercisability, settlement, payment or lapse of restrictions applicable to a Grant.

Amendment and Termination

The LTIP and any Grant made pursuant to the LTIP may be amended, modified or terminated by the Board without approval of Shareholders, provided that no amendment may be made without the consent of a Participant if it adversely affects the rights of the Participant in respect of any Grant previously made to such Participant. For greater certainty, the LTIP may not be amended without Shareholder approval to do any of the following:

a. increase the maximum number of Common Shares issuable pursuant to the LTIP;

b. increase or remove the limits on Common Shares issuable or issued to Insiders;

c. reduce the exercise price of an outstanding option or the Base Price of a standalone SAR;

d. amend the maximum term of the Options to a date that is more than ten years from the grant date;

e. extend the maximum term of any Grant made under the LTIP;

f. amend the assignment provisions described above under "*Statement of Executive Compensation – Equity Incentive Plans – Transferability*";

g. permit a non-employee member of the Board to be eligible for Grants under the LTIP;

h. add any form of financial assistance to a Participant;

i. include other types of equity compensation involving the issuance of Common Shares under the LTIP; or

j. amend the amendment provisions of the LTIP to amend or delete any of (a) through (j) or grant additional powers to the Board to amend the LTIP or entitlements without Shareholder approval;

provided that, Shareholder approval shall not be required for, among other things, the following amendments: (i) amendments of a "housekeeping" nature; (ii) a change to the vesting provisions of any Grants; (iii) a change to the termination provisions of any Grant that does not entail an extension beyond the original term of the Grant; or (iv) amendments to the provisions relating to a Change in Control.

Subject to the foregoing, the Board may also, from time to time, amend the LTIP for purposes of establishing one or more sub-plans for the benefit of eligible individuals subject to the laws of a jurisdiction other than Canada in connection with their participation in the LTIP.

Stock Option Plan

The Stock Option Plan was last approved by Shareholders on June 16, 2023. No further grants may be made under the Stock Option Plan after June 16, 2026.

The following summary of the Stock Option Plan is intended as a summary only and does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the full text of the Stock Option Plan.

The Stock Option Plan has been a fundamental component of HLS's executive compensation program. The primary purposes of the Stock Option Plan were (i) to promote an alignment of interests of the officers, employees and consultants of the Company and its subsidiaries with those of the Shareholders; (ii) to associate officers' and employees' compensation with the returns achieved by Shareholders; and (iii) to attract and retain employees with the knowledge, experience and expertise required by the Company and its subsidiaries.

The Stock Option Plan provides for awards of Options. The plan is open to officers, directors, employees and consultants engaged by HLS or its affiliates. Notwithstanding the foregoing, the Stock Option Plan provides that no Options may be granted to any non-employee director of HLS. The Stock Option Plan provides that the Board has the authority to determine the individuals to whom Options will be granted, the number of Options to be granted and the vesting and other terms and conditions of such grants. The Stock Option Plan also provides that in no event may an Option remain exercisable beyond the tenth anniversary of the date of grant.

Subject to adjustment in connection with a reorganization or recapitalization of the Company, the total number of Common Shares reserved and available for grant and issuance pursuant to the Stock Option Plan, together with any Common Shares issuable pursuant to any other security-based compensation arrangement of the Company, was a rolling number equal to 15% of the total number of issued and outstanding Common Shares calculated from time to time at the date of grant of a particular Option or other award under a security-based compensation arrangement, as applicable, provided that, as of and after June 16, 2026, such number may not exceed 10% of the issued and outstanding Common Shares from time to time. Any Common Shares that are subject to Options that have been granted and that expire or are cancelled or terminated for any reason without having been exercised will again be available for grant and issuance in connection with future Options granted under the Stock Option Plan. At all times the Company is required to reserve and keep available a sufficient number of Common Shares as will be required to satisfy the requirements of all outstanding Options granted under the Stock Option Plan.

Notwithstanding the foregoing, the Stock Option Plan provides that no Options may be granted to (a) any insiders of the Company if the total number of Common Shares issuable to all insiders under the Stock Option Plan or any other security-based compensation arrangement of HLS would exceed 10% of the then issued and outstanding Common Shares, or (b) any insiders of the Company if the total number of Common Shares issued to all insiders of the Company within any one year period under the Stock Option Plan or any other security-based compensation arrangement of the Company would exceed 10% of the then issued and outstanding Common Shares (collectively, the "**Insider Participation Limit**"). The Stock Option Plan does not provide for a maximum number or percentage of Common Shares that may be issued to any one individual pursuant to the Stock Option Plan and any other security-based compensation arrangement of the Company.

The Board has the discretion to make amendments which it may deem necessary, without having to obtain Shareholder approval, provided that, among other things, no such amendment would be made to the extent that such amendment would materially adversely affect the existing rights of a participant with respect to any then outstanding awards, as determined by HLS acting in good faith, without such participant's consent in writing. The Board has the authority to make the following amendments, without requiring Shareholder approval: (i) amendments to the terms and conditions of the Stock Option Plan that are necessary to ensure that it complies with applicable law and regulatory requirements, including the requirements of any applicable stock exchange; (ii) amendments respecting the administration of or (subject to the requirement for Shareholder approval of any amendment that may introduce, re-introduce, broaden or increase the participation of nonemployee directors in the Stock Option Plan) eligibility for participation in the Stock Option Plan; (iii) amendments respecting the terms and conditions on which Options may be granted, including relating to the term of such an Option and the vesting schedule; (iv) the addition of, and any subsequent amendment to, a financial assistance provision; (v) amendments that are of a "housekeeping" nature; and (vi) any other amendments that do not require shareholder approval under applicable laws or the requirements of an applicable stock exchange. The Stock Option Plan also provides that Shareholder approval is required in the case of, among other things: (i) any amendment to the maximum number or percentage of Common Shares issuable under the plan; (ii) any amendment to the amendment provisions of the Stock Option Plan that would grant additional powers to the Board to amend the Stock Option Plan or entitlements thereunder without the approval of Shareholders; (iii) any amendment to or reduction in the exercise price of Options; (iv) any extension to the term of Options held by Insiders (as defined in the Stock Option Plan); (v) any change to the categories of individuals eligible to receive grants under the Stock Option Plan where such change may introduce, re-introduce, broaden or increase the participation of non-employee directors in the Stock Option Plan; (vi) any amendment to the restrictions contained in the Stock Option Plan on the transferability of Options; and (vii) any change to the Insider Participation Limit.

Options are granted with an exercise price equal to the last reported sale price of the Common Shares on the TSX (or, prior to the graduation to the TSX, on the TSXV) preceding the date of grant (except that the exercise price of certain Options granted to any person who owns more than 10% of the total combined voting power of all classes of outstanding shares of the Company or of any parent or subsidiary of the Company will be no lower than 110% of the last reported sale price of the Common Shares). With the exception of certain Options granted prior to the completion of the Arrangement, Options generally vest over a four-year period and have a seven-year term to expiry, with the maximum term to expiry permitted under the Stock Option Plan being ten years from the date of grant. If the expiration date of an Option falls during, or within a nine business day period following the end of, a "Blackout Period" (as defined in the Stock Option Plan), the Stock Option Plan provides that the expiration date of such Option is automatically extended to the date that is the tenth business day after the end of such Blackout Period. Options are not transferable or assignable, other than by will or by the laws of descent and distribution. The Company does not provide any financial assistance to holders of Options.

Unless otherwise determined by the Board, in the event that a holder of Options ceases to be employed by or to provide services to the Company (other than by reason of death, disability or termination for cause), the Options held by such holder shall cease to vest upon such cessation of employment or services, and any Options held by such holder that have vested will expire on the earlier of the 90th day following the termination of employment or provision or service and the initial expiry date of such Options, and Options held by such holder that have not vested will expire upon the termination of employment or provision or service. Any Options held by a holder who dies or becomes disabled may, to the extent then exercisable (or to such other extent as the Board may determine) be exercised until the expiration of the stated term of the Option or, if earlier, until 365 days from the date of death or 180 days from the date of termination for disability. Upon termination for cause, any Options held by an Option holder will, unless otherwise determined by the Board, terminate automatically, become null and void and be of no further force or effect.

Unless otherwise determined by the Board or agreed in writing between the Company and an Option holder, a "Change of Control" (as defined in the Stock Option Plan) will not result in the vesting of unvested Options, provided that

such Options will continue to vest in accordance with the Stock Option Plan and the applicable grant agreement and any entity that directly or indirectly acquires the Company (or, as applicable, the affiliate of the Company that employs the Option holder) agrees to assume the obligations of the Company in respect of the unvested Options of an Option holder. In connection with a Change of Control, the Board may, subject to certain exceptions, permit the exercise of any or all Options, whether or not vested, or the surrender of Options for a cash payment equal to the excess of price per Common Share under the Change of Control over the exercise price of the Option, multiplied by the number of Common Shares to which such Option relates and may determine that any Options not so exercised or surrendered shall terminate and cease to have any further force or effect upon the Change of Control.

The annual burn rate associated with the Stock Option Plan was 2.2%, 2.4% and 3.7% for the years ended December 31, 2025, 2024 and 2023, respectively.

Performance Participation Plan

The Board adopted the Performance Participation Plan on August 5, 2020. The purposes of the Performance Participation Plan were to motivate executives and other key employees and consultants to contribute to the long-term growth of the Company and to attract and retain employees with the knowledge, experience and expertise required by the Company.

Under the Performance Participation Plan, the Board may grant to participants Participation Units that entitle holders to a distribution of a proportionate share of the target amount set by the Board (the "**Target Incentive Pool**") if the applicable performance conditions are satisfied over the specified measurement period (the "**Performance Period**"), and a maximum amount that may be available for distribution to all participants in the aggregate (the "**Maximum Incentive Pool**") if the performance conditions for such Performance Period are exceeded. At the end of the applicable Performance Period, the Board determines the Company's performance for the Performance Period relative to the performance conditions (the "**Performance Factor**").

The Board has the authority to administer the Performance Participation Plan and to make grants of Participation Units to employees, officers and consultants who are eligible to participate in the Performance Participation Plan, on such terms and conditions as it deems advisable.

In December 2021, the Company made a grant of 328,460 Participation Units under the Performance Participation Plan, with a Target Incentive Pool of C$3,282,460 and a Maximum Incentive Pool of C$6,564,920. The Performance Period for such grants was from December 8, 2021 to December 7, 2024, and holders of these Participation Units received no payout in 2024.

In December 2022, the Company made a grant of 559,799 Participation Units under the Performance Participation Plan, with a Target Incentive Pool of C$5,597,990 and a Maximum Incentive Pool of C$11,195,980. The Performance Period for such grants was from December 13, 2022 to December 12, 2025, and holders of these Participation Units received no payout in 2025.

In 2023, the Company decided to cease making awards of Participation Units to NEOs or any other employees on the basis that Options provide a better longer-term alignment to Shareholder returns. As of the date hereof, no Participation Units remain outstanding.

Additional Benefit Plans

NEOs in Canada and the United States are entitled to participate in employee group benefit plans offered by HLS to its employees, including HLS's comprehensive group benefit plan administered by Sun Life Financial in Canada, and Independent Blue Cross in the United States.

Summary Compensation Table

The following table sets forth information regarding compensation earned by each NEO in fiscal year 2025 for HLS's last three completed fiscal years.

