



**NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS TO BE HELD ON
THURSDAY, MARCH 26, 2009**

AND

MANAGEMENT PROXY CIRCULAR

FEBRUARY 24, 2009



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

To the shareholders of Theratechnologies Inc. (the “**Company**”):

NOTICE IS HEREBY GIVEN that an annual and special meeting of shareholders (the “**Meeting**”) of the Company will be held at the Sheraton Montreal Hotel, 1201 René Lévesque Boulevard West, Drummond Room, Montreal, Québec, on Thursday, March 26, 2009 at 10:00 a.m., local time, for the following purposes:

- (1) to receive the consolidated financial statements for the fiscal year ended November 30, 2008, as well as the auditors' report thereon;
- (2) to elect directors for the ensuing year;
- (3) to appoint auditors for the ensuing year and authorize the directors to set their compensation;
- (4) to consider, and if deemed advisable, to pass Resolution 2009-1 (the text of which is attached as Appendix B to the accompanying Management Proxy Circular), with or without amendments, amending the Company’s common share purchase plan, the whole as described in the accompanying Management Proxy Circular; and
- (5) to transact such other business as may properly come before the Meeting.

DATED at Montreal, Québec, Canada, February 24, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Jocelyn Lafond

Jocelyn Lafond
Corporate Secretary



MANAGEMENT PROXY CIRCULAR

The information contained in this management proxy circular (the “Circular”) is given as at February 24, 2009, except as otherwise noted. All dollar amounts set forth herein are expressed in Canadian dollars and the symbol “\$” refers to the Canadian dollar, unless otherwise indicated.

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ITEM I. INFORMATION RELATING TO THE ANNUAL AND SPECIAL MEETING

1. Voting

You may vote your shares either through a proxy or in person at the annual and special meeting of shareholders of the Company (the “**Meeting**”).

A. By Proxy

Solicitation of Proxies

This Circular is furnished in connection with the solicitation by the management of Theratechnologies Inc. (the “**Company**” or “**Theratechnologies**”) of proxies to be used at the Meeting of the Company to be held on Thursday, March 26, 2009, at the time, place and for the purposes set forth in the attached Notice of Annual and Special Meeting of Shareholders (the “**Notice of Meeting**”) and at any continuation of the Meeting after adjournment thereof.

The solicitation of proxies is being primarily made by mail but proxies may also be solicited by telephone, telecopier or other personal contact by officers or other employees of the Company. The entire cost of the solicitation will be borne by the Company.

Terms of Proxy Grant

By completing the enclosed form of proxy, or the one provided by your intermediary, you appoint the persons proposed in that form to represent your interests and vote your shares on your behalf at the Meeting. The persons named in the enclosed form of proxy are directors or officers of the Company. **However, you have the right to appoint a person or company other than the ones designated in the form of proxy to represent you at the Meeting.** To do this, you must insert such person's name in the blank space provided in the form of proxy enclosed hereto or complete another form of proxy. It is not necessary to be a shareholder of the Company in order to act as a proxy.

If you hold your shares through an intermediary (a stockbroker, a bank, a trust, a trustee, etc.), you are not a registered shareholder in the registry of shareholders of the Company held by Computershare Trust Company of Canada (“**Computershare**”). Therefore, you cannot vote your shares directly at the Meeting. If this is your situation, you will receive from your intermediary explanation as to how to appoint proxies and have them vote your shares. To ensure that your instructions are respected, you must deliver them to your intermediary within the prescribed deadline. For any questions, please contact your intermediary directly.

Proxy Voting

The persons named or appointed in the form of proxy will, on a show of hands or any ballot that may be called, vote (or withhold from voting) your shares in respect of which they are appointed as proxies in accordance with the instructions given in the form of proxy. **In the absence of instructions, the voting rights attached to the shares referred to in your form of proxy will be exercised IN FAVOUR of the matters mentioned in the attached Notice of Meeting.**

Furthermore, the enclosed form of proxy confers upon the proxy holder a discretionary power with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to all other matters which may properly come before the Meeting, or any continuation after adjournment thereof.

However, to our knowledge, all matters to be brought before the Meeting are mentioned in appropriate fashion in the Notice of Meeting.

Delivery of Form of Proxy and Deadlines

If you hold your shares personally and are a registered shareholder in the registry of shareholders of the Company, please send the completed form of proxy to the Secretary of the Company, c/o Computershare Trust Company of Canada, 1100 University Street, 12th Floor, Montreal, Québec H3B 2G7, prior to 5:00 p.m. (Eastern time) on March 24, 2009 (unless you attend the Meeting in person). All shares represented by proper proxies accompanied by duly completed declarations received by Computershare at the latest on such date and prior to such time will be voted in accordance with your instructions as specified in the proxy form, on any ballot that may be called at the Meeting.

If you hold your shares through an intermediary, please proceed as indicated in the documentation sent by your intermediary and within the deadlines specified therein. For any questions, please contact your intermediary directly.

Revocation of a Proxy

You may, at any time, including any continuation of the Meeting after adjournment thereof, revoke a proxy for any business with respect to which said proxy confers a vote that has not already been cast.

If you hold your shares personally and are a registered shareholder in the registry of shareholders of the Company, please send a written notice to revoke a proxy bearing your signature or that of your proxy (or a representative of your proxy if your proxy is a company) to the Secretary of the Company at the address stated above no later than two business days before the Meeting, namely March 24, 2009 at 5:00 p.m. (Eastern time). You may also revoke a proxy in person at the Meeting by making a request to that effect to the Secretary of the Company.

If you hold your shares through an intermediary, please proceed as indicated in the documentation sent by your intermediary and within the deadlines specified therein. For any questions, please contact your intermediary directly.

B. In Person

If you hold your shares personally and are a registered shareholder in the registry of shareholders of the Company, you may present yourself on the date, at the time and place set forth in the Notice of Meeting and register with the representatives of Computershare who will be at the Meeting. You should then follow voting instructions given by the Chairman of the Meeting.

If you hold your shares through an intermediary, and you wish however to vote your shares in person at the Meeting, please proceed as indicated in the documentation sent by your intermediary. For any questions, please contact your intermediary directly.

C. Voting Securities and Principal Holders

As at February 24, 2009, there were 60,394,927 common shares (the “**Common Shares**”) of the Company issued and outstanding. The Common Shares are the only securities with respect to which a voting right may be exercised at the Meeting. Each Common Share entitles its holder to one vote with respect to the matters voted on at the Meeting.

