



**NEPTUNE WELLNESS SOLUTIONS INC.**

**SPECIAL TRANSACTION COMMITTEE CHARTER**

**Lastly Approved by the Board of Director  
On April 24, 2020**

## NEPTUNE WELLNESS SOLUTIONS INC.

### SPECIAL TRANSACTION COMMITTEE CHARTER

#### 1. Purpose

The Special Transaction Committee (the “**Committee**”) of Neptune Wellness Solutions Inc. (the “**Corporation**”) is responsible for assisting the Board of Directors (the “**Board**”) in fulfilling its oversight responsibilities relating to potential acquisitions of businesses where the consideration payable by the Corporation may exceed CAD\$10 million (a “**Potential Acquisition**”).

#### 2. Duties and Responsibilities

The Committee shall perform the functions customarily performed by special transaction committees and any other functions assigned by the Board. In particular, the Committee shall have the following duties and responsibilities:

- 2.1.1. Supervise the conduct of, or, if necessary or appropriate due to potential conflicts that may arise, to conduct any negotiations or discussions with third parties, with respect to any Potential Acquisition, subject to the final approval of the Board;
- 2.1.2. Supervise the process and procedures related to the review and evaluation of any Potential Acquisition;
- 2.1.3. Update the Board from time to time concerning the work of the Special Transaction Committee and to deliver such interim reports to the Board with respect to the Committee’s review as it considers appropriate or as requested by the Board;
- 2.1.4. Assist the Board in discharging the Board’s oversight responsibilities relating to Potential Acquisitions, including by making recommendations to the Board to accept or reject any Potential Acquisition;
- 2.1.5. To authorize and approve such documents and agreements as may be necessary for the proper performance by the Committee of its responsibilities including, without limitation, the terms of any compensation, engagement or indemnification agreements with its professional advisors; and
- 2.1.6. Take all such other steps as the Committee considers to be necessary or appropriate and in the best interests of the Corporation and its shareholders with respect to the foregoing.

In carrying out its responsibilities, the Committee shall:

- 2.1.7. Coordinate and consult with management and financial and professional advisors of and to the Corporation, but the Committee shall have control of the timing and manner of such coordination and consultation and it shall establish its own procedures, including, without limitation, the timing and place of meetings and such other procedures as it considers necessary or advisable;
- 2.1.8. Direct management of the Corporation to assist the Committee and the Corporation’s advisors as the Committee considers necessary for the fulfillment of its mandate; and

- 2.1.9. Identify, review and objectively assess the issues which affect the Corporation and provide advice and guidance to the Board as to the process being carried out by management and the Corporation's financial and professional advisors in evaluating any Potential Acquisition.

### **3. Evaluation of the Committee and Report to Board**

- 3.1. The Committee shall evaluate and review with the Board, on an annual basis, the performance of the Committee.
- 3.2. The Committee shall report to the Board periodically on the Committee's activities.

### **4. Authority, Outside advisors**

- 4.1. The Committee shall have the authority to require any information relevant to its mandate from (i) any officer or employee of the Corporation and (ii) any party external to the Corporation which is answerable to the Corporation.
- 4.2. The Committee shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Committee in the performance of its functions. The Corporation shall provide appropriate funding for such advisors as determined by the Committee.

### **5. Membership**

- 5.1. The Committee shall be composed of a minimum of three (3) members, a majority of whom shall be independent members of the Board (as defined under Rule 5605 (a)(2) of the Nasdaq Stock Market). The Chair of the Committee shall be independent and free of any relation which, in the Board's opinion, could interfere with the exercise of their independence and objectivity as a member of the Committee.
- 5.2. The members of the Committee shall be appointed by the Board and will carry out their duties until the next annual Board meeting or until their successors are duly elected. Unless the Chair of the Committee is appointed by the whole Board of Directors, the members of the Committee will be able to appoint a Chair by majority vote in the presence of all the members of the Committee.

### **6. Compensation of Special Transaction Committee Members**

- 6.1. Each independent member of the Committee shall be compensated by payment of a meeting fee of CAD\$1,000 per meeting, subject to supplement should the Board consider, at any future time, that additional compensation to independent members of the Committee be appropriate based on the workload and responsibilities of the Committee.

### **7. Abstention**

- 7.1. Any member of the Committee may abstain from voting on any Potential Acquisition in which he or she has, or may have, a conflict of interest. In such event, the Board may appoint an interim member of the Committee for purposes of considering and/or approving such Potential Acquisition, such interim member to serve only for such purpose.

### **8. Committee Chair**

- 8.1. The Chair of the Committee shall be appointed by the Board and shall be independent of the Corporation. The Chair of the Committee leads the Committee in all aspects of its work and is

responsible to effectively manage the affairs of the Committee and ensure that it is properly organized and functions efficiently. More specifically, the Chair of the Committee shall:

- 8.1.1. Provide leadership to enable the Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Charter and as otherwise may be appropriate;
- 8.1.2. In consultation with the Board Chair and the CEO, ensure that there is an effective relationship between management and the members of the Committee;
- 8.1.3. Chair meetings of the Committee;
- 8.1.4. In consultation with the CEO, the Corporate Secretary and the Board Chair, determine the frequency, dates and locations of meetings of the Committee;
- 8.1.5. In consultation with the CEO, and the Corporate Secretary, review the annual work plan and the meeting agendas to ensure all required business is brought before the Committee to enable it to efficiently carry out its duties and responsibilities;
- 8.1.6. Ensure, in consultation with the Board Chair, that all items requiring the Committee's approval are appropriately tabled;
- 8.1.7. Ensure the proper flow of information to the Committee and review, with the CEO, and the Corporate Secretary, the adequacy and timing of materials in support of management's proposals;
- 8.1.8. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Committee at the next meeting of the Board following any meeting of the Committee; and
- 8.1.9. Carry out any special assignments or any functions as requested by the Board.

## **9. Term**

The members of the Committee shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are so appointed.

## **10. Procedures for meetings**

The Committee shall fix its own procedure at meetings and for the calling of meetings. The Committee will meet as necessary. The Committee shall meet in executive session in the absence of management, at each regularly scheduled meeting.

## **11. Quorum and voting**

Unless otherwise determined from time to time by resolution of the Board, two members of the Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Committee Chair is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by the Committee members, except where only two members are present, in which case any question shall be decided unanimously.

**12. Secretary**

Unless otherwise determined by resolution of the Board, the Corporate Secretary of the Corporation or his/her delegate shall be the Secretary of the Committee.

**13. Vacancies**

Vacancies at any time occurring shall be filled by resolution of the Board.

**14. Records**

The Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board as appropriate.

**15. Review of Charter**

The Committee will, from time to time, review and assess the adequacy of this Charter and recommend any proposed changes for consideration. The Board may amend this Charter, as required.