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)[5]	Non-equity incentive plan compensation ($)		All other Comp-ensation ($)[7]	Total compensation ($)
					Annual [6]	Long-Term Incentive Plan		
Craig Millian[1] Chief Executive Officer	2025	637,626	-	379,050	323,595	-	14,000	1,359,045
	2024	617,077	-	426,000	289,409	-	13,800	1,346,286
	2023	380,769	-	714,000	119,942	-	9,231	1,223,942
John Hanna [2] Chief Financial Officer	2025	345,217	-	113,000	125,143	-	11,622	614,987
	2024	332,871	-	142,000	111,512	-	11,862	598,245
	2023	-	-	-	-	-	-	-
Ryan Lennox[3] SVP, Legal, HR & Compliance	2025	294,724	-	99,750	85,459	-	11,622	491,518
	2024	281,444	-	106,500	75,427	-	11,862	475,233
	2023	263,681	-	95,250	47,463	-	11,691	418,085
Jason Gross[3] VP, Scientific Affairs	2025	228,215	-	33,250	57,910	-	11,622	330,996
	2024	225,675	-	49,700	52,921	-	11,862	340,158
	2023	222,314	-	44,450	35,014	-	11,691	313,470
Brian Walsh[4] Chief Commercial Officer	2025	360,300	-	146,300	129,622	-	14,000	650,222
	2024	337,481	-	170,400	97,025	-	13,499	618,405
	2023	156,250	-	95,492	35,156	-	3,000	289,898

Notes:

(1) Mr. Millian was appointed as Chief Executive Officer and a Director of the Company on May 1, 2023. Mr. Millian received no compensation for his service as a Director of HLS.

(2) Mr. Hanna was appointed as Interim Chief Financial Officer on January 26, 2024, and appointed as full-time Chief Financial Officer on September 16, 2024. Mr. Hanna has received no compensation for his service as a Director of HLS since his appointment as interim Chief Financial Officer.

(3) Each of Messrs. Hanna, Lennox and Gross Annual Bonus was paid in Canadian dollars, which have been converted from Canadian dollars to U.S. dollars at exchange rates based on the annual exchange rate reported by the Bank of Canada, being US$0.7409 per C$1.00 for the year ended December 31, 2023, US$0.7302 per C$1.00 for the year ended December 31, 2024, and US$0.7154 per C$1.00 for the year ended December, 31 2025.

(4) Mr. Walsh was promoted to Chief Commercial Officer on September 16, 2024.

(5) The grant date fair value of option-based awards was determined using the Black-Scholes option pricing model in accordance with International Financial Reporting Standards, which is the same method used for determining accounting fair value. The Black-Scholes model was selected as it is a widely used financial method for determining the fair value of Options. Any difference between the estimated grant date fair value and the accounting fair value is due to the use of different assumptions.

(6) Amounts represent short-term incentive plan compensation earned in each year.

(7) For Messrs. Hanna, Lennox and Gross, these amounts represent contributions made by HLS in respect of their participation in HLS's deferred profit-sharing plan. For Messrs. Millian and Walsh, these amounts represent contributions made by HLS in respect of their participation in HLS's 401(k) retirement plans.

Outstanding Option-Based and Share-Based Awards

The following table sets out all option-based and share-based awards outstanding as of December 31, 2025 for all NEOs of HLS. The value of unexercised in-the-money options and the payout value of share-based awards that have not vested are based on a closing share price of C$4.82 on December 31, 2025 and an exchange rate of US$0.7296 per C$1.00, being the rate reported by the Bank of Canada on December 31, 2025.

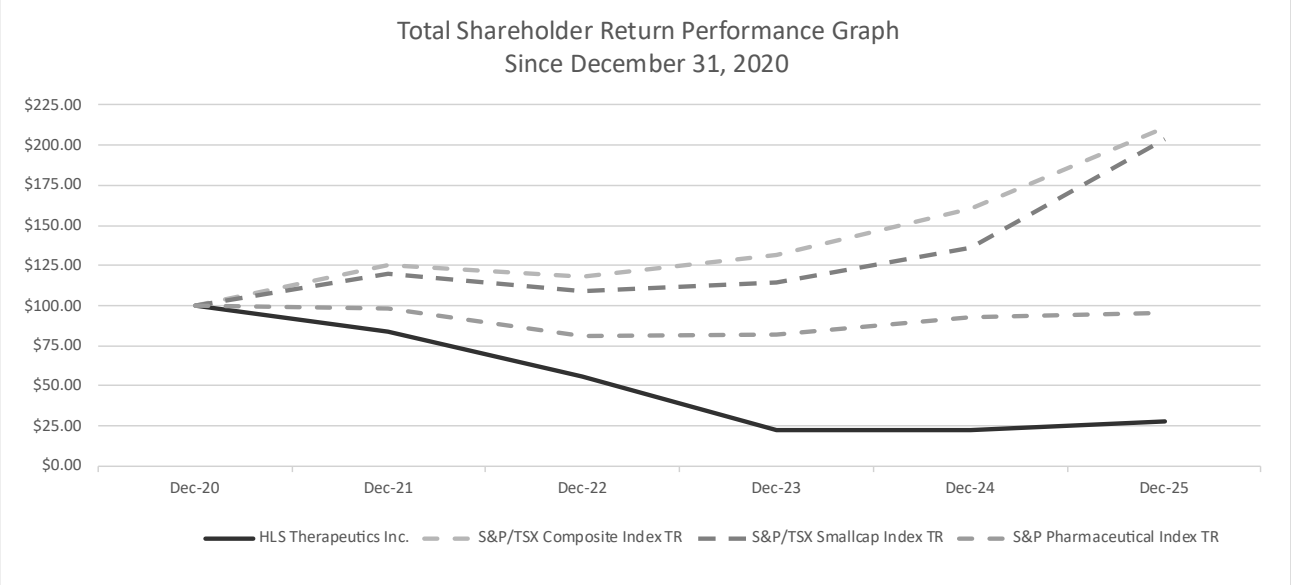
	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Craig Millian	600,000	C$4.57	16-May-30	109,440	-	-	-
Chief Executive Officer	300,000	C$3.94	13-May-31	192,614			
	285,000	C$4.01	17-Mar-32	168,428			
John Hanna	100,000	C$3.94	13-May-31	64,205	-	-	-
Chief Financial Officer	100,000	C$4.01	17-Mar-32	59,098			
Ryan Lennox	12,164	C$15.55	7-Jun-26	-	-	-	-
SVP, Legal, HR & Compliance	15,000	C$15.56	9-Nov-27	-			
	21,685	C$15.11	8-Dec-28	-			
	75,000	C$4.70	22-Aug-30	6,566			
	75,000	C$3.94	13-May-31	48,154			
	75,000	C$4.01	17-Mar-32	44,323			
Jason Gross	12,049	C$15.55	7-Jun-26	-	-	-	-
VP, Scientific Affairs	8,000	$10.00	30-Mar-27	-			
	10,000	C$15.56	9-Nov-27	-			
	6,859	C$15.11	8-Dec-28	-			
	10,086	C$10.59	12-Dec-29	-			
	35,000	C$4.70	22-Aug-30	3,064			
	35,000	C$3.94	13-May-31	22,472			
	25,000	C$4.01	17-Mar-32	14,774			
Brian Walsh	75,000	C$4.70	22-Aug-30	6,566	-	-	-
Chief Commercial Officer	120,000	C$3.94	13-May-31	77,046			
	110,000	C$4.01	17-Mar-32	65,007			

Value on Pay-Out or Vesting of Incentive Plan Awards

The table below sets out all incentive compensation held by or paid to NEOs of HLS that vested during the year ended December 31, 2025 or was earned during the year ended December 31, 2025 but had not been paid out as of December 31, 2025.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Craig Millian	50,631	-	323,595
John Hanna	11,895	-	125,143
Ryan Lennox	15,271	-	85,459
Jason Gross	7,127	-	57,910
Brian Walsh	20,624	-	129,622

Performance Graph



The graph compares the total cumulative shareholder return for $100 invested in HLS Common Shares (with any cash dividends reinvested into Common Shares) on the TSXV and TSX with the S&P/TSX Composite Total Return Index, S&P/TSX SmallCap Index and S&P Small Cap Pharmaceuticals Total Return Index for the period commencing December 31, 2020 and ending December 31, 2025.

	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022	Dec 31, 2023	Dec 31, 2024	Dec 31, 2025
HLS Therapeutics Inc.	$100.00	$83.51	$54.89	$22.11	$22.00	$26.98
S&P/TSX Composite Total Return Index	$100.00	$124.24	$116.10	$128.67	$155.34	$203.21
S&P/TSX SmallCap Index	$100.00	$120.27	$109.10	$114.34	$135.86	$204.02
S&P US Small Cap Pharmaceuticals Index	$100.00	$123.77	$101.85	$103.34	$116.47	

During the period above, total shareholder returns for HLS were approximately -83.77%, compared to 69.09% for the S&P/TSX Composite Index, 53.35% for the S&P/TSX Small Cap Total Return Index and 16.47% for the S&P Small Cap Pharmaceuticals Total Return Index. During that same period, the total compensation received by HLS's NEOs has been positioned below the median of the Company's peer group, with the intention to move competitive compensation levels towards the median over a multi-year period to reflect, among other things, the achievement of strategic initiatives and the corresponding increase in total shareholder return. HLS has generally administered NEO compensation to reflect the Company's growth and movement towards market median over this time, to align with the Company's performance when compared to market. Consideration is also given to the evolving roles and responsibilities of incumbents as well when determining compensation levels.

Compensation Risk Oversight and Assessment

The Board believes the current structure of the Company's executive compensation arrangements is focused on long-term value and is designed to correlate to the long-term performance of the Company. It is the practice of the C&G Committee and the Board to consider all factors related in an executive's performance, including risk taking and any risk-mitigation efforts, in determining compensation. For example, the STIP is based on a balanced approach to measuring corporate performance and the annual payouts are capped at 150% of target. In addition, a substantial portion of the executive compensation is subject to company performance and long-term vesting conditions with the cash-settled Performance Participation Plan requiring HLS TSR performance to exceed benchmarks to reach target payout of 100%, limiting payouts at no more than 200% of the target grant value to provide cost certainty and limiting payout to no more than 100% of the target if HLS TSR is negative, regardless of relative outperformance of the benchmarks.

Clawback Policy

As an additional approach to manage and mitigate compensation risk, the Board has adopted a clawback policy (the "**Clawback Policy**") relating to any bonus, equity-based or other incentive-based compensation awarded or granted to the Chief Executive Officer, Chief Financial Officer, any "executive officer" (as defined under applicable Canadian securities laws) and each vice-president of the Company (each, a "**Specified Officer**") on or after January 1, 2024. The Clawback Policy provides that following a report from the C&G Committee, the Company's independent Directors will determine the extent of reimbursement of such compensation received by a Specified Officer required in the event of either a restatement of the Company's financial statements included in the Company's public disclosure documents as a result of a Specified Officer having engaged in fraud, intentional misconduct or gross negligence, or having committed a material breach of the Company's Code of Business Conduct and Ethics.

Anti-Hedging Policy

To promote alignment of interests between executives and shareholders, HLS prohibits executives from engaging in any form of hedging or monetization transactions related to their equity-based compensation. This includes, but is not limited to, hedging strategies such as collars, swaps, forward contracts, or any other derivative transactions that would limit the executive's exposure to HLS's share price.

Executives are prohibited from entering into any transactions that would allow them to profit or mitigate losses based on fluctuations in HLS's share price. This restriction applies to all equity-based compensation, including stock options, restricted share units, and performance-based awards.

The purpose of this anti-hedging clause is to ensure that executives maintain a vested interest in the long-term performance and value of HLS's shares. By prohibiting hedging activities, HLS aims to align executives' incentives with those of its shareholders, fostering a shared commitment to HLS's success.

Any violation of this anti-hedging clause may result in disciplinary action, including the forfeiture of equity-based compensation or other appropriate measures as determined by the Board. Executives are expected to comply with this policy and report any potential violations to the appropriate authorities within the Company.