Holders of Common Shares whose names are registered on the lists of shareholders of the Company as at 5:00 p.m. (Eastern time) on February 20, 2009, being the date fixed by the Company for determination of the registered holders of Common Shares who are entitled to receive notice of the Meeting (the "**Record Date**"), will be entitled to exercise their voting rights attached to the Common Shares in respect of which they are so registered at the Meeting, or any continuation after adjournment thereof, if present or represented by proxy thereat. However, even if you have acquired Common Shares after the Record Date, you will be entitled to vote at the Meeting if, at least twenty-four (24) hours prior to the Meeting, you produce certificates for such Common Shares properly endorsed by the seller, or if you otherwise establish that you own such Common Shares and have requested that your name be included on the list of shareholders entitled to receive the Notice of Meeting.

To our knowledge, no person beneficially owns, or controls or directs control, directly or indirectly, over more than ten percent (10%) of the outstanding Common Shares of the Company.

2. Subjects To Be Treated at the Meeting

Please find below a description of the items listed in the Notice of Meeting.

A. Receipt of Financial Statements

The consolidated financial statements for the fiscal year ended November 30, 2008 together with the auditors' report thereon will be presented at the Meeting. The financial statements are included in the Company's 2008 annual report, which has been mailed to you if you requested it, along with this Circular. No vote is required on this matter.

B. Election of Directors

The shareholders at the Meeting will appoint the directors of the Company for the coming year.

Composition of the Board of Directors

The articles of the Company provide that the board of directors of the Company (the "**Board of Directors**") must consist of a minimum of three (3) and a maximum of twenty (20) directors. The Board of Directors has established that a number of nine (9) directors was well adapted to its size and activities.

Nominees

All of the nominees for the director positions of the Company are elected for a one year term ending at the next annual meeting of shareholders or when his successor is elected, unless he resigns or the position becomes vacant as a result of death, dismissal or otherwise, prior to the said meeting. We do not contemplate that any of the nominees will be unable to fulfill his mandate as director. **Unless instructions are given to abstain from voting with regard to the election of directors, the persons whose names appear on the enclosed form of proxy will vote IN FAVOUR of the election of the nominees whose names are set out in the table below.**

The following table states the names of all persons proposed for election as directors, their province or state and country of residence, their principal occupation, the position held in the Company (if any), the year in which they first became directors of the Company and the number of Common Shares they own, directly or indirectly, or over which they exercise control or direction. To obtain additional information regarding the biographical notes of the proposed directors, the education and experience of the directors who are members of the Company's audit committee and other required information on the audit committee of the Company, shareholders can consult items 4.1 and 4.2 of the Company's 2008 annual

information form dated February 24, 2009 (the “**Annual Information Form**”) available on SEDAR at www.sedar.com.

The information relating to the number of Common Shares held by the nominees in the table below and under “Cease Trade Orders, Bankruptcies, Penalties or Sanctions” is based on the statements made by the nominees.

NOMINEES			
Name, Province or State and Country of Residence	Principal Occupation	Director Since	Number of Common Shares of the Company Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised
Paul Pommier ^{(1) (2) (3) (4) (5)} Québec, Canada	Chairman of the Board of the Company	1997	175,100
Gilles Cloutier ^{(3) (5)} North Carolina, United States	Corporate Director	2003	51,000
A. Jean de Grandpré ^{(2) (3) (4) (5)} Québec, Canada	Corporate Director	1993	97,100
Robert G. Goyer ⁽³⁾ Québec, Canada	Emeritus Professor Faculty of Pharmacy Université de Montreal	2005	10,000
Gérald A. Lacoste ^{(1) (3) (5)} Québec, Canada	Corporate Director	2006	11,000
Bernard Reculeau ⁽²⁾ Paris, France	President CIS Bio International (Biomedical technologies)	2005	8,100
Yves Rosconi ⁽⁴⁾ Québec, Canada	President and Chief Executive Officer of the Company	2004	59,000
Jean-Denis Talon ^{(1) (2)} Québec, Canada	Chairman of the Board AXA Canada (Insurance Company)	2001	50,000
Luc Tanguay ⁽⁴⁾ Québec, Canada	Senior Executive Vice President and Chief Financial Officer of the Company	1993	75,000

- (1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Nominating and Corporate Governance Committee
(4) Member of the Financing Committee
(5) Member of the Strategic Review Committee

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, to the knowledge of management of the Company, no nominee (a) is, as at the date of the Circular, or has been within the ten years before the date of the Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than thirty consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than thirty consecutive days; or (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of the 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 his assets.

Paul Pommier was a member of the board of directors of Royal Aviation Inc. from September 1996 until it was acquired by Canada 3000 Inc. in March 2001. Subsequently, at the end of 2001, Canada 3000 Inc. and its subsidiaries, including Royal Aviation Inc., made assignments in bankruptcy under Section 49 of the *Bankruptcy and Insolvency Act (R.S. 1985, c. B-3)* (the “**Bankruptcy Act**”).

Yves Rosconi was a member of the board of directors of Mistral Pharma Inc. from September 2007 until May 2008. On June 13, 2008, Mistral Pharma Inc. filed a notice of intention to make a proposal to its creditors under the Bankruptcy Act and, on August 19, 2008, Mistral Pharma Inc. filed a proposal under the Bankruptcy Act.

C. Appointment of Auditors

The Company’s auditors for the current fiscal year must be appointed at the Meeting. We propose the appointment of KPMG LLP, chartered accountants from Montréal, who have been the Company’s auditors since October 19, 1993. They will hold office until the next annual meeting of shareholders or until their successors are appointed.

Unless instructions are given to abstain from voting with regard to the appointment of auditors, the persons whose names appear on the enclosed form of proxy will vote IN FAVOUR of the appointment of KPMG LLP, chartered accountants, as auditors of the Company, and authorize that compensation for their services be determined by the Board of Directors.

D. Amendments to the Common Share Purchase Plan

Current Share Purchase Plan

On February 16, 1999, the Board of Directors introduced a common share purchase plan (the “**Share Purchase Plan**”). The Share Purchase Plan was thereafter amended from time to time.

The Share Purchase Plan entitles full-time and part-time employees of the Company who, on a Participation Date (as defined below), are residents of Québec or Ontario and who have at least three (3) months of continuous service with the Company to directly subscribe for Common Shares of the Company between March 29, 2007 and March 31, 2009. The Share Purchase Plan provides that a maximum of

400,000 Common Shares (0.66% of the issued and outstanding Common Shares) may be offered to employees. During the fiscal year ended November 30, 2008, the Company issued 64,291 Common Shares under the Share Purchase Plan (0.11% of the issued and outstanding Common Shares). As at the date of the Circular, only 94,652 Common Shares remain available for issuance.

On May 1st and November 1st of each year (the “**Participation Dates**”), an employee may subscribe for a number of Common Shares pursuant to the Share Purchase Plan up to a maximum amount representing 10% of his current annual gross salary; the total of which must however be less than 5% of the Company’s issued and outstanding Common Shares.

