



## COMPENSATION COMMITTEE CHARTER

### I. General Statement of Purpose

The Compensation Committee of the Board of Directors (the "Compensation Committee") of Novelion Therapeutics Inc. (the "Company"), on behalf of the Board of Directors (the "Board"), discharges the Board's responsibilities relating to compensation of the Company's directors and executive officers, oversees the Company's overall compensation structure, policies and programs, reviews the Company's processes and procedures for the consideration and determination of director and executive compensation, and is responsible for producing a compensation report for inclusion in the Company's proxy statement relating to its annual meeting of shareholders or annual report on Form 10-K, in accordance with applicable rules and regulations. The primary objective of the Compensation Committee is to oversee the development and implementation of broad-based compensation policies and plans that are appropriate for the Company and that further the Company's long-term strategic plan and are consistent with the culture of the Company and the overall goal of motivating Aegerion executive officers and other employees of the Company and its subsidiaries, driving high performance and enhancing shareholder value.

### II. Compensation Committee Composition

The Compensation Committee shall consist of no fewer than two members, and each of its members shall satisfy the independence standards established pursuant to Nasdaq Listing Rule 5605(d), as such rule is in effect from time to time, any other applicable stock exchange listing standards, and the provisions of National Policy 58-201 of the Canadian Securities Administrators. The Board will consider whether the members of the Compensation Committee qualify as "non-employee directors" as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as "outside directors" as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended, as well as any other factors it may deem relevant to a director's service as a member of the Compensation Committee.

The members of the Compensation Committee shall be appointed annually by the Board and may be replaced or removed by the Board at any time, with or without cause. Resignation or removal of a director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Compensation Committee. Vacancies occurring, for whatever reason, may be filled by the Board. The Board shall designate one member of the Compensation Committee to serve as Chair of the Compensation Committee. All indemnification, exculpation, expense reimbursement and advancement provisions and rights available to members of the Compensation Committee in their capacities as directors of the Company shall be fully applicable with respect to their service on the Compensation Committee or any subcommittee thereof.

### III. Meetings

The Compensation Committee generally is to meet in person or by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, as deemed necessary by the Compensation Committee. A majority of the members of the Compensation Committee shall constitute a quorum for purposes of holding a meeting and the Compensation Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Compensation Committee may act by unanimous written consent (including by way of electronic transmission) in accordance with the Company's Articles. The Chair of the Compensation Committee, in consultation with the other members, as he or she deems necessary, may determine the frequency and length of the Compensation Committee meetings and may set meeting agendas consistent with this Charter.

### IV. Compensation Committee Activities

The following responsibilities are set forth as a guide to fulfilling the Compensation Committee's purposes, with the understanding that the Compensation Committee's activities may evolve as appropriate given the circumstances. The Compensation Committee's purpose and responsibilities shall be as set forth below.

#### A. Review of Charter

- Review and assess the adequacy of this Charter annually and submit any proposed changes to the Board for approval.

#### B. Processes and Procedures for Considering and Determining Director and Executive Compensation

- Review and assess periodically (and where appropriate, make such recommendations to the Board as the Compensation Committee deems advisable with regard to) the Company's processes and procedures for the consideration and determination of director and executive compensation, including considering the implications of the risks associated with the Company's compensation policies and practices.

#### C. Compensation Committee Report

- Review and discuss with management the Compensation Discussion and Analysis to be included in the Company's proxy statement or annual report on Form 10-K ("CD&A").
- Based on the Compensation Committee's review and discussions with management of the CD&A, make a recommendation to the Board that the CD&A be included in the Company's proxy statement or annual report on Form 10-K.
- Prepare the Compensation Committee Report to be included in the Company's proxy statement or annual report on Form 10-K in accordance with the applicable rules and

regulations of the Securities and Exchange Commission and of the Canadian Securities Administrators.

**D. Annual Performance Evaluation of the Compensation Committee**

- Perform an annual performance evaluation of the Compensation Committee and report to the Board on the results of such evaluation.