Termination and Change of Control Benefits for NEOs

Craig Millian. Mr. Millian is party to an employment agreement with HLS Therapeutics (USA), Inc., a subsidiary of the Company. Mr. Millian's base salary, effective as of April 1, 2026, is $658,500 and his target short-term incentive compensation is 70% of his base salary. Under his employment agreement, if HLS terminates Mr. Millian's employment without cause or Mr. Millian terminates his employment for good reason, Mr. Millian is entitled to (i) a lump sum payment equal to two times his base salary and two times his target level of annual short-term incentive compensation, (ii) a pro-rated portion of his short-term incentive compensation for the year in which his employment is terminated, (iii) the continuation of benefits for a period of 18 months following termination, and (iv) or in the event of a change of control resulting in the involuntary termination of Mr. Millian without cause by HLS or by Mr. Millian for good reason, which termination occurs within the first 12 months of a change of control, any unvested equity compensation awards shall be automatically accelerated and be 100% vested and exercisable in accordance with the terms of the Stock Option Plan. Under the terms of his employment agreement, Mr. Millian agreed (i) not to disclose, other than in the normal and proper course of his employment, any confidential or proprietary information relating to HLS's operations or business and (ii) for a period of 12 months following the termination of his employment, not to (a) compete with HLS in Canada or the U.S., or (b) directly or indirectly solicit any of HLS's customers, prospective customers or any suppliers.

John Hanna. Mr. Hanna is party to an employment agreement with HLS. Mr. Hanna's base salary, effective as of April 1, 2026, is $353,500 and his target short-term incentive compensation is 50% of his base salary. Under his employment agreement, if HLS terminates Mr. Hanna's employment without cause or Mr. Hanna terminates his employment for good reason, Mr. Hanna is entitled to (i) one (1) times the Executive's annual base salary (calculated using the Executive's highest annual base salary in the three years prior to the Executive's Termination Date), plus one (1) times the Executive's target level of STI for the year in which the Executive's Termination Date occurs, all payable monthly, (ii) a pro-rated portion of his short-term incentive compensation for the year in which his employment is terminated, (iii) the continuation of benefits for a period of 12 months following termination, and (iv) or in the event of a change of control resulting in the involuntary termination of Mr. Hanna without cause by HLS or by Mr. Hanna for good reason, which termination occurs within the first 12 months of a change of control, any unvested equity compensation awards shall be automatically accelerated and be 100% vested and exercisable in accordance with the terms of the Stock Option Plan. Under the terms of his employment agreement, Mr. Hanna agreed (i) not to disclose, other than in the normal and proper course of his employment, any confidential or proprietary information relating to HLS's operations or business and (ii) for a period of 12 months following the termination of his employment, not to (a) compete with HLS in Canada or the U.S., or (b) directly or indirectly solicit any of HLS's customers, prospective customers or any suppliers.

Brian Walsh. Mr. Walsh is party to an employment agreement with HLS Therapeutics (USA), Inc., a subsidiary of the Company. Mr. Walsh's base salary, effective as of April 1, 2026, is $369,300 and his target short-term incentive compensation is 50% of his base salary. Under his employment agreement, if HLS terminates Mr. Walsh's employment without cause or Mr. Walsh terminates his employment for good reason, Mr. Walsh is entitled to (i) one (1) times the Executive's annual base salary (calculated using the Executive's highest annual base salary in the three years prior to the Executive's Termination Date), plus one (1) times the Executive's target level of STI for the year in which the Executive's Termination Date occurs, all payable monthly, (ii) a pro-rated portion of his short-term incentive compensation for the year in which his employment is terminated, (iii) the continuation of benefits for a period of 12 months following termination, and (iv) or in the event of a change of control resulting in the involuntary termination of Mr. Walsh without cause by HLS or by Mr. Walsh for good reason, which termination occurs within the first 12 months of a change of control, any unvested equity compensation awards shall be automatically accelerated and be 100% vested and exercisable in accordance with the terms of the Stock Option Plan. Under the terms of his employment agreement, Mr. Walsh agreed (i) not to disclose, other than in the normal and proper course of his employment, any confidential or proprietary information relating to HLS's operations or business and (ii) for a period of 12 months following the termination of his employment, not to (a) compete with HLS in Canada or the U.S., or (b) directly or indirectly solicit any of HLS's customers, prospective customers or any suppliers.

Ryan Lennox. Mr. Lennox is party to an employment agreement with HLS. Pursuant to the terms of his employment agreement, Mr. Lennox's base salary, effective as of April 1, 2025, is $301,800 and his target short-term incentive compensation is 40% of his base salary. Under his employment agreement, if HLS terminates Mr. Lennox's employment without cause or Mr. Lennox terminates his employment for good reason, Mr. Lennox is entitled to (i) a lump sum payment ranging from eight to twelve times his monthly salary and 50% of his target level of annual short-term incentive compensation, in each case depending on length of service, and (ii) a pro-rated portion of his short-term incentive compensation for the year in which his employment was terminated. In the event of a change of control resulting in the involuntary termination of Mr. Lennox without cause by HLS or by Mr. Lennox for good reason, which termination occurs within the first 24 months of a change of control and subject to certain conditions being met, Mr. Lennox is entitled to, in addition to any benefits or compensation accrued and target incentive compensation earned and due to Mr. Lennox but not yet paid as of the termination date: a lump sum payment equal to one times his base salary, plus one times the annual target incentive compensation, the continuation of benefits for a period of 12 months following termination, and any unvested equity compensation awards shall be automatically accelerated and be 100% vested and exercisable in accordance with the terms of the Stock Option Plan.

Jason Gross. Mr. Gross is party to an employment agreement with HLS. Pursuant to the terms of his employment agreement, Mr. Gross's base salary, effective as of April 1, 2026, is C$329,300 and his target short-term incentive compensation is 35% of his base salary. Under his employment agreement, if HLS terminates Mr. Gross's employment without cause or Mr. Gross terminates his employment for good reason, Mr. Gross is entitled to (i) a lump sum payment equal to twelve times his monthly salary and a percentage of his target level of annual short-term incentive compensation ranging from 50% - 100%, depending on length of service, and (ii) a pro-rated portion of his short-term incentive compensation for the year in which his employment was terminated. In the event of a change of control resulting in the involuntary termination of Mr. Gross without cause by HLS or by Mr. Gross for good reason, which termination occurs within the first 12 months of a change of control and subject to certain conditions being met, Mr. Gross is entitled to, in addition to any benefits or compensation accrued and target incentive compensation earned and due to Mr. Gross but not yet paid as of the termination date: a lump sum payment equal to one times his base salary, and benefits for a period of one year. Any unvested equity compensation awards shall be exercisable in accordance with the terms of the Stock Option Plan.

The table below sets out details of the estimated incremental payments from HLS to each of the NEOs if such NEO had been terminated without cause or had terminated his employment for good reason on December 31, 2025:

NEO	Lump Sum Payment ($)	Prorated STIP Payment ($)	Benefits Continuation ($)[2]	Total ($)
Craig Millian	2,238,900	460,950	79,000	2,778,850
Brian Walsh	553,950	184,650	44,000	782,600
John Hanna	530,250	176,750	9,701	716,701
Ryan Lennox	422,520	120,720	9,701	552,941
Jason Gross[1]	318,035	82,453	9,701	410,189

Note:

(1) Mr. Gross is paid in Canadian dollars, which have been converted from Canadian dollars to U.S. dollars at exchange rates based on the annual exchange rate reported by the Bank of Canada, being US$0.7154 per C$1.00 for the year ended December 31, 2025.

(2) Messrs. Hanna, Lennox and Gross Benefits continuation costs have been converted from Canadian dollars to U.S. dollars at exchange rates based on the annual exchange rate reported by the Bank of Canada, being US$0.7154 per C$1.00 for the year ended December 31, 2025.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out information as at May 20, 2026 with respect to compensation plans under which equity securities of HLS are authorized for issuance to employees and others.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (percentage of issued and outstanding Common Shares)	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (percentage of issued and outstanding Common Shares) (excluding securities reflected in column a)
Equity compensation plans approved by securityholders (Stock Option Plan)[(1)]	2,744,913 (8.8%)	4.00	382,580 (1.2%)
Equity compensation plans not approved by securityholders	-	-	Not applicable
Total	**2,744,913**	**4.00**	**Not applicable**

Note:

(1) Reflects Common Shares issuable pursuant to the Company's existing Stock Option Plan, see *"Statement of Executive Compensation – Stock Option Plan and Other Incentive Plans – Stock Option Plan*."

Security Based Award Burn Rate for the Last Three Years

Pursuant to TSX rules, HLS is required to calculate and disclose the annual "burn rate" for the three most recently completed financial years. The annual burn rate is equal to the number of Options granted in the applicable year, divided by the weighted average number of Common Shares outstanding in that year, expressed as a percentage. The Company's average burn rate over the last three financial years is 2.8%.

As of December 31	2025	2024	2023
Number of Options Issued	700,000	750,000	1,197,500
Weighted average number of Common Shares outstanding	31,526,109	31,839,474	32,263,297
Burn Rate	2.2%	2.4%	3.7%

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No Directors, executive officers or proposed nominees for election as Directors (or any associates thereof) are indebted to the Company and the Company has not guaranteed or otherwise agreed to provide assistance in the maintenance or servicing of any indebtedness of any Director, executive officer or proposed nominee for election as a Director (or any associates thereof).

AUDIT COMMITTEE INFORMATION

In accordance with NI 52-110, additional information regarding the Company's audit committee may be found under the heading "Auditor and Audit Committee Information" in the Company's annual information form for the year ended December 31, 2024, which is available under the Company's SEDAR+ profile at http://www.sedarplus.ca.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

HLS is not aware of any material interest, direct or indirect, of: (i) any informed person of HLS or any associate or affiliate of any informed person, in any transaction since the commencement of HLS's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect HLS or any of its subsidiaries; or (ii) any person who has been a Director or executive officer of HLS at any time since the beginning of the last financial year, or any associate or affiliate of any such person, in any matter to be acted upon at the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on the Company's profile on the SEDAR+ website at http://www.sedarplus.ca. Additional financial information is provided in the audited consolidated financial statements and management's discussion and analysis of HLS for the year ended December 31, 2025 and in the unaudited consolidated financial statements and management's discussion and analysis of the Company for the three-month period ended March 31, 2026. Copies of this Circular, the audited consolidated financial statements of the Company as at and for the year ended December 31, 2025, and related management's discussion and analysis, and the unaudited consolidated financial statements of the Company for the three-month period ended March 31, 2026, and related management's discussion and analysis, may be obtained without charge by writing to the Corporate Secretary of the Company at 10 Carlson Court, Suite 701, Etobicoke Ontario, M9W 6L2.

APPROVAL OF THE DIRECTORS

The contents of this Circular and the sending thereof to the Shareholders of the Company have been approved by the Board.

Dated at Toronto, Ontario, this 21st day of May, 2026.

BY ORDER OF THE BOARD OF DIRECTORS OF HLS THERAPEUTICS INC.

"Ryan C. Lennox"

RYAN C. LENNOX
Corporate Secretary and Senior Vice President, Legal, HR and Compliance

ANNEX A

BOARD MANDATE

1. **Purpose**

The members of the Board of Directors (the "Board") have the duty to supervise the management of the business and affairs of HLS Therapeutics Inc. (the "Company"). The Board, directly and through its committees and the chair of the Board (the "Chair"), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Company.

2. **Duties and Responsibilities**

The Board shall have the specific duties and responsibilities outlined below.

Strategic Planning

(a) **Strategic Plans**

The Board will adopt a strategic plan for the Company. At least annually, the Board shall review and, if advisable, approve the Company's strategic planning process and the Company's annual strategic plan. In discharging this responsibility, the Board shall review the plan in light of management's assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products.