The Share Purchase Plan provides that the number of Common Shares that may be issued to insiders, at any time, under all security based compensation arrangements of the Company, cannot exceed 10% of the outstanding Common Shares, and the number of Common Shares issued to insiders, within any one-year period, under all security based compensation arrangements, cannot exceed 10% of the outstanding Common Shares.

The subscription price for each new Common Share subscribed pursuant to the Share Purchase Plan is equal to the weighted average closing price of the Common Shares on the Toronto Stock Exchange during a period of five (5) days prior to a Participation Date. However, if, during such period, there is no closing price, the price will be equal to the simple average of the bid and ask prices. Employees cannot assign or otherwise alienate their rights in the Share Purchase Plan.

Pursuant to the terms of the Share Purchase Plan, subscriptions to Common Shares may only be made through an interest-free loan provided by the Company for an amount corresponding to the subscription price. The loan is repayable at all times and may be repayable by equal withholdings from a participant’s salary for a period not exceeding two (2) years. The loans granted to any employee must never exceed 10% of his current annual gross salary. The subscribed Common Shares are hypothecated to secure full and final repayment of the loan and are held by the trustee, Computershare, until such full repayment. Loans are immediately due and repayable upon the occurrence of one of the following events: (i) the termination of the employment of an employee; the sale or seizure of the Common Shares being subject to a hypothec; (iii) the bankruptcy or insolvency of an employee; or (iv) the suspension of the payment of an employee’s salary or the revocation of his right to salary with holdings.

Shareholder approval is not required for amendments to the Share Purchase Plan. For example, the Board of Directors may, without shareholder approval, make certain amendments of the following nature to the Share Purchase Plan such as: (i) formal minor or technical amendments to any provision of the Share Purchase Plan; (ii) corrections to any provision of the Share Purchase Plan containing an ambiguity, defect, error or omission; or (iii) changes that do not require shareholder approval as hereafter described. The following amendments require the approval of a majority of the shareholders present at a duly called shareholders’ meeting:

- (a) any extension of the term of the Share Purchase Plan;
- (b) any increase in the number of Common Shares reserved for issuance under the Share Purchase Plan;
- (c) any increase in the number of Common Shares that may be purchased annually by an employee;
- (d) any change in the formula to determine the subscription price of Common Shares; and

- (e) any increase in the amount an employee is authorized to borrow from the Company to purchase Common Shares under the Share Purchase Plan.

Amended Share Purchase Plan

On February 24, 2009, the Board of Directors amended the Share Purchase Plan (the “**Amended Share Purchase Plan**”) to extend its term from March 31, 2009 to March 31, 2012. As a result of the extension of the term of the Share Purchase Plan, the low amount of Common Shares available for future issuance (94,652) and the increase in the number of employees eligible to participate in the Share Purchase Plan, the Board of Directors increased the number of Common Shares available for issuance under the Share Purchase Plan by 150,000 Common Shares (0.24% of the issued and outstanding Common Shares). Under the Amended Share Purchase Plan, the maximum number of Common Shares available for issuance to employees now aggregates 550,000 Common Shares (0.91% of the issued and outstanding Common Shares). In reviewing the Share Purchase Plan, the Board of Directors also made amendments to some of its provisions to clarify or specify them, namely:

- the “Definition” section was reviewed to reflect the definitions used in the rules enacted by the Toronto Stock Exchange (the “**TSX**”);
- the “Eligibility and Restrictions” section was reviewed to broaden the scope of employees who are eligible to participate in the Share Purchase Plan. Firstly, the Amended Share Purchase Plan allows employees residing in any of the provinces of Canada to be eligible to participate in the Amended Share Purchase Plan given that the Company could hire an individual who resides outside of Québec or Ontario and who performs his/her work from his/her residence. Secondly, the three (3) month period of continuous service required to be eligible to participate in the Share Purchase Plan was aimed at employees who are subject to a three (3) month probationary period when they join the Company. However, some persons are hired by the Company without a probationary period and the requirement that a person have three (3) months of continuous service before being eligible to participate in the Share Purchase Plan is not appropriate for employees not subject to a probationary period.
- the computation of the subscription price was reviewed to delete the reference to “the simple average of the bid and ask prices” given that the formula based on “the weighted average closing price of the Common Shares on the Toronto Stock Exchange during a period of five (5) days prior to the Participation Date” provides at all times a mechanism to determine the subscription price of a Common Share;
- the subscription price may be paid in cash and not only by way of a loan made by the Company;
- the conditions relating to the resale of the Common Shares were reviewed to reflect the current securities regulation; and
- section 15 of the Share Purchase Plan was amended to specify that the Board of Directors can suspend, differ or determine that no subscription will be allowed on a Participation Date if it is not in the best interest of the Company that employees subscribe for Common Shares on that Participation Date. For instance, the Board of Directors could suspend, differ or not permit that any subscription of Common Shares occurs on any Participation Date if all employees are subject to a blackout period on that Participation Date.

Under the terms of the Share Purchase Plan and the rules of the TSX, the shareholders of the Company must approve all amendments relating to the Offering Period (as such term is defined in the Share Purchase Plan), section 4, section 5 and Subsection 7.1 of the Share Purchase Plan.

The text of the Amended Share Purchase Plan, together with a blacklined version thereof showing all amendments made to the March 27, 2007 Share Purchase Plan, is attached as Appendix A to the Circular.

Recommendation of the Board of Directors

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to amend the Share Purchase Plan by passing Resolution 2009-1, substantially in the form of the resolution attached as Appendix B to this Circular. Resolution 2009-1 must be passed by a majority of the votes cast by shareholders entitled to vote who are represented in person or by proxy at the Meeting and who vote in respect of that resolution.

The Board of Directors considers the amendments to the Share Purchase Plan to be appropriate and in the best interests of the Company and recommends that shareholders vote in favour of Resolution 2009-1 to amend the Share Purchase Plan.

Unless instructions are given to vote against Resolution 2009-1, the persons whose names appear in the enclosed form of proxy will vote your Common Shares represented by such proxy form IN FAVOUR of Resolution 2009-1.

ITEM II. STATEMENT OF EXECUTIVE COMPENSATION

1. Summary Compensation Table

The summary compensation table below details compensation for the three fiscal years ended November 30, 2008, 2007 and 2006 for each of the President and Chief Executive Officer, the Senior Executive Vice President and Chief Financial Officer, and the three other most highly compensated executive officers of the Company (collectively the “**Named Executive Officers**”), for services rendered in all capacities.