**E. Incentive-Compensation and Equity-Based Plans**

- Review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to short and long-term incentive-based compensation plans and equity-based plans.
- Manage and administer all equity-based plans, and review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to policies and procedures for the grant of equity-based awards by the Company.

**F. Share Ownership Guidelines**

- Develop and propose, subject to approval of the Board, share ownership guidelines for non-employee directors and executive officers of the Company.

**G. Matters Related to Compensation of the Company's Chief Executive Officer**

- Review and approve the corporate goals and objectives that may be relevant to the compensation of the Company's Chief Executive Officer ("CEO").

Evaluate the CEO's performance in light of the goals and objectives that were set for the CEO and determine the CEO's compensation, including incentive and equity compensation, based on such evaluation, subject to approval of the Board. In connection with determining the long-term incentive component of the CEO's compensation, the Compensation Committee should consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in past years.

- Consider any risks associated with proposed CEO compensation arrangements and potential ways to mitigate such risks.
- The Company's CEO may not be present during voting or deliberations concerning his or her compensation.

**H. Matters Related to Compensation of the Officers Other Than the Chief Executive Officer**

- Determine the compensation, including incentive and equity compensation of, and approve the employment arrangements for, all officers of the Company other than

the CEO; for purposes hereof the term “officer” has the meaning defined in Section 16 of the Exchange Act and Rule 16a-1 promulgated thereunder.

## **V. Additional Compensation Committee Authority**

The Compensation Committee is authorized, on behalf of the Board, to do any of the following, as the Compensation Committee deems necessary or appropriate in its discretion:

### **A. Matters Related to Compensation of the Company’s Directors and Members of Senior Management**

- Review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to the compensation of the directors of the Company, including with respect to any equity-based plans.
- Provide oversight of management’s decisions regarding the compensation of all members of senior management of the Company (other than the CEO and other officers described above), including with respect to any incentive-compensation plans and equity-based plans.

### **B. Matters Related to Compensation Consulting Firms or Other Outside Advisors**

- Exercise sole authority to retain and terminate any consulting firm, independent legal counsel or other outside advisor on compensation matters that is to be used by the Company or the Compensation Committee to assist in the evaluation of director, CEO or executive officer compensation.
- Exercise sole authority to approve any fees and other retention terms of any consulting firm, independent legal counsel or other outside advisor on compensation matters.
- The Compensation Committee must consider the following independence factors prior to retaining any consulting firm, independent legal counsel or other outside advisor on compensation matters: (1) the provision of other services to the Company by the person that employs such advisor (the “Employer”); (2) the amount of fees received from the Company by the Employer, as a percentage of total revenue of the Employer; (3) the policies and procedures of the Employer that are designed to prevent conflicts of interest; (4) any business or personal relationship of such advisor with a member of the Compensation Committee; (5) any stock of the Company owned by such advisor and (6) any business or personal relationship of such advisor or the Employer with an executive officer of the Company.

## **VI. General**

- The Compensation Committee may form and delegate authority to one or more subcommittees consisting of one or more of its members, when the Compensation Committee deems it appropriate to do so in order to carry out its responsibilities. In addition, the Compensation Committee may delegate to one or more executive

officers of the Company the administration of equity incentive or employee benefit plans, unless otherwise prohibited by such plans, or applicable law or stock exchange rules. Any such delegation may be revoked by the Compensation Committee at any time.

- The Compensation Committee shall make regular reports to the Board concerning areas of the Compensation Committee's responsibility and maintain minutes or other records of the Compensation Committee's meetings and activities.
- In discharging its role, the Compensation Committee is empowered to inquire into any matter it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company. The Compensation Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Compensation Committee or meet with any members of or advisors to the Compensation Committee.
- In carrying out its responsibilities, the Compensation Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisors and professionals with whom the Compensation Committee may consult. The Compensation Committee shall also have the authority to engage legal, accounting or other advisors to provide it with advice and information in connection with carrying out its responsibilities and shall have sole authority to approve any such advisor's fees and other retention terms.
- The Compensation Committee may perform such other functions as may be requested by the Board from time to time.

ADOPTED BY THE BOARD OF DIRECTORS: December 1, 2016