(b) **Business and Capital Plans**

At least annually, the Board shall review and, if advisable, approve the Company's annual business and capital plans as well as policies and processes generated by management relating to the authorization of major investments and significant allocation of capital.

(c) **Monitoring**

At least annually, the Board shall review management's implementation of the Company's strategic, business and capital plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.

Risk Management

(d) **General**

At least annually, the Board shall review reports provided by management of principal risks associated with the Company's business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

(e) **Verification of Controls**

The Board shall verify that internal, financial, non-financial and business control and management information systems have been established by management.

Human Resource Management

(f) **General**

At least annually, the Board shall review a report of the Board's Compensation and Governance Committee concerning the Company's approach to human resource management and executive compensation.

(g) **Succession Review**

At least annually, the Board shall review the succession plans of the Company for the Chair, the Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons.

(h) **Integrity of Senior Management**

The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of the Company and that the Chief Executive Officer and other senior officers strive to create a culture of integrity throughout the Company.

Corporate Governance

(i) **General**

At least annually, the Board shall review a report of the Compensation and Governance Committee concerning the Company's approach to corporate governance.

(j) **Director Independence**

At least annually, the Board shall review a report of the Compensation and Governance Committee that evaluates the director independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties.

(k) **Ethics Reporting**

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") applicable to directors, officers and employees of the Company. At least annually, the Board shall review the report of the Compensation and Governance Committee relating to compliance with, or material deficiencies from, the Code and approve changes it considers appropriate. The Board shall review reports from the Compensation and Governance Committee concerning investigations and any resolutions of complaints received under the Code.

(l) **Board of Directors Mandate Review**

At least annually, the Board shall review and assess the adequacy of its Mandate to ensure compliance with any rules of regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.

Communications

(m) **General**

The Board has adopted a Disclosure Policy for the Company. At least annually, the Board, in conjunction with the Chief Executive Officer, shall review the Company's overall Disclosure Policy, including measures for receiving feedback from the Company's stakeholders, and management's compliance with such policy. The Board shall, if advisable, approve material changes to the Company's Disclosure Policy.

(n) **Shareholders**

The Company endeavors to keep its shareholders informed of its progress through periodic reports and press releases in accordance with applicable law and the principles of good governance and productive shareholder engagement. Directors and management meet with the Company's shareholders at the annual meeting and are available to respond to questions at that time. In addition, the Company shall maintain on its website a contact email address that will permit shareholders to provide feedback directly to the Chair of the Board.

(o) **Composition**

General

The composition and organization of the Board, including: the number, qualifications and remuneration of directors; the number of Board meetings; Canadian residency requirements; quorum requirements; meeting procedures and notices of meetings are required by the *Business Corporations Act* (Ontario) (the "OBCA"), the *Securities Act* (Ontario) and the articles and by-laws of the Company, subject to any exemptions or relief that may be granted from such requirements.

Each director must have an understanding of the Company's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Compensation and Governance Committee.

Independence

A majority of the Board must be independent. "Independent" shall have the meaning, as the context requires, given to it in National Policy 58-201 *Corporate Governance Guidelines*, as may be amended from time to time.

(p) **Committees of the Board**

The Board has established the following committees: the Compensation and Governance Committee, and the Audit Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.

Committee Mandates

The Board has approved mandates for each Board committee and shall approve mandates for each new Board committee. At least annually, each mandate shall be reviewed by the Compensation and Governance Committee and any suggested amendments brought to the Board for consideration and approval.

Delegation to Committees

The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's mandate.

Consideration of Committee Recommendations

As required by applicable law, by applicable committee mandate or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.

Board/Committee Communication

To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting.

Meetings

The Board will meet as often as it considers appropriate to fulfill its duties, but in any event at least once per quarter. The Chair is primarily responsible for the agenda and for supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

Meetings of the Board shall be conducted in accordance with the Company's by-laws. Such by-laws may be amended from time to time in accordance with the requirements of the OBCA.

Secretary and Minutes

The Corporate Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary or his designee and subsequently presented to the Board for approval.

Meetings Without Management

The independent members of the Board shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present.

Directors' Responsibilities

Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.

Access to Management and Outside Advisors

The Board shall have unrestricted access to management and employees of the Company. The Board shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

Service on Other Boards and Audit Committee

Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public company.

(q) **Management**

Position Descriptions for Directors

The Board has approved position descriptions for the Chair, the Lead Director, and the chair of each Board committee. At least annually, the Board shall review such position descriptions.

Position Description for Chief Executive Officer

The Board has approved a position description for the Chief Executive Officer, which includes delineating management's responsibilities. The Board has also approved the corporate goals and objectives that the Chief Executive Officer has responsibility for meeting. At least annually, the Board shall review a report of the Compensation Committee reviewing this position description and such corporate goals and objectives.

(r) **Director development and evaluation**

Each new director shall participate in the Company's initial orientation program and each director shall participate in the Company's continuing director development programs. At least annually, the Board shall review the Company's initial orientation program and continuing director development programs.

(s) **No Rights Created**

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and by-laws, it is not intended to establish any legally binding obligations.

REVIEW AND APPROVAL			
Approved By:	Board of Directors	Adopted:	March 12, 2018
		Reviewed:	May 20, 2026

ANNEX B

VIRTUAL AGM USER GUIDE

[attached]

Computershare

HLS THERAPEUTICS INC

HOW TO PARTICIPATE IN THE MEETING ONLINE

Attending the Meeting online

We will be conducting a Virtual Meeting, giving you the opportunity to attend the meeting online, using your smartphone, tablet or computer.

If you choose to participate online you will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.



Visit https://meetnow.global/M52QDVG

You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

Participate

To join, you must have your Control Number or Invite Code.

June 19, 2026 at 10:00 AM EST

You will be able to log into the site up to 60 minutes prior to the start of the meeting.

Access

Once the webpage above has loaded into your web browser, click **JOIN MEETING NOW** then select **Shareholder** on the login screen and enter your **Control Number**, or if you are an appointed proxyholder, select **Invitation** and enter your **Invite Code**.

If you have trouble logging in, contact us using the telephone number provided at the bottom of the screen.

Important Notice for Non-Registered Holders:
Non-registered holders (holders who hold their securities through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will not be able to participate at the meeting. Non-registered holders that wish to attend and participate should follow the instructions on the voting information form and in the management information circular relating to the meeting to appoint and register yourself as proxyholder, otherwise you will be required to login as a guest.

If you are a guest:

Select **Guest** on the login screen. As a guest, you will be prompted to enter your name and email address.

Please note: Guests will be able to ask questions but not vote at the meeting.

Navigation

When successfully accessed, you can view the webcast, vote, ask questions, and view meeting documents.

If viewing on a computer, the webcast will appear automatically once the meeting has started.

Voting

Resolutions will be put forward for voting in the **Vote** tab. To vote, simply select your voting direction from the options shown.

Be sure to vote on all resolutions using the numbered link, if one appears, within the **Vote** tab.

Your vote has been cast when the check mark appears.

Q&A

Any authenticated holder or appointed proxy attending the meeting online is eligible to partake in the discussion.

Access the **Q&A** tab, type your question into the box at the bottom of the screen and then press the **Send** button.

ANNEX C

LONG TERM INCENTIVE PLAN

[attached]

HLS THERAPEUTICS INC.

LONG TERM INCENTIVE PLAN

[•], 2026

PART I – GENERAL PROVISIONS

1. PREAMBLE AND DEFINITIONS

1.1 Title.

The Plan described in this document shall be called the "HLS Long Term Incentive Plan".

1.2 Purpose of the Plan.

The purposes of the Plan are:

(a) to promote a further alignment of interests between officers, employees and other eligible service providers and the shareholders of the Corporation;

(b) to associate a portion of the compensation payable to officers, employees and other eligible service providers with the returns achieved by shareholders of the Corporation; and

(c) to attract and retain officers, employees and other eligible service providers with the knowledge, experience and expertise required by the Corporation.

1.3 Definitions.

1.3.1 "**Anti-Hedging Policy**" means the Anti-Hedging Policy of the Corporation, as amended from time to time by the Board.

1.3.2 "**Applicable Law**" means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder, and Stock Exchange Rules.

1.3.3 "**Base Price**" means the base dollar amount used to calculate the amount, if any, payable to a Participant with respect to a Share subject to a Stand-Alone SAR upon settlement thereof, which base dollar amount shall be determined in accordance with Section 10.6.

1.3.4 "**Beneficiary**" means, subject to Applicable Law, an individual who has been designated by a Participant, in such form and manner as the Board may determine, to receive benefits payable under the Plan upon the death of the Participant, or, where no such designation is validly in effect at the time of death, the Participant's legal representative.

1.3.5 "**Blackout Period**" means a period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain individuals as designated by the Corporation, including any holder of a Grant.

1.3.6 "**Board**" means the Board of Directors of the Corporation.

1.3.7 "**Business Day**" means a day other than a Saturday, Sunday or a day when banks in Toronto, Ontario are not generally open for business.

1.3.8 "**Cause**" means for the purposes of this Plan:

(a) subject to (b) or (c), as applicable, below, "just cause" or "cause" for termination by the Corporation or a Subsidiary of the Corporation as determined under Applicable Law (if applicable);

(b) where a Participant has a written employment agreement with the Corporation or a Subsidiary of the Corporation, "**Cause**" or the equivalent term as defined in such employment agreement, if applicable; or

(c) where a Participant provides services as an independent contractor pursuant to a contract for services with the Corporation or a Subsidiary of the Corporation, any material breach of such contract by the Participant.

1.3.9 "**Change in Control**" means:

(a) the acquisition by any "offeror" (as defined in National Instrument 62-104 *Take-Over Bids and Issuer Bids*, as amended, or any successor thereto), by means of a take-over bid or otherwise, of beneficial ownership of Shares to which are attached more than fifty percent (50%) of the votes attaching to all securities of the Corporation which may be cast to elect directors of the Corporation;

(b) any consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities, or pursuant to which Shares would be converted into cash, securities or other property, other than such a transaction as a result of which shareholders immediately prior to the transaction have the same proportionate ownership of equity and/or votes attaching to stock of the surviving corporation immediately after the transaction;

(c) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation;

(d) the approval by the shareholders of any plan of liquidation or dissolution of the Corporation; or

(e) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the Board, unless such election or appointment is approved by fifty percent (50%) or more of the Board in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made

other than as a result of a dissident public proxy solicitation, whether actual or threatened.

1.3.10 "**Clawback Policy**" means the Clawback Policy of the Corporation, as amended from time to time by the Board.

1.3.11 "**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder.

1.3.12 "**Control**" means:

(a) when applied to the relationship between a Person and another Person, the beneficial ownership by that first Person, directly or indirectly, of voting securities or other interests in such second Person entitling the holder to exercise control and direction in fact over the activities of such second Person, including by way of electing a majority of the members of the board of the second Person; and

(b) notwithstanding the foregoing, when applied to the relationship between a Person and a partnership, limited partnership or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership or joint venture; and

the words "**Controlled by**", "**Controlling**" and similar words have corresponding meanings; provided that a Person who Controls a second Person will be deemed to Control a third Person which is Controlled by such second Person and so on.

1.3.13 "**Corporation**" means HLS Therapeutics Inc., and includes any successor corporation thereof.

1.3.14 "**Director**" means a director of the Corporation from time to time.

1.3.15 "**Disability**" means for the purposes of this Plan:

(a) subject to (b) below, a Participant's physical or mental incapacity that prevents them from substantially fulfilling their duties and responsibilities on behalf of the Corporation or, if applicable, a Subsidiary of the Corporation as determined by the Board; or

(b) where a Participant has a written employment agreement with the Corporation or a Subsidiary of the Corporation, "**Disability**" or the equivalent term as defined in such employment agreement, if applicable.