Name and Principal Occupation	Fiscal Year	Annual Compensation			Long-Term Compensation	Other
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Number of Securities Under Options Granted	
YVES ROSCONI President and Chief Executive Officer	2008	400,000	230,000	20,000 ⁽¹⁾	--	--
	2007	376,442	215,000	19,000 ⁽¹⁾	25,000	--
	2006	348,000	208,000	18,000 ⁽²⁾	--	--
LUC TANGUAY Senior Executive Vice President and Chief Financial Officer	2008	340,000	195,000	20,000 ⁽²⁾	--	--
	2007	326,250	185,000	19,000 ⁽²⁾	25,000	--
	2006	313,664	180,000	18,000 ⁽²⁾	350,000	--
CHANTAL DESROCHERS Vice President, Business Development and Commercialization	2008	234,000	77,200	2,000 ⁽²⁾	--	--
	2007	225,865	74,500	2,000 ⁽²⁾	15,000	--
	2006	216,320	67,500	2,000 ⁽²⁾	50,000	--
CHRISTIAN MARSOLAIS Vice President, Clinical Research and Medical Affairs	2008	210,000	75,000	2,000 ⁽²⁾	1,000	--
	2007	115,385 ⁽³⁾	55,000 ⁽⁴⁾	562 ⁽²⁾	50,000	--
	2006	--	--	--	--	--
MARTINE ORTEGA Vice President, Compliance and Regulatory Affairs	2008	205,000	75,000	2,000 ⁽²⁾	1,000	--
	2007	180,692	50,000	2,000 ⁽²⁾	60,000	--
	2006	82,788 ⁽⁵⁾	18,000	407 ⁽²⁾	25,000	--

(1) In the form of a registered retirement savings plan (“RRSP”) contribution paid directly to Mr. Rosconi.

(2) In the form of a contribution deposited to a RRSP designated by the beneficiary.

(3) During Fiscal Year 2007, Mr. Marsolais was employed by the Company for a period of seven (7) months. His annual base salary was \$200,000.

(4) Includes a \$15,000 bonus paid upon execution of his employment agreement.

(5) During Fiscal Year 2006, Ms. Ortega was employed by the Company for a period of five (5) months. Her annual base salary was \$175,000.

2. Equity Compensation Plans

The only equity compensation plans of the Company are the common share option plan (the “**Share Option Plan**”) and the Share Purchase Plan.

Summary Table

The following table sets forth the information regarding the equity compensation plans of the Company as at November 30, 2008.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options (% of Issued and Outstanding Share Capital)	Weighted-average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans
Equity Compensation Plans Approved by Shareholders	2,161,800 (3.71%)	\$6.52	1,843,486 ⁽¹⁾
Equity Compensation Plans Not Approved by Shareholders	--	--	--
Total	2,161,800	\$6.52	1,843,486

(1) Of this number, 1,748,834 Common Shares remained available for future issuance under the Share Option Plan and 94,652 Common Shares remained available for future issuance under the Share Purchase Plan as at November 30, 2008.

A. Share Option Plan

Description of the Share Option Plan

On December 6, 1993, the Board of Directors adopted the Share Option Plan, which was amended from time to time and, more recently, by the Board of Directors on February 8, 2007.

The Share Option Plan was established in order to align the interests of key persons with the success of the Company by allowing them to participate in the increased value of the Common Shares of the Company. A maximum of 5,000,000 Common Shares have been reserved for stock option grants under the Share Option Plan, of which, as at the date of the Circular, 1,161,834 Common Shares remain available for issuance.

The Board of Directors administers the Share Option Plan. The Board of Directors designates the optionees and determines the number of Common Shares underlying these options, the vesting period, the exercise price and the expiry date of each option, as well as all other related matters, the whole in compliance with the terms of the Share Option Plan and applicable legislative provisions established by the securities regulatory authorities. The Board of Directors can modify or terminate the Share Option Plan subject to compliance with the rules set forth by regulatory authorities. However, certain amendments require the approval of a majority of the voting shareholders of the Company.

Unless otherwise determined by the Board of Directors, the options granted pursuant to the Share Option Plan may be exercised within a maximum period of ten (10) years following their date of grant, unless the optionee's employment is terminated, other than for death, in which case the optionee's unexercised vested options, if any, may be exercised within a period of one hundred eighty (180) days following the date of the employee's termination. In the event of the death of an optionee prior to the expiry date of his options, the optionee's legal personal representative may exercise the optionee's unexercised vested options within twelve (12) months after the date of the optionee's death. The options granted in accordance with the Share Option Plan cannot be transferred or assigned.

The exercise price at which the options may be granted pursuant to the Share Option Plan cannot be less than the closing price of the Common Shares on the TSX on the day preceding the date of grant of the options.

In addition, the Share Option Plan states that the number of Common Shares that may be issued to insiders, at any time, under all security based compensation arrangements of the Company, cannot exceed 10% of the outstanding Common Shares of the Company, and the number of Common Shares issued to insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of the outstanding Common Shares. The number of Common Shares that may be issued to non-employee directors, within any one year period, under all security based compensation arrangements, cannot exceed 0.5% of the outstanding Common Shares of the Company.

During the fiscal year ended November 30, 2008, the Company granted options under the Share Option Plan providing for the purchase of 111,000 Common Shares.

Options Granted During the Fiscal Year ended November 30, 2008

The following table sets forth the options granted to Named Executive Officers during the fiscal year ended November 30, 2008.

Name	Number of Underlying Common Shares	% of Total Number of Options Granted to Employees during the Fiscal Year	Exercise Price	Market Value of Underlying Common Shares on the Date of the Granting	Expiration Date
Yves Rosconi	--	--	--	--	--
Luc Tanguay	--	--	--	--	--
Chantal Desrochers	--	--	--	--	--
Christian Marsolais	1,000 ⁽¹⁾	0.9%	\$8.50	\$8.50	January 30, 2018
Martine Ortega	1,000 ⁽¹⁾	0.9%	\$8.50	\$8.50	January 30, 2018

(1) These options vest over a three-year period as to 33 1/3% on each anniversary date of their date of grant. The first tranche of 333 options vested in January 2009.

Aggregate Option Exercised during the Fiscal Year ended November 30, 2008 and Fiscal Year-End Option Values

The following table summarizes for each of the Named Executive Officers the number and value of stock options exercised, if any, during the fiscal year ended November 30, 2008. The aggregate value realized upon exercise is the difference between the market value of the underlying stock on the exercise date and the exercise price of the option. The table also indicates the number and the value of the unexercised options as of November 30, 2008. The value of an unexercised option at fiscal year-end is the difference

between its exercise price and the market value of one Common Share at the close of business on November 28, 2008 (the last trading day of the Company's common shares during its last fiscal year). On November 28, 2008, the market value of one Common Share was \$1.61. These values, unlike the amounts set forth in the column "Aggregate Value Realized" have not been, and may never be, realized. These options have not been, and may not be exercised. Furthermore, actual gains on exercise, if any, will depend on the value of the Company's Common Shares on the date of exercise. There can be no assurance that these values will be realized.

Name	Exercised Options during the Fiscal Year ended November 30, 2008		Unexercised Options at November 30, 2008 Exercisable / Unexercisable	
	Number of Shares Acquired on Exercise	Aggregate Value Realized (\$)	Number	In-the-Money Value
Yves Rosconi	--	--	291,668 / --	\$49,333 / --
Luc Tanguay	--	--	550,000 / --	\$0 / --
Chantal Desrochers	--	--	65,002 / 16,668	\$0 / \$0
Christian Marsolais	--	--	16,666 / 34,334	\$0 / \$0
Martine Ortega	--	--	43,332 / 42,668	\$3,166 / \$1,583

B. Common Share Purchase Plan

For a description of the current Share Purchase Plan, see "Item 1 (2) (D) – Amendments to the Common Share Purchase Plan – Current Share purchase Plan".

3. Indebtedness of Directors and Executive Officers

As at the date of the Circular, none of our directors and proposed nominee for election as a director is indebted to the Company. During the fiscal year ended on November 30, 2008, none of our directors was indebted to the Company.

During the fiscal year ended on November 30, 2008, none of our executive officers were indebted to the Company, other than for "Routine indebtedness" (as defined in the *Securities Act* (Ontario)).

4. Employment Contracts and Indemnification Provisions in the Event of Termination of Named Executive Officers

Yves Rosconi *President and Chief Executive Officer*

On October 21, 2004, the Company entered into an employment contract for an indeterminate term with Mr. Yves Rosconi. In addition to his base salary, Mr. Rosconi is entitled to the Company's benefits program and is eligible to receive an annual bonus based on attainment of objectives set annually by the Company's Board of Directors. An annual review of his base salary is made by the Compensation Committee taking into account, among other things, the performance of Mr. Rosconi, the performance of the Company and the prevailing economic conditions at the time of the review. Mr. Rosconi was also entitled to stock options, which have all been granted. These options vested over a three-year period from the date of grant. Under the terms of the contract, Mr. Rosconi entered into non-competition, non-solicitation and non-disclosure commitments, among others, in favour of the Company. If the Company

terminates Mr. Rosconi's employment without just and sufficient cause, he will receive an amount equal to twelve (12) months of compensation (including bonus – based on the last granted – and the value of the Company's benefits to which he was then entitled). The payment of this amount will be the sole monetary obligation of the Company. Furthermore, in case of a successful take-over bid, his employment contract provides for an indemnity equal to twenty-four (24) months of compensation (including bonus – based on the last granted – and the value of the Company's benefits to which he was then entitled) if Mr. Rosconi's employment is terminated by the Company, and twelve (12) months if Mr. Rosconi resigns on his own free will.

Luc Tanguay
Senior Executive Vice President and Chief Financial Officer

The Company entered into an employment contract for an indeterminate term with Mr. Luc Tanguay on October 30, 2001, as modified on May 9, 2002, June 7, 2004 and February 8, 2006. In addition to his base salary, Mr. Tanguay is entitled to the Company's benefits program and is eligible to receive an annual bonus based on attainment of objectives set annually by the Company's Board of Directors. Mr. Tanguay's base compensation is reviewed annually by the Compensation Committee. Mr. Tanguay was also entitled to stock options, which have all been granted. Under the terms of the contract, Mr. Tanguay entered into non-competition, non-solicitation and non-disclosure commitments, among others, in favour of the Company. If the Company terminates the employment of Mr. Tanguay without just and sufficient cause, he will receive an amount equal to twenty-four (24) months of compensation (including bonus – based on the last granted – and the value of the Company's benefits to which he was then entitled). The payment of this amount will be the sole monetary obligation of the Company. Furthermore, in case of a successful take-over bid, his employment contract provides for an indemnity equal to twenty-four (24) months of compensation (including bonus – based on the last granted – and the value of the Company's benefits to which he was then entitled) if Mr. Tanguay's employment is terminated by the Company, and twelve (12) months if Mr. Tanguay resigns on his own free will.

Chantal Desrochers
Vice President, Business Development and Commercialization

The Company entered into an employment contract for an indeterminate term with Ms. Chantal Desrochers on March 14, 2005. The contract provides that in addition to her base salary, Ms. Desrochers is entitled to the Company's benefits program and is eligible to receive an annual bonus based on attainment of objectives set annually by the President and Chief Executive Officer. Review of Ms. Desrochers' compensation is carried out by the Compensation Committee on an annual basis. Ms. Desrochers was also entitled to stock options, which have all been granted. Under the terms of the contract, Ms. Desrochers has agreed to non-disclosure provisions in favour of the Company. If the Company terminates Ms. Desrochers' employment without just and sufficient cause, she will receive (i) an amount equal to eight (8) months of her annual base salary, if she has been with the Company for more than two (2) years and less than five (5) years or (ii) an amount equal to twelve (12) months of compensation, if she has been with the Company for more than five (5) years. The payment of this amount will be the sole monetary obligation of the Company.

Christian Marsolais
Vice President, Clinical Research and Medical Affairs

The Company entered into an employment contract for an indeterminate term with Mr. Christian Marsolais on April 13, 2007. In addition to his base salary, Mr. Marsolais is entitled to the Company's benefits program and is eligible to receive an annual bonus based on attainment of objectives set annually by the President and Chief Executive Officer. Review of Mr. Marsolais' compensation is carried out by the Compensation Committee on an annual basis. Mr. Marsolais was also entitled to stock options, which have all been granted. These stock options vest over a three-year period from the date of

grant. Under the terms of the contract, Mr. Marsolais entered into non-competition, non-solicitation and non-disclosure commitments, among others, in favour of the Company. If the Company terminates Mr. Marsolais' employment without just and sufficient cause, he will receive an amount equal to nine (9) months of his annual base salary. The payment of this amount will be the sole monetary obligation of the Company.

Martine Ortega
Vice President, Compliance and Regulatory Affairs

The Company entered into an employment contract for an indeterminate term with Ms. Martine Ortega on May 11, 2006. In addition to her base salary, Ms. Ortega is entitled to the Company's benefits program and is eligible to receive an annual bonus based on attainment of objectives set annually by the President and Chief Executive Officer. Review of Ms. Ortega's compensation is carried out by the Compensation Committee on an annual basis. Ms. Ortega was also entitled to stock options, which have all been granted. These stock options vest over a three-year period from the date of grant. Under the terms of the contract, Ms. Ortega entered into non-solicitation and non-disclosure commitments, among others, in favour of the Company. If the Company terminates Ms. Ortega's employment without just and sufficient cause, she will receive an amount equal to nine (9) months of her annual base salary, if her termination occurs: (i) in the context of an internal reorganization of the Company or (ii) within two (2) years from the date there occurs a change of control of the Company. The payment of this amount will be the sole monetary obligation of the Company.