1.3.16 "**Disability Date**" means a Participant's Termination Date as a result of a Disability.

1.3.17 "**Eligible Person**" means an individual Employed by the Corporation or any Subsidiary of the Corporation, including a Service Provider, who, by

the nature of their position or job is, in the opinion of the Board, in a position to contribute to the success of the Corporation.

1.3.18 "**Employed**" means, with respect to a Participant, that the Participant is employed or engaged as a Service Provider by the Corporation or a Subsidiary of the Corporation provided that, in the case of a US Taxpayer who receives a Grant subject to the provisions of Section 409A of the Code, that the Participant has not incurred a "Separation From Service", within the meaning of Section 409A of the Code), and "**Employment**" has the corresponding meaning.

1.3.19 "**Executive Officer**" means, for the Corporation, an individual who is:

(a) a chair, vice-chair or president;

(b) a chief executive officer or chief financial officer;

(c) a vice-president in charge of a principal business unit, division or function of the Corporation, including sales, finance or production; or

(d) performing a policy-making function in respect of the Corporation.

1.3.20 "**Exercise Price**" means, (a) with respect to an Option, the price payable by a Participant to purchase one Share on exercise of such Option, which shall not be less than one hundred percent (100%) of the Market Price on the Grant Date of the Option covering such Share, and (b) with respect to a Tandem SAR, the Exercise Price (as defined in (a) above) applicable to the Option to which the Tandem SAR relates, in each case subject to adjustment pursuant to Section 5.

1.3.21 "**Grant**" means a grant or right granted under the Plan consisting of one or more Options, Stock Appreciation Rights, RSUs or PSUs.

1.3.22 "**Grant Agreement**" means an agreement between the Corporation and a Participant evidencing a Grant and setting out the terms under which such Grant is made, together with such schedules, amendments, deletions or changes thereto as are permitted under the Plan.

1.3.23 "**Grant Date**" means the effective date of a Grant.

1.3.24 "**Insider**" means an insider of the Corporation as defined in the rules of the Toronto Stock Exchange Company Manual for the purpose of security based compensation arrangements.

1.3.25 "**Market Price**" means, with respect to any particular date:

(a) if the Shares are listed on only one Stock Exchange, the volume weighted average trading price per Share on such Stock Exchange during the immediately preceding Trading Day;

(b) if the Shares are listed on more than one Stock Exchange, the Market Price as determined in accordance with paragraph (a) above for the primary Stock Exchange on which the greatest volume of trading of the Shares occurred during the immediately preceding twenty (20) Trading Days; or

(c) if the Shares are not listed for trading on a Stock Exchange, a price which is determined by the Board in good faith to be the fair market value of the Shares.

1.3.26 "**Option**" means an option to purchase a Share granted by the Board to an Eligible Person in accordance with Section 3 and Section 9.1.

1.3.27 "**Participant**" means an Eligible Person to whom a Grant is made and which Grant or a portion thereof remains outstanding.

1.3.28 "**Performance Conditions**" means such financial, personal, operational or transaction-based performance criteria as may be determined by the Board in respect of a Grant to any Participant or Participants and set out in a Grant Agreement. Without limitation, Performance Conditions may apply to the Corporation, a Subsidiary of the Corporation, the Corporation and its Subsidiaries as a whole, a business unit of the Corporation or group comprised of the Corporation and some Subsidiaries of the Corporation or a group of Subsidiaries of the Corporation, either individually, alternatively or in any combination, and measured either in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target or milestone, to previous years' results or to a designated comparator group, or otherwise, and may incorporate multipliers or adjustments based on the achievement of any such performance criteria.

1.3.29 "**Performance Period**" means, with respect to PSUs, a period specified by the Board for achievement of any applicable Performance Conditions as a condition to Vesting.

1.3.30 "**Performance Share Unit**" or "**PSU**" means a right granted to an Eligible Person in accordance with Section 3.1(c) and 3.1(d) and Section 13.1 to receive a Share or the Market Price, as determined by the Board, that generally becomes Vested, if at all, subject to the attainment of certain Performance Conditions and satisfaction of such other conditions to Vesting, if any, as may be determined by the Board.

1.3.31 "**Person**" means an individual, corporation, company, cooperative, sole proprietorship, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, trust, trustee, executor, administrator, legal personal representative, estate, unincorporated association, organization or syndicate, entity with juridical personality or governmental authority or body, or other entity, whether or not having legal status, however designated or constituted, and pronouns which refer to a Person shall have a similarly extended meaning.

1.3.32 "**Plan**" means this HLS Long Term Incentive Plan, including any schedules or appendices hereto, as may be amended from time to time.

1.3.33 "**Restricted Share Unit**" or "**RSU**" means a right granted to an Eligible Person in accordance with Section 3.1(c) and 3.1(d) and Section 13.1 to receive a Share or the Market Price, as determined by the Board, that generally becomes Vested, if at all, following a period of continuous Employment of the Participant.

1.3.34 "**Restrictive Covenant**" means any obligation of a Participant to the Corporation or a Subsidiary of the Corporation to (a) maintain the confidentiality of information relating to the Corporation or the Subsidiary of the Corporation and/or its business, (b) not engage in employment or business activities that compete with the business of the Corporation or the Subsidiary of the Corporation, or (c) not solicit employees or other service providers, customers and/or suppliers of the Corporation or the Subsidiary of the Corporation, whether during or after employment with the Corporation or Subsidiary of the Corporation, and whether such obligation is set out in a Grant Agreement issued under the Plan or other agreement between the Participant and the Corporation or Subsidiary of the Corporation, including, without limitation, an employment agreement, or otherwise.

1.3.35 "**Security Based Compensation Arrangement**" means an option, option plan, security based appreciation right, employee unit purchase plan, restricted, performance or deferred unit plan, long-term incentive plan or any other compensation or incentive mechanism, in each case, involving the issuance or potential issuance of Shares to one or more directors or officers of the Corporation or a Subsidiary of the Corporation, current or past full-time or part-time employees of the Corporation or a Subsidiary of the Corporation, Insiders, or consultants of the Corporation or any Subsidiary of the Corporation, including a Share purchased from treasury by one or more directors or officers of the Corporation or any Subsidiary of the Corporation, current or past full-time or part-time employees of the Corporation or a Subsidiary of the Corporation, Insiders, or consultants of the Corporation or a Subsidiary of the Corporation which is financially assisted by the Corporation or a Subsidiary of the Corporation by way of a loan, guarantee or otherwise, but a Security Based Compensation Arrangement does not include an arrangement that does not involve the issuance from treasury or potential issuance from treasury of Shares or other equity securities of the Corporation.

1.3.36 "**Service Provider**" means a Person, other than an employee, officer or director of the Corporation or a Subsidiary of the Corporation, that:

(a) is engaged to provide, on a *bona fide* basis, for an initial, renewable or extended period of twelve (12) months or more, services to the Corporation or a Subsidiary of the Corporation, other than services provided in relation to a distribution of securities;

(b) provides the services under a written contract between the Corporation or a Subsidiary of the Corporation and the Person;

(c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary of the Corporation;

and includes

(d) for an individual Service Provider, a corporation of which the individual Service Provider is an employee or shareholder, and a partnership of which the individual Service Provider is an employee or partner; and

(e) for a Service Provider that is not an individual, an employee, executive officer, or director of the Service Provider, provided that the individual employee, executive officer, or director spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary of the Corporation.

1.3.37 "**Share**" means a common share in the capital of the Corporation or, in the event of an adjustment contemplated by Section 5.1, such other security to which a Participant may be entitled upon the exercise or settlement of a Grant as a result of such adjustment.

1.3.38 "**Share Unit**" means either an RSU or a PSU, as the context requires.

1.3.39 "**Stand-Alone SAR**" means a Stock Appreciation Right that is granted without reference to any related Option.

1.3.40 "**Stock Appreciation Right**" or "**SAR**" means a right, granted to an Eligible Person, representing the right to receive payment, in cash, Shares or any combination thereof, as determined by the Board, equal to the excess of the Market Price over the Base Price or Exercise Price, whichever is applicable, on the terms and conditions and calculated in accordance with the provisions of Section 10.

1.3.41 "**Stock Exchange**" means the Toronto Stock Exchange and/or such other principal stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, then on the over-the-counter market.

1.3.42 "**Stock Exchange Rules**" means the applicable rules of any Stock Exchange upon which Shares are listed.

1.3.43 "**Subsidiary**" means, in respect of a Person, another Person that is Controlled directly or indirectly by such Person and includes a Subsidiary of that Subsidiary.

1.3.44 "**Tandem SAR**" means a Stock Appreciation Right attached to an Option, giving the holder, upon Vesting of the Option and Tandem SAR, the right to choose to exercise the Stock Appreciation Right or to exercise the Option.

1.3.45 "**Termination Date**" means either (i) the date on which a Participant's Employment with the Company or a Subsidiary of the Corporation ceases for any reason, whether lawful or otherwise (including, without limitation, by reason of resignation, death, frustration of contract, Disability, termination for Cause, termination without Cause, or constructive dismissal) without regard to any period following such date for which pay in lieu of notice is paid or payable (whether by lump sum or salary continuance) or during which benefits continuation is provided, and without regard to any other termination or severance payments to which the Participant may then receive or be entitled to receive, in all cases whether pursuant to contract, the common law or otherwise, or (ii) such later date, if applicable, as may be required to satisfy the minimum requirements of applicable employment or labour standards legislation; provided that in the case of a US Taxpayer who receives a Grant subject to the provisions of Section 409A of the Code, the Termination Date shall constitute a "Separation From Service", within the meaning of Section 409A of the Code.

1.3.46 "**Time Vesting**" means any conditions relating to the passage of time or continued service with the Corporation or Subsidiary of the Corporation for a period of time in respect of a Grant, as may be determined by the Board.

1.3.47 "**Trading Day**" means a day on which the Stock Exchange is open for trading and on which the Shares actually traded.

1.3.48 "**US Taxpayer**" means an individual who is subject to tax under the Code in respect of any Grants, amounts payable or Shares deliverable under this Plan.

1.3.49 "**Vested**" means, with respect to any Option, SAR or Share Unit, that the applicable conditions with respect to Time Vesting, achievement of Performance Conditions and/or any other conditions established by the Board have been satisfied or, to the extent permitted under the Plan, waived, whether or not the Participant's rights with respect to such Grant may be conditioned upon prior or subsequent compliance with any Restrictive Covenants, and "**Vesting**" and any other applicable derivative term shall be construed accordingly.

1.3.50 "**Vesting Date**" means the date on which the applicable Time Vesting, Performance Conditions and/or any other conditions for an Option, SAR or Share Unit becoming Vested are met, deemed to have been met or waived as contemplated in Section 1.3.49.

2. CONSTRUCTION AND INTERPRETATION

2.1 Gender, Singular, Plural etc.

In the Plan, references to one gender include all genders; and references to the singular shall include the plural and vice versa, as the context shall require. Wherever the words "include", "includes" or "including" are used in this Plan, they shall be deemed to be followed by the words "without limitation" and the words

following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.

2.2 **Severability.**

If any provision or part of the Plan is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.

2.3 **Headings, Sections and Parts.**

Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained. A reference to a section or schedule shall, except where expressly stated otherwise, mean a section or schedule of the Plan, as applicable. The Plan is divided into three Parts. Part I contains provisions of general application to all Grants; Part II applies specifically to Options and SARs; and Part III applies specifically to Share Units.