5. Composition of the Compensation Committee

The Compensation Committee of the Board of Directors is composed of four (4) independent directors, namely A. Jean de Grandpré, Paul Pommier, Bernard Reculeau and Jean-Denis Talon, who have never been executives of the Company, on a full-time basis, or of any of its subsidiaries. The mandate, obligations and duties of the Compensation Committee are described in Appendix C to this Circular. During the fiscal year ended on November 30, 2008, the Compensation Committee met on two (2) occasions. In addition, the Compensation Committee met at the beginning of the current fiscal year.

6. Report on Executive Compensation

Compensation in the biopharmaceutical and pharmaceutical industries is highly competitive. It is one of the main tools of the Company to attract and motivate skilled executive officers who are focused on improving the performance of the Company and generating value for shareholders.

A. Executive Officers

The compensation of executive officers is based on a reference market and, when available, independent market research. The reference market used to establish the value of compensation varies with the position held by an executive officer. The Compensation Committee reviews annually the reference market. For the fiscal year ended on November 30, 2008, the reference market consisted of biotechnology, biopharmaceutical and pharmaceutical Canadian companies publicly traded on the TSX at similar or more advanced stages of development than the Company.

The Committee sets the target total compensation for executive officers around the median of the reference market. The Committee also takes into consideration the years of service an executive officer has with the Company. When the Compensation Committee deems it advisable, it retains the services of an independent firm specialized in compensation to gather in-depth knowledge of the compensation paid to individuals for the positions that need to be filled by the Company. In addition, the Compensation Committee may retain the services of an independent firm to assess the compensation paid to all executive

officers. For the fiscal year ended on November 30, 2008, the Compensation Committee did not retain the services of a specialized firm to assess the compensation paid to any of the executive officers, but relied on research done by the Company with respect to the economy's forecasted growth and the compensation paid by other public companies that form part of the reference market.

The compensation of executive officers consists of the following components: a base salary, an annual performance bonus and options to purchase Common Shares of the Company. One executive officer is entitled to receive a payment of money in the form of a contribution to his RRSP in an amount equal to the maximum contribution authorized by laws to invest in a RRSP. The base salary is reviewed annually based on the reference market, the public forecast of financial institutions regarding the economic outlook for the ensuing year and the projected inflation rate.

The annual bonus paid to executive officers varies according to the Company's attainment of its objectives, the contribution of an individual to achieve such objectives and the financial environment in which the Company operates. The bonus is based on a rate that represents a percentage of the annual base salary of an executive officer and such rate varies with the seniority and rank of each executive officer. At present, this rate varies between 20% and 50%. Such rate is determined based on the reference market. Historically, bonuses paid have represented between 60% and 120% of the rate of an individual.

For the fiscal year ended November 30, 2008, the principal corporate objectives of the Company were the completion of the 26-week confirmatory Phase 3 study in HIV-associated lipodystrophy, the completion of the treatment of patients for the extension phase of the confirmatory Phase 3 study in HIV-associated lipodystrophy, the preparation of its New Drug Application for submission to the Food and Drug Administration in the United States, the completion of a financing and the conclusion of a transaction with a commercial partner under its strategic alternatives review process. All such corporate objectives were met.

Options are also awarded from time to time to executive officers to align their interests with those of shareholders, which is consistent with industry practices. These options are granted pursuant to the Share Option Plan. The principal provisions of the Share Option Plan are described in the Circular under Item II – Equity Compensation Plans – Share Option Plan. The Compensation Committee recommends to the Board of Directors of the Company the number and terms of the options granted under the Share Option Plan, taking into consideration the role of each executive officer, the responsibilities inherent to his position and his influence on the creation of increased value for shareholders and the options currently held by the executive officers. Given the performance of the Company in meeting its corporate objectives during the fiscal year ended on November 30, 2008, based on the position held in the Company by each of its employees and further to the recommendation of the Compensation Committee, the Board of Directors granted an aggregate of 385,500 options to all of the employees of the Company on December 18, 2008, 170,000 of which were granted to the executive officers (including 25,000 options to the President and Chief Executive Officer) of the Company.

B. President and Chief Executive Officer

The compensation of the President and Chief Executive Officer of the Company, Mr. Yves Rosconi, includes the same elements as those described above regarding the executive officers. His compensation consists of an annual base salary, an annual bonus with a target rate of 50% of his annual base salary, options to purchase Common Shares of the Company and a payment of money in the form of a contribution to his RRSP in an amount equal to the maximum contribution authorized by laws to invest in a RRSP.

At the beginning of the fiscal year ended on November 30, 2008, the above-mentioned corporate objectives were set and Mr. Rosconi was responsible for their achievement. As a result of the achievement of such objectives, the Compensation Committee recommended to the Board of Directors that he receive a bonus corresponding to 115% of his targeted bonus. No option was granted to Mr. Rosconi during the last fiscal year. However, as part of the grant of options made to all employees of the Company in December 2008, Mr. Rosconi received 25,000 options. Based on data gathered from the reference market, the annual base salary of Mr. Rosconi was increased by 6.25%.

The Compensation Committee reviews the executive officers' compensation programs annually to ensure that they are competitive and conform with the objectives, values and strategies of the Company.

The above report is submitted by the Compensation Committee for the fiscal year ended November 30, 2008.

This report on executive compensation was submitted on February 24, 2009 and approved by all members of the Committee.

7. Compensation For Directors

The Company has adopted a compensation policy for its directors who are not employed on a full-time basis by the Company under which they are paid an annual retainer fee as well as attendance fees. During the fiscal year ended November 30, 2008, the Compensation Committee met and reassessed the compensation paid to all board members, committee members and to the chairs of each committee. The last assessment of the compensation paid to individuals acting as board members, committee members and chairs of such committees occurred in 2004. The assessment was based on a review of public documents filed by Canadian companies listed on the TSX or NASDAQ market. Criteriae such as fields of operation, market capitalization, number of employees, stage of developments, where applicable, and level of revenue were taken into consideration by the Compensation Committee in reviewing the compensation paid to board members, committee members and to chairs of each committee. Based on the recommendation of the Compensation Committee, effective January 1, 2008, the Board of Directors approved the following compensation for individuals who are not employees of the Company who act as board members, committee members and chairs of those committees:

Position at Board Level or Committee Level	Compensation
Annual Retainer to Chair of the Board	\$100,000
Annual Retainer to Board Members	\$20,000
Annual Grant of Stock Options	5,000
Attendance Fees Paid for Each Meeting of the Board of Directors	
- in person	\$2,000
- by conference call	\$1,200
Annual Retainer to Chair of the Audit Committee	\$10,000
Annual Retainer to Chair of all Committees (other than the Audit Committee)	\$6,000
Annual Retainer to Committee Members	\$4,000
Attendance Fees Paid for Each Meeting of a Committee ⁽¹⁾	
- in person	\$1,500
- by conference call	\$1,200

(1) No attendance fee is paid for meetings of the Finance Committee.