3. ADMINISTRATION

3.1 **Administration by the Board.**

The Plan shall be administered by the Board in accordance with its terms and subject to Applicable Law. Subject to and consistent with the terms of the Plan, in addition to any authority of the Board specified under any other terms of the Plan, the Board shall have full and complete discretionary authority to:

(a) interpret the Plan and Grant Agreements;

(b) prescribe, amend and rescind such rules and regulations and make all determinations necessary or desirable for the administration and interpretation of the Plan and instruments of grant evidencing Grants;

(c) determine those Eligible Persons who may receive Grants as Participants, grant one or more Grants to such Participants and approve or authorize the applicable form and terms of the related Grant Agreement;

(d) determine the terms and conditions of Grants granted to any Participant, including, without limitation, as applicable (i) the Grant Value and the number of Shares subject to a Grant, (ii) the Exercise Price or Base Price for Shares subject to a Grant, (iii) the conditions to the Vesting of a Grant or any portion thereof, including, as applicable, the period for achievement of any applicable Performance Conditions as a condition to Vesting, and conditions pertaining to compliance with Restrictive Covenants, and the conditions, if any, upon which Vesting of any Grant or any portion thereof will be waived or accelerated without any further action by the Board, (iv) the circumstances upon which a Grant or any portion thereof shall be forfeited, cancelled or expire, including in connection with the breach by a Participant of any Restrictive Covenant, (v) the consequences of the occurrence of a Termination Date with respect to a Grant, (vi) the manner of exercise or settlement of the Vested portion of a Grant, (vii) whether, and the terms upon which, a Grant may be settled in cash, newly issued Shares or a combination

thereof, and (viii) whether, and the terms upon which, any Shares delivered upon exercise or settlement of a Grant must be held by a Participant for any specified period of time;

(e) determine whether, and the extent to which, any Performance Conditions or other conditions applicable to the Vesting of a Grant have been satisfied or shall be waived or modified;

(f) make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence or Disability of any Participant. Without limiting the generality of the foregoing, the Board shall be entitled to determine:

(i) whether or not any such leave of absence shall constitute continued Employment within the meaning of the Plan; and

(ii) the impact, if any, of any such leave of absence on Grants issued under the Plan made to any Participant who takes such leave of absence (including, without limitation, whether or not such leave of absence shall cause any Grants to expire and the impact upon the time or times such Grants shall be exercisable);

(g) amend the terms of any Grant Agreement or other documents evidencing Grants; and

(h) determine whether, and the extent to which, adjustments shall be made pursuant to Section 5 and the terms of such adjustments.

3.2 All determinations, interpretations, rules, regulations, or other acts of the Board respecting the Plan or any Grant shall be made in its sole discretion and shall be conclusively binding upon all Persons.

3.3 The Board may prescribe terms for Grant Agreements in respect of Eligible Persons who are subject to the laws of a jurisdiction other than Canada in connection with their participation in the Plan that are different than the terms of the Grant Agreements for Eligible Persons who are subject to the laws of Canada in connection with their participation in the Plan, and/or deviate from the terms of the Plan set out herein, for purposes of compliance with Applicable Law in such other jurisdiction or where, in the Board's opinion, such terms or deviations are necessary or desirable to obtain more advantageous treatment for the Corporation, a Subsidiary of the Corporation or the Eligible Person in respect of the Plan under the Applicable Law of the other jurisdiction.

Notwithstanding the foregoing, the terms of any Grant Agreement authorized pursuant to this Section 3.3 shall be consistent with the Plan to the extent practicable having regard to the Applicable Law of the jurisdiction in which such Grant Agreement is applicable and in no event shall contravene the Applicable Law of Canada.

3.4 The Board may, in its discretion, subject to Applicable Law, delegate its powers, rights and duties under the Plan, in whole or in part, to a committee of the Board, an individual or individuals, as it may determine, from time to time, on terms and

conditions as it may determine, from time to time, provided that (a) the Board shall not, and shall not be permitted to delegate any such powers, rights or duties with respect to the grant, amendment, administration or settlement of any Grant to the extent delegation is not consistent with Applicable Law and any such purported delegation or action shall not be given effect, and (b) the composition of the committee of the Board, Person or Persons, as the case may be, shall comply with Applicable Law. In addition, provided it complies with the foregoing, the Board may appoint or engage a trustee, custodian or administrator to administer or implement the Plan or any aspect of it.

3.5 Non-employee Directors are not eligible for Grants under this Plan. For greater certainty, any Grants granted pursuant to the Plan prior to the Participant becoming a non-employee Director shall be unaffected by this Section 3.5.

4. SHARE RESERVE

4.1 Subject to Section 4.3 and any adjustment pursuant to Section 5.1, the aggregate number of Shares that may be issued pursuant to Grants made under the Plan together with all other Security Based Compensation Arrangements of the Corporation shall be a number equal to ten percent (10%) of the aggregate number of issued and outstanding Shares from time to time.

4.2 The maximum number of Shares

(a) issued to Insiders within any one-year period, and

(b) issuable to Insiders, at any time,

under the Plan, or when combined with all of the Corporation's other Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the number of the aggregate issued and outstanding Shares.

4.3 For purposes of computing, under the Plan, the total number of Shares available for grant under the Plan, or any other Security Based Compensation Arrangement of the Corporation, Shares subject to any Grant (or any portion thereof) that are forfeited, surrendered, cancelled or otherwise terminated, including if a number of Shares covered by an Option have not been issued due to the exercise of a Tandem SAR connected with such Option, prior to the issuance of such Shares shall again be available for grant under the Plan.

5. ALTERATION OF CAPITAL AND CHANGE IN CONTROL

5.1 Notwithstanding any other provision of the Plan, and subject to Applicable Law, in the event of any change in the Shares by reason of any dividend (other than dividends in the ordinary course), split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Shares or distribution of rights to holders of Shares or any other relevant changes to the authorized or issued capital of the Corporation, if the Board shall determine that an equitable adjustment should be made, such adjustment shall be made by the Board to: (a) the number of Shares subject to the Plan; (b) the securities into which the Shares are changed or are convertible or exchangeable; (c) any Options and/or Stock Appreciation Rights then outstanding; (d) the Exercise Price and/or

Base Price, as appropriate in respect of such Options and/or Stock Appreciation Rights; and/or (e) with respect to the number of Share Units outstanding under the Plan, and any such adjustment shall be conclusive and binding for all purposes of the Plan.

5.2 No adjustment provided for pursuant to Section 5.1 shall require the Corporation to issue fractional Shares or consideration in lieu thereof in satisfaction of its obligations under the Plan. Any fractional interest in a Share that would, except for the provisions of this Section 5.2, be deliverable upon the exercise of any Grant shall be cancelled and not deliverable by the Corporation.

5.3 In the event of a Change in Control prior to the Vesting of a Grant, and subject to the terms of a Participant's written employment agreement or contract for services with the Corporation or a Subsidiary of the Corporation and the applicable Grant Agreement, the Board shall have full authority to determine in its sole discretion the effect, if any, of a Change in Control on the Vesting, exercisability, settlement, payment or lapse of restrictions applicable to a Grant, which effect may be specified in the applicable Grant Agreement or determined at a subsequent time. Subject to Applicable Law, rules and regulations, the Board shall, at any time prior to, coincident with or after the effective time of a Change in Control, take such actions as it may consider appropriate, including, without limitation: (a) provide for the acceleration of any Vesting or exercisability of a Grant; (b) provide for the deemed attainment of Performance Conditions relating to a Grant; (c) provide for the lapse of restrictions relating to a Grant; (d) provide for the assumption, substitution, replacement or continuation of any Grant by a successor or surviving corporation (or a parent or subsidiary thereof) with cash, securities, rights or other property to be paid or issued, as the case may be, by the successor or surviving corporation (or a parent or subsidiary thereof); (e) provide that a Grant shall terminate or expire unless exercised or settled in full on or before a date fixed by the Board; or (f) provide for the termination or cancellation of any outstanding Grant.

6. CLAWBACK AND ANTI-HEDGING

6.1 **Clawback.**

It is a condition of each Grant to a Participant who is an Executive Officer that the Grant is subject to the Corporation's Clawback Policy.

6.2 **Anti-Hedging**

It is a condition of each Grant to a Participant who is an Executive Officer that the Grant is subject to the Corporation's Anti-Hedging Policy.

7. MISCELLANEOUS

7.1 **Compliance with Laws and Policies.**

The Corporation's obligation to make any payments, offer or deliver (or cause to be delivered) any Shares or other awards hereunder is subject to compliance with Applicable Law. Each Participant shall acknowledge and agree (and shall be conclusively deemed to have so acknowledged and agreed by participating in the

Plan) that the Participant will, at all times, act in strict compliance with Applicable Law and all other laws and any policies of the Corporation applicable to the Participant in connection with the Plan including, without limitation, the Insider Trading Policy, the Clawback Policy and the Anti-Hedging Policy of the Corporation, and furnish to the Corporation all information and undertakings as may be required to permit compliance with Applicable Law, including, without limitation, such representations or agreements as counsel for the Corporation may consider appropriate to avoid violation of the U.S. Securities Act of 1933, as amended, or any applicable state or non-U.S. securities laws. The Corporation may require that certificates or book-entry notations evidencing Shares delivered under this Plan bear an appropriate legend reflecting any restriction on transfer applicable to such Shares. If counsel to the Corporation shall determine that the listing, registration or qualification of the Shares or any other award under this Plan upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the offer, grant, issuance, exercise or delivery of such Shares or awards, nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.

7.2 **Withholdings.**

So as to ensure that the Corporation or a Subsidiary of the Corporation, as applicable, will be able to comply with the applicable obligations under any federal, provincial, state or local law relating to the withholding of tax or other required deductions, the Corporation or the Subsidiary of the Corporation shall withhold or cause to be withheld from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary to permit the Corporation or the Subsidiary of the Corporation, as applicable, to so comply. The Corporation and any Subsidiary of the Corporation may also satisfy any liability for any such withholding obligations, on such terms and conditions as the Corporation may determine in its sole discretion, by (a) selling on such Participant's behalf, or requiring such Participant to sell, any Shares, and retaining any amount payable which would otherwise be provided or paid to such Participant in connection with any such sale, or (b) requiring, as a condition to the delivery of Shares hereunder, that such Participant make such arrangements as the Corporation may require so that the Corporation and its Subsidiaries can satisfy such withholding obligations, including requiring such Participant to remit an amount to the Corporation or a Subsidiary of the Corporation in advance, or reimburse the Corporation or any Subsidiary of the Corporation for, any such withholding obligations.

7.3 **No Right to Continued Employment.**

Nothing in the Plan or in any Grant Agreement entered into pursuant hereto shall confer upon any Participant the right to continue in the employ or service of the Corporation or any Subsidiary of the Corporation, to be entitled to any remuneration or benefits not set forth in the Plan or a Grant Agreement or to interfere with or limit in any way the right of the Corporation or any Subsidiary of the Corporation to terminate Participant's employment or service arrangement with the Corporation or any Subsidiary of the Corporation.

7.4 **No Additional Rights.**

Neither the designation of an individual as a Participant nor the Grant of any Options, SARs, or Share Units, to any Participant entitles any Person to the Grant, or any additional Grant, as the case may be, of any Options, SARs or Share Units under the Plan. For greater certainty, the Board's decision to approve a Grant in any period shall not require the Board to approve a Grant to any Participant in any other period; nor shall the Board's decision with respect to the size or terms and conditions of a Grant in any period require it to approve a Grant of the same or similar size or with the same or similar terms and conditions to any Participant in any other period. The Board shall not be precluded from approving a Grant to any Participant solely because such Participant may have previously received a Grant under this Plan or any other similar compensation arrangement of the Corporation or a Subsidiary. No Eligible Person has any claim or right to receive a Grant except as may be provided in a written employment or services agreement between an Eligible Person and the Corporation or a Subsidiary of the Corporation.