For the fiscal year ended November 30, 2008, the aggregate annual retainer fees and attendance fees paid to all board members and committee members amounted to \$462,350. As chairman of the Board between December 1, 2007 and November 30, 2008, Mr. Pommier received \$100,000. During that same period, as Chairman of the Audit Committee and the Nominating and Corporate Governance Committee, Mr. Pommier received \$10,000 and \$6,000, respectively. In the last fiscal year ended November 30, 2008, as Chairman of the Compensation Committee and the Finance Committee, Mr. de Grandpré received \$6,000 and \$6,000, respectively. Gilles Cloutier and Robert Goyer each received an additional annual compensation of \$2,000 for advising the Company on its clinical development program.

Members of the Board of Directors who are full-time employees of the Company do not receive any compensation for acting as directors or being members of committees of the Board of Directors.

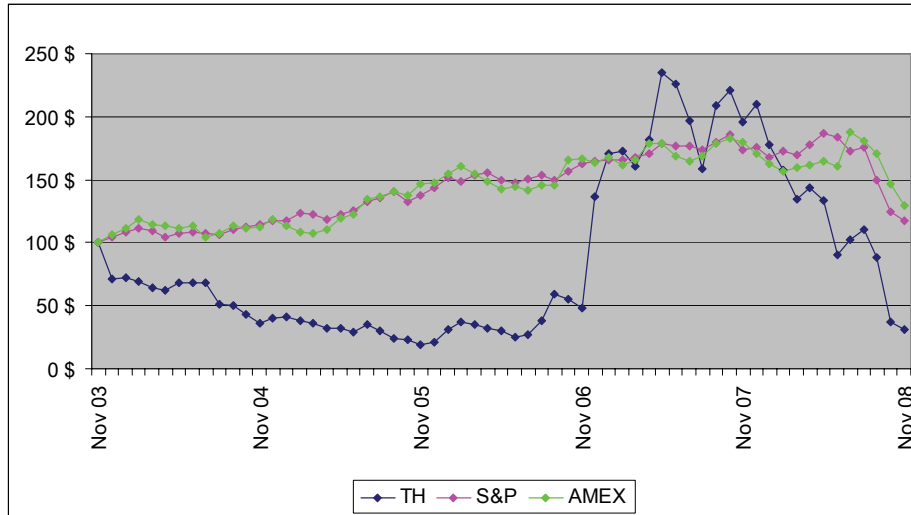
8. Liability Insurance of Directors and Officers

The Company purchases liability insurance for its directors and officers in the performance of their duties. These insurance policies also cover the directors and officers of the Company's subsidiaries. During the fiscal year ended November 30, 2008, the policies provided maximum coverage of \$20,000,000 per claim, subject to a \$200,000 deductible per occurrence. Premiums paid by the Company for the policies amounted to \$105,471. The policies and the premiums do not distinguish between the insurance for the directors' liability and officers' liability, the coverage being the same for both groups.

ITEM III. PERFORMANCE GRAPH

The following graph compares a cumulative annual total shareholder return on a \$100 investment in the Common Shares of the Company (“TH”) with a cumulative total shareholder return on the composite index S&P/TSX (previously known as the Toronto Stock Exchange 300 (TSE 300 Index)) assuming that all dividends are reinvested (“S&P”) and the AMEX biotech index (“AMEX”).

**Return on a \$100 Investment
from November 30, 2003 to November 30, 2008**



ITEM IV. CORPORATE GOVERNANCE DISCLOSURE

The Board of Directors of the Company considers good corporate governance to be important to the effective operations of the Company and to ensure that the Company is managed so as to optimize shareholder value. The Nominating and Corporate Governance Committee is responsible for examining the Company's needs in this regard and address all issues that may arise from its practices. This Committee ensures that the Company's corporate governance practices comply with National Instrument 58-101 *Disclosure of Corporate Governance Practices* and oversees their disclosure according to guidelines described in National Policy 58-201 *Corporate Governance Guidelines* (hereinafter collectively referred to as the "Regulation").

1. Board of Directors

A. Independence

A majority of the Company's directors are independent. Seven of the nine Board members meet the criteria for independence defined by the Regulation, as none of them have a direct or indirect material relationship with the Company.

<u>NAME</u>	<u>INDEPENDENCE</u>	<u>MATERIAL RELATIONSHIP</u>
Gilles Cloutier	Yes	None
A. Jean de Grandpré	Yes	None
Robert Goyer	Yes	None
Gérald A. Lacoste	Yes	None
Paul Pommier	Yes	None
Bernard Reculeau	Yes	None
Jean-Denis Talon	Yes	None
Luc Tanguay	No	Company Management
Yves Rosconi	No	Company Management

The Chairman of the Board of the Company is Paul Pommier, an independent director within the meaning of the Regulation.

B. Meetings of the Board

The table below shows the directors' attendances to the Board of Directors' meetings for the fiscal year ended on November 30, 2008.

<u>NAME</u>	<u>ATTENDANCE</u>		
	<u>TOTAL NUMBER OF MEETINGS</u>	<u>ATTENDANCE</u>	<u>ABSENCE</u>
Gilles Cloutier	10	9	1
A. Jean de Grandpré	10	10	0
Robert Goyer	10	10	0
Gérald A. Lacoste	10	10	0
Paul Pommier	10	10	0
Bernard Reculeau	10	8	2
Jean-Denis Talon	10	10	0
Luc Tanguay	10	10	0
Yves Rosconi	10	10	0

A meeting of independent directors, at which non-independent directors and members of management are not in attendance, is planned as the last item of each Board meeting. Accordingly, at the conclusion of each Board meeting, the Chairman determines, along with the other independent directors, the relevance of meeting independently from Management. During the fiscal year ended November 30, 2008, independent directors held two (2) meetings.

C. Other Board Memberships

As detailed in the following table, some of the Company's directors are board members of other reporting issuers.

<u>NAME</u>	<u>REPORTING ISSUER</u>
Gérald A. Lacoste	Amisco Industries Ltd
Jean-Denis Talon	Toptent Inc.
Luc Tanguay	Ambrilia Biopharma Inc.

2. Mandate of the Board of Directors

The Board of Directors adopted the written mandate attached hereto as Appendix D which defines its role and duties.

3. Position Descriptions

The Board of Directors has developed written position descriptions for the Chairman of the Board and Chairs of the Board's Committees. A position description was also developed for the President and Chief Executive Officer.

4. Orientation and Continuing Education

The Orientation and Continuing Education Policy for newly appointed directors is attached hereto as Appendix E.

5. Ethical Business Conduct

The Board of Directors has not adopted a written ethical business code of conduct for the Company's directors, executive officers and employees. However, it does encourage and promote ethical business conduct that upholds integrity and fault prevention.

In the event a director or an executive officer has a material interest in any transaction or agreement, the matter may initially be reviewed by the Nominating and Corporate Governance Committee to determine the scope of the interest and its impact on management's decision-making. The Committee will report its findings to the Board of Directors, which will take appropriate action to ensure independent exercise of judgement. In the event a director has a material interest in any transaction or agreement, such director must disclose, without delay, this conflict of interest and follow the rules provided by the General By-Laws of the Company.

6. Nomination of Directors

The Nominating and Corporate Governance Committee is responsible for proposing new candidates for Board nominations. This Committee is exclusively composed of independent directors. A copy of the Committee's Charter is attached hereto as Appendix F.

7. Compensation

The Compensation Committee is responsible for examining matters relating to compensation of directors and executive officers on behalf of the Board of Directors. This Committee is comprised exclusively of independent directors. A detailed description of the procedure used by the Committee to establish compensation is provided under Item II.6 of the Circular.

8. Audit Committee

The Company has an audit committee comprised of three independent directors. Reference is made to section 4.2 of the Company's annual information form dated February 24, 2009 for a description of the Audit Committee.

9. Other Committees

In addition to the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee, the Board of Directors created a Financing Committee composed of two independent directors and two directors who are executive officers of the Company. The Financing Committee's mandate is to study and analyze mergers, acquisitions or financing matters.

Furthermore, in August 2007, the Board of Directors created a Strategic Review Committee comprised of four (4) independent directors, namely Paul Pommier (chair), Gilles Cloutier, A. Jean de Grandpré and Gérald A. Lacoste. The mandate of the Strategic Review Committee consisted in reviewing potential strategic alternatives to enhance shareholder value such as the entering into of a co-promotion or a partnership agreement with regards to tesamorelin, the finding of a possible partner, acquiror or target business with a view to complete a merger, a sale or an acquisition. As a result of the announcement in October 2008 of the collaboration and licensing agreement entered into between the Company and EMD Serono, Inc., the mandate of the Strategic Review Committee was changed by the Board of Directors in December 2008 to assist executive officers and recommend to the Board of Directors a business strategy to further the growth of the Company.

The Strategic Review Committee now has the following role and responsibilities:

- to evaluate and review the various business alternatives of the Company for enhancing shareholder value (the "**Strategic Alternatives**");
- to make recommendations to the Board of Directors with respect to the Strategic Alternatives and to undertake a process it considers appropriate in order to provide such recommendations;
- if one of the Strategic Alternatives is approved by the Board of Directors, to maintain, on behalf of the Board of Directors, a review of its implementation; and
- to perform any action deemed necessary or advisable to comply with its duties and obligations under applicable laws.

10. Assessment

While there is no formal process for assessing directors on an ongoing basis, the directors are free to discuss specific situations from time to time amongst themselves and/or with the Chairman of the Board and, if deemed necessary, steps are taken to remedy a situation.

ITEM V. OTHER INFORMATION

1. Additional Documentation

The Company is a reporting issuer in all Canadian provinces and is required to file its financial statements and Circular with each Canadian Securities Commission. Each year, the Company also files an Annual Information Form with such commissions. The financial information of the Company is provided in the Company's comparative financial statements and Management Discussion & Analysis for its fiscal year ended November 30, 2008. Copies of the Company's financial statements, management proxy circular and Annual Information Form may be obtained on request to the Secretary of the Company at the following address: 2310 Alfred-Nobel Blvd, Montreal, Québec, H4S 2B4 or by consulting the SEDAR Website at www.sedar.com. The Company may require the payment of a reasonable fee if the request is made by someone other than a security holder of the Company, unless the Company is in the course of a distribution of its securities pursuant to a short-form prospectus, in which case these documents will be provided free of charge.

2. Approval By The Board Of Directors

The content and the sending of this Circular have been approved by our directors on February 24, 2009.

Montreal, Québec, February 24, 2009.

(signed) Jocelyn Lafond

Jocelyn Lafond
Corporate Secretary

APPENDIX A
AMENDED SHARE PURCHASE PLAN



COMMON SHARE PURCHASE PLAN
FOR EMPLOYEES OF
THERATECHNOLOGIES INC. AND ITS SUBSIDIARIES

LAST UPDATE: FEBRUARY 24, 2009

1. PURPOSE OF THE PLAN

In order to facilitate employee shareholding, Theratechnologies inc. establishes a share purchase plan for its employees and those of its subsidiaries.

2. DEFINITIONS

Within the meaning of this plan, unless the context indicates otherwise:

- 2.1 “**Affiliate**” means a person who is an affiliate of another person, as that term is defined in the *Securities Act* (Ontario), as amended from time to time;
- 2.2 “**Associate**” means an associate, as this term is defined in the *Securities Act* (Ontario), as amended from time to time;
- 2.3 “**Common Shares**” means the common shares of the Company's share capital;
- 2.4 “**Company**” means Theratechnologies inc.;
- 2.5 “**Employee**” means any eligible employee within the meaning of Section 5.1;
- 2.6 “**Employer**” means the Company or a Subsidiary for which an Employee works;
- 2.7 “**Financing Program**” means the financing program offered pursuant to Section 9;
- 2.8 “**Hypothec**” means the hypothec on the Subscribed Shares of the Participant extended in favor of the Company to secure full and final repayment of the Loan, pursuant to Subsection 9.3.3;
- 2.9 “**Insider**” means (i) an insider, as this term is defined in the *Securities Act* (Ontario), as amended from time to time, other than a person who falls within that definition solely by virtue of being a director or senior officer of a Subsidiary; (ii) an Associate of any person who is an insider by virtue of (i) above; and (iii) an Affiliate of any person who is an insider by virtue of (i) above;
- 2.10 “**Loan**” means the loan extended to a Participant pursuant to the Plan by the Company in accordance with Section 9.1;
- 2.11 “**Offering Period**” means the period between March 26, 2009 and March 31, 2012;
- 2.12 “**Participant**” means an Employee who is participating in the Plan, in accordance with Section 6;
- 2.13 “**Participation Date**” means November 1st or May 1st of each year, or if this date is not a business day, the first following