7.5 **Amendment, Termination.**

The Plan and any Grant made pursuant to the Plan may be amended, modified or terminated by the Board without approval of shareholders, provided that no amendment to the Plan or Grants made pursuant to the Plan may be made without the consent of a Participant if it adversely alters or impairs the rights of the Participant in respect of any Grant previously granted to such Participant under the Plan, except that Participant consent shall not be required where the amendment is required for purposes of compliance with Applicable Law. For greater certainty, the Plan may not be amended without shareholder approval in accordance with the requirements of the Stock Exchange to do any of the following:

(a) increase the maximum number of Shares issuable pursuant to the Plan and as set out in Section 4.1;

(b) increase or remove the limits on Shares issuable or issued to Insiders as set forth in Section 4.2;

(c) reduce the Exercise Price of an outstanding Option or the Base Price of a Stand-Alone SAR, except as set forth in Section 5;

(d) amend the maximum term of the Options to a date more than ten (10) years from the Grant Date;

(e) extend the maximum term of any Grant made under the Plan, except pursuant to Section 9.5;

(f) amend the assignment provisions contained in Section 7.11;

(g) permit a non-employee Director to be eligible for Grants under the Plan;

(h) the addition of any form of financial assistance to a Participant;

(i) include other types of equity compensation involving the issuance of Shares under the Plan; or

(j) amend this Section 7.5 to amend or delete any of (a) through (j) or grant additional powers to the Board to amend the Plan or entitlements without shareholder approval.

For greater certainty and without limiting the foregoing, shareholder approval shall not be required for the following amendments and the Board may make the following changes without shareholder approval, subject to any regulatory approvals including, where required, the approval of any Stock Exchange:

(k) amendments of a "housekeeping" nature;

(l) a change to the Vesting provisions of any Grants;

(m) a change to the termination provisions of any Grant that does not entail an extension beyond the original term of the Grant; or

(n) amendments to the provisions relating to a Change in Control.

7.6 **Currency.** Except where the context otherwise requires, all references in the Plan to currency refer to lawful Canadian currency. Any amounts required to be determined under this Plan that are denominated in a currency other than Canadian dollars shall be converted to Canadian dollars at the applicable Bank of Canada daily exchange rate on the date as of which the amount is required to be determined.

7.7 **Administration Costs.**

The Corporation will be responsible for all costs relating to the administration of the Plan.

7.8 **Designation of Beneficiary.**

Subject to the requirements of Applicable Law, a Participant may designate a Beneficiary, in writing, to receive any benefits that are provided under the Plan upon the death of such Participant. The Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in such form as may be prescribed by the Board from time to time. A Beneficiary designation under this Section 7.8 and any subsequent changes thereto shall be filed with the general counsel of the Corporation.

7.9 **Governing Law.**

The Plan and any Grants pursuant to the Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and with respect to Participants who are US Taxpayers, with the Code and applicable federal laws of the US. The Board may provide that any dispute to any Grant shall be presented and determined in such forum as the Board may specify, including through binding arbitration. Any reference in the Plan, in any Grant Agreement issued pursuant to the Plan or in any other agreement or document relating to the Plan to a provision of law or rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability. To the extent applicable, with respect to Participants

who are US Taxpayers, this Plan shall be interpreted in accordance with the requirements of Code Section 409A and the regulations, notices, and other guidance of general applicability issued thereunder.

7.10 **Assignment.**

The Plan shall inure to the benefit of and be binding upon the Corporation, its successors and assigns.

7.11 **Transferability.**

Unless otherwise provided in the Plan or in the applicable Grant Agreement, no Grant, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession. No such interest shall be subject to execution, attachment or similar legal process including without limitation seizure for the payment of the Participant's debts, judgments, alimony or separate maintenance.

8. EFFECTIVE DATE

8.1 The Plan is established effective [●], 2026.

PART II – OPTIONS AND SARS

9. OPTIONS

9.1 The Corporation may, from time to time, make one or more Grants of Options to Eligible Persons on such terms and conditions, consistent with the Plan, as the Board shall determine. In granting such Options, subject to the provisions of the Plan, the Corporation shall specify,

(a) the maximum number of Shares which the Participant may purchase under the Options;

(b) the Exercise Price at which the Participant may purchase their Shares under the Options;

(c) the term of the Options, to a maximum of ten (10) years from the Grant Date of the Options, the Vesting period or periods within this period during which the Options or a portion thereof may be exercised by a Participant and any other Vesting conditions (including Performance Conditions); and

(d) any Tandem SARs that are granted with respect to such Options.

9.2 The Exercise Price for each Share subject to an Option shall be fixed by the Board but under no circumstances shall any Exercise Price be less than one hundred percent (100%) of the Market Price on the Grant Date of such Option.

9.3 All Options granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Options.

9.4 Subject to the provisions of the Plan and the terms governing the granting of the Option, and subject to payment or other satisfaction of all related withholding obligations in accordance with Section 7.2, Vested Options or a portion thereof may be exercised from time to time by delivery to the Corporation of a notice in writing signed by the Participant or the Participant's legal personal representative, as the case may be, and addressed to the Corporation. This notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Options and the number of Shares in respect of which the Options are then being exercised and must be accompanied by payment in full of the Exercise Price under the Options which are the subject of the exercise. On the exercise of an Option, any related Tandem SAR shall be cancelled.

9.5 If the normal expiry date of any Option falls within any Blackout Period or within ten (10) Business Days following the end of any Blackout Period, then the expiry date of such Option shall, without any further action, be extended to the date that is ten (10) Business Days following the end of such Blackout Period. The foregoing extension applies to all Options whatever the Grant Date and shall not be considered an extension of the term of the Options as referred to in Section 7.5; provided however, that no extension shall be effected which would result in the Option being subject to, or in violation of, Code Section 409A.

10. STOCK APPRECIATION RIGHTS

10.1 The Board may from time to time make one or more Grants of Stock Appreciation Rights to Eligible Persons on such terms and conditions, consistent with the Plan, as the Board shall determine.

10.2 Tandem SARs may be granted at or after the Grant Date of the related Options, and each Tandem SAR shall be subject to the same terms and conditions and denominated in the same currency as the Option to which it relates and the additional terms and conditions set forth in this Section 10.

10.3 On exercise of a Tandem SAR, the related Option shall be cancelled and the Participant shall be entitled to an amount in settlement of such Tandem SAR calculated and in such form as provided in Section 10.8 below.

10.4 Tandem SARs may be exercised only if and to the extent the Options related thereto are then Vested and exercisable and shall be exercised in accordance with such procedures as may be established by the Board. For greater certainty, upon the expiry or forfeiture of the Option to which a Tandem SAR is attached, including in connection with a Participant's Termination, as provided in Section 11, such Tandem SAR shall also expire or be forfeited, as the case may be.

10.5 Stand-Alone SARs granted under the Plan shall become Vested at such times, in such installments and subject to the terms and conditions of this Plan (including satisfaction of Performance Conditions and/or continued employment) as may be determined by the Board and set forth in the applicable Grant Agreement. For greater certainty, except as set out in a Grant Agreement in respect of the Stand-Alone SAR, or as otherwise approved by the Board, no Stand-Alone SAR granted to a Participant shall Vest after the Participant's Termination and any Stand-Alone SARs that are outstanding on the Participant's Termination shall be forfeited and cancelled as of the date of such Termination, and the Participant waives any claim to damages in respect thereof, related or attributable to any contractual or common law termination entitlements.

10.6 The Base Price for each Stand-Alone SAR shall not be less than one hundred percent (100%) of the Market Price on the Grant Date of such Stand-Alone SAR.

10.7 Unless the Board determines otherwise, Stand-Alone SARs covered by a Grant shall, when and to the extent Vested, be settled by payment in cash of the amount determined in accordance with Section 10.8.

10.8 Upon exercise thereof, or the settlement thereof in accordance with Section 10.7, and subject to payment or other satisfaction of all related withholding obligations in accordance with Section 7.2, Stock Appreciation Rights (and, in the case of Tandem SARs, the related Options) shall be settled by payment in cash, of an amount, or the delivery of Shares or a combination of cash and Shares, as determined by the Board with an aggregate value equal to the product of:

(A) the excess of the Market Price on the date of exercise over the Exercise Price or Base Price under the applicable Stock Appreciation Right,

multiplied by

(B) the number of Stock Appreciation Rights exercised or settled.

10.9 Any cash payment in settlement of a Stand-Alone SAR shall be payable in Canadian dollars. Any cash payment in settlement of a Tandem SAR shall be payable in the same currency as the Option to which it relates. Any portion of a Stock Appreciation Right that is to be settled in Shares shall be settled by delivery of the number of Shares having a Market Price on the date of exercise equal to the portion of the amount determined in accordance with Section 10.8 being settled, rounded down to the nearest whole Share.

10.10 If the normal expiry date of any Stock Appreciation Right falls within any Blackout Period or within ten (10) Business Days following the end of any Blackout Period, then the expiry date of such Stock Appreciation Right shall, without any further action, be extended to the date that is ten (10) Business Days following the end of such Blackout Period. The foregoing extension applies to all Stock Appreciation Rights whatever the Grant Date and shall not be considered an extension of the term of the Stock Appreciation Rights as referred to in Section 7.5; provided however, that no extension shall be effected which would result in the Stock Appreciation Right being subject to, or in violation of, Code Section 409A.

11. TERMINATION OF EMPLOYMENT AND DEATH OF A PARTICIPANT – OPTIONS AND TANDEM SARS

11.1 Outstanding Options held by a Participant as of the Participant's Termination Date, for any reason, including death, shall be subject to the provisions of this Section 11, as applicable; except that, in all events, the period for exercise of Options shall end no later than the last day of the maximum term thereof established under Section 9.1(c), 9.5, or 11.8, as the case may be and any Options that do not become Vested or that expire without being exercised shall be cancelled.

11.2 Subject to the applicable Grant Agreement, Section 11.1 and Section 11.8, in the case of a Participant's Termination Date due to death, the Participant's outstanding Options that have become Vested prior to the Participant's Termination Date shall continue to be exercisable during the three hundred and sixty-five (365) day period following such date of death.

11.3 Subject to the applicable Grant Agreement, Section 11.1 and Section 11.8, in the case of a Participant's Termination Date due to Disability, the Participant's outstanding Options that have become Vested prior to the Participant's Disability Date shall continue to be exercisable during the one hundred and eighty (180) day period following the Disability Date.

11.4 Subject to the applicable Grant Agreement, Section 11.1 and Section 11.8, in the case of a Participant's Termination Date due to termination without Cause (including by way of constructive dismissal), the Participant's outstanding Options that have become Vested prior to the Participant's Termination Date shall continue to be exercisable during the ninety (90) day period following the Participant's Termination Date.

11.5 Subject to the applicable Grant Agreement, Section 11.1 and Section 11.8, in the case of a Participant's Termination Date due to the Participant's resignation (including the voluntary withdrawal of services by a Participant who is not an

employee under Applicable Law), the Participant's outstanding Options that have become Vested prior to the Participant's Termination Date shall continue to be exercisable during the ninety (90) day period following the Participant's Termination Date.

11.6 Unless otherwise determined by the Board, in the case of a Participant's Termination Date due to termination for Cause, any and all then outstanding Options granted to the Participant, whether or not Vested, shall automatically terminate and shall be immediately forfeited and cancelled, without any consideration therefor, as of the Termination Date.

11.7 Subject to the applicable Grant Agreement, Section 11.1 and Section 11.8, in the case of a Participant's Termination Date, other than due to a termination for Cause, any and all then outstanding Options granted to the Participant that have not Vested prior to the Termination Date, shall not Vest and shall be immediately forfeited and cancelled, without any consideration therefor, as of the Termination Date.

11.8 In addition to the Board's rights under Section 3.1, but subject to Section 11, the Board may, at the time of a Participant's Termination Date (including a Disability Date), extend the period for exercise of some or all of the Participant's Options, but not beyond the original expiry date, and/or allow for the continued Vesting of some or all of the Participant's Options during the period for exercise or a portion of it. Options that are not exercised prior to the expiration of the exercise period, including any extended exercise period authorized pursuant to this Section 11.8, following a Participant's Termination Date (including a Disability Date) shall automatically expire on the last day of such period.

11.9 For greater certainty, a Participant shall have no right to receive Shares or a cash payment, as compensation, damages or otherwise, with respect to any Options that do not become Vested or that are forfeited and/or cancelled or otherwise not exercised before the date on which the Options expire, and waives any claim to damages in respect thereof, related or attributable to any contractual or common law termination entitlements.

PART III – SHARE UNITS

12. DEFINITIONS

12.1 **"Grant Value"** means the dollar amount allocated to an Eligible Person in respect of a Grant of Share Units.

12.2 "**Share Unit Account**" has the meaning set out in Section 14.1.

12.3 "**Valuation Date**" means the date as of which the Market Price is determined for purposes of calculating the number of Share Units included in a Grant, which unless otherwise determined by the Board shall be the Grant Date.

12.4 "**Vesting Period**" means, with respect to a Grant of Share Units, the period specified by the Board, commencing on the Grant Date and ending on the last Vesting Date for such Share Units.

13. ELIGIBILITY AND GRANT DETERMINATION.

13.1 The Board may from time to time make one or more Grants of Share Units to Eligible Persons on such terms and conditions, consistent with the Plan, as the Board shall determine, provided that, in determining the Eligible Persons to whom Grants are to be made and the Grant Value for each Grant, the Board shall take into account the terms of any written employment agreement or contract for services between an Eligible Person and the Corporation or any Subsidiary of the Corporation and may take into account such other factors as it shall determine in its sole and absolute discretion.

13.2 The Board shall determine the Grant Value and the Valuation Date (if not the Grant Date) for each Grant under this Part III. The number of Share Units to be covered by each such Grant shall be determined by dividing the Grant Value for such Grant by the Market Price of a Share as at the Valuation Date for such Grant, rounded up to the next whole number.

13.3 Each Grant Agreement issued in respect of Share Units shall set forth, at a minimum, the type of Share Units and Grant Date of the Grant evidenced thereby, the number of RSUs or PSUs subject to such Grant, the applicable Vesting conditions, the applicable Vesting Period(s) and the treatment of the Grant upon Termination and may specify such other terms and conditions consistent with the terms of the Plan as the Board shall determine or as shall be required under any other provision of the Plan. The Board may include in a Grant Agreement under this Part III terms or conditions pertaining to confidentiality of information relating to the Corporation's operations or businesses which must be complied with by a Participant including as a condition of the grant or Vesting of Share Units.

14. ACCOUNTS AND DIVIDEND EQUIVALENTS

14.1 **Share Unit Account.**

An account, called a "**Share Unit Account**", shall be maintained by the Corporation, or a Subsidiary of the Corporation, as specified by the Board, for each Participant who has received a Grant of Share Units and will be credited with such

Grants of Share Units as are received by a Participant from time to time pursuant to Section 13 and any dividend equivalent Share Units pursuant to Section 14.2. Share Units that fail to Vest to a Participant and are forfeited pursuant to Section 15, or that are paid out to the Participant or their Beneficiary, shall be cancelled and shall cease to be recorded in the Participant's Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are paid out, as the case may be. For greater certainty, where a Participant is granted both RSUs and PSUs, such RSUs and PSUs shall be recorded separately in the Participant's Share Unit Account.

14.2 **Dividend Equivalent Share Units.**

Except as otherwise provided in the Grant Agreement relating to a Grant of RSUs or PSUs, if and when cash dividends (other than extraordinary or special dividends) are paid with respect to Shares to shareholders of record as of a record date occurring during the period from the Grant Date under the Grant Agreement to the date of settlement of the RSUs or PSUs granted thereunder, a number of dividend equivalent RSUs or PSUs, as the case may be, shall be credited to the Share Unit Account of the Participant who is a party to such Grant Agreement. The number of such additional RSUs or PSUs will be calculated by dividing the aggregate dividends or distributions that would have been paid to such Participant if the RSUs or PSUs in the Participant's Share Unit Account had been Shares by the Market Price as at the close of the second Business Day prior to the dividend record date. The additional RSUs or PSUs granted to a Participant will be subject to the same terms and conditions, including Vesting and settlement terms, as the corresponding RSUs or PSUs, as the case may be.

15. VESTING AND SETTLEMENT OF SHARE UNITS

15.1 **Continued Employment.**

Subject to this Section 15 and the applicable Grant Agreement, Share Units subject to a Grant and dividend equivalent Share Units credited to the Participant's Share Unit Account in respect of such Share Units shall Vest in such proportion(s) and on such Vesting Date(s) as may be specified in the Grant Agreement governing such Grant provided that the Participant's Termination Date has not occurred, including by reason of death, on the relevant Vesting Date.

15.2 **Settlement.**

A Participant's RSUs and PSUs, adjusted in accordance with the applicable multiplier, if any, as set out in the Grant Agreement, and rounded down to the nearest whole number of RSUs or PSUs, as the case may be, shall be settled, by a distribution as provided below to the Participant or their Beneficiary following the Vesting thereof in accordance with Section 15.1, as the case may be, subject to the terms of the applicable Grant Agreement. In all events, unless the Grant Agreement specifies that RSUs and PSUs must be settled through the issuance of Shares, settlement will occur upon or as soon as reasonably practicable following Vesting and, in any event, on or before December 31 of the third year following the year in which the Participant performed the services to which the Grant of RSUs or PSUs relates. Settlement shall be made by the issuance of one Share for each RSU or PSU then being settled, a cash payment equal to the

Market Price on the Vesting Date of the RSUs or PSUs being settled in cash (subject to Section 15.3), or a combination of Shares and cash, all as determined by the Board in its discretion, or as specified in the applicable Grant Agreement, and subject to payment or other satisfaction of all related withholding obligations in accordance with Section 7.2.

15.3 **Postponed Settlement.**

If a Participant's Share Units would, in the absence of this Section 15.3 be settled within a Blackout Period applicable to such Participant, such settlement shall be postponed until the earlier of the Trading Day following the date on which such Blackout Period ends (or as soon as practicable thereafter) and the otherwise applicable date for settlement of the Participant's Share Units as determined in accordance with Section 15.2, and the Market Price of any RSUs or PSUs being settled in cash will be determined as of the earlier of the Trading Day on which the Blackout Period ends and the day prior to the settlement date.

15.4 **Failure to Vest.**

For greater certainty, a Participant shall have no right to receive Shares or a cash payment, as compensation, damages or otherwise, whether related or attributable to any contractual or common law termination entitlements or otherwise, with respect to any RSUs or PSUs that do not become Vested or are forfeited and/or cancelled hereunder.

15.5 **Termination of Employment.**

Subject to the applicable Grant Agreement and Section 15.6, in the event a Participant's Termination Date occurs for any reason, Share Units that have not Vested prior to such Termination Date, including dividend equivalent Share Units in respect of such Share Units, shall not Vest and all such Share Units shall be forfeited immediately. The Participant shall have no further entitlement to RSUs or PSUs following their Termination Date, other than to receive cash or Shares in respect of Vested RSUs and PSUs in accordance with Section 15.2, and the Participant waives any claim to damages in respect thereof related or attributable to any contractual or common law termination entitlements.

15.6 **Extension of Vesting.**

The Board may, at the time that a Termination Date occurs, extend the period for Vesting of Share Units, but not beyond the original end of the applicable Vesting Period.

16. SHAREHOLDER RIGHTS

16.1 **No Rights to Shares.**

Share Units are not Shares and a Grant of Share Units will not entitle a Participant to any shareholder rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

Exhibit "A"

HLS Long Term Incentive Plan

Special Provisions Applicable to US Taxpayer

This Exhibit sets forth special provisions of the HLS Long Term Incentive Plan (the "Plan") that apply to Participants who are US Taxpayers. This Exhibit shall apply to such Participants notwithstanding any other provisions of the Plan. Terms defined elsewhere in the Plan and used herein shall have the meanings set forth in the Plan, as may be amended from time to time.

Definitions

"**Disability**" means, solely with respect to an award that constitutes deferred compensation subject to Section 409A of the Code, a "disability" as defined under Section 409A of the Code.

"**Eligible Person**" means, solely with respect to Options and SARs, an individual Employed by the Corporation or any of its subsidiaries who, by the nature of their position or job is, in the opinion of the Board, in a position to contribute to the success of the Corporation.

"**Market Price**" means, solely with respect to the terms "Exercise Price" and "Base Price", (a) if the Shares are listed on the Stock Exchange, the closing price per Share on the Stock Exchange on the Grant Date; (b) if the Shares are listed on more than one Stock Exchange, the fair market value as determined in accordance with paragraph (a) above for the primary Stock Exchange on which the Shares are listed, as determined by the Board; and (c) if the Shares are not listed for trading on a Stock Exchange, a price which is determined by the Board in good faith to be the fair market value of the Shares in compliance with Section 409A of the Code.

"**Separation From Service**" means such employment or service with the Corporation and any entity that is to be treated as a single employer with the Corporation for purposes of United States Treasury Regulation Section 1.409A-1(h) terminates such that it is reasonably anticipated that no further services will be performed.

"**Specified Employee**" means a US Taxpayer who meets the definition of "specified employee", as defined in Section 409A(a)(2)(B)(i) of the Code.

Change in Control Treatment

Notwithstanding anything to the contrary, if the Change in Control event does not constitute a change in ownership or effective control of the Corporation or a change in ownership of a substantial portion of the assets of the Corporation under Section 409A of the Code, and if the Corporation determines any award under the Plan constitutes deferred compensation subject to Section 409A of the Code, then as determined in the sole discretion of the Board, the vesting of such award may be accelerated as of the effective date of the Change in Control, but the Corporation shall pay such award on its original payment date or such earlier date as will not result in the imposition of taxes or penalties under Section 409A of the Code.

Compliance with Section 409A

The intent of the parties is that payments and benefits under this Plan comply with Section 409A of the Code, to the extent subject thereto, and accordingly, to the maximum extent permitted, this Plan shall be interpreted, construed and administered to be in compliance therewith.

Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated or additional taxation and/or taxes or penalties under Section 409A of the Code, a Participant shall not be considered to have terminated employment with the Corporation for purposes of this Plan unless the Participant would be considered to have incurred a Separation from Service from the Corporation. Each amount to be paid or benefit to be provided under this Plan shall be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments described in this Plan that are due within the "short term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid additional or accelerated taxation and/or taxes or penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Plan (or any other plan or agreement of the Corporation) during the six (6) month period immediately following the Specified Employee's Separation from Service on account of such Separation from Service shall instead be paid on the first Business Day after the date that is six (6) months following the Specified Employee's Separation from Service (or death, if earlier).

No Participant or the creditors or beneficiaries of a Participant shall have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under the Plan to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to any Participant or for the benefit of any Participant under the Plan may not be reduced by, or offset against, any amount owing by any such Participant to the Corporation or any of its affiliates.

The Plan and any award agreements issued thereunder may be amended in any respect deemed by the Board to be necessary in order to preserve compliance with Section 409A of the Code. The Corporation makes no representation that any or all of the payments described in this Plan will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. Each Participant shall be solely responsible and liable for the payment and satisfaction of any taxes and penalties incurred under Section 409A of the Code, and neither the Corporation nor any of its affiliates shall have any obligation to indemnify or otherwise hold such Participant harmless from any or all of such taxes or penalties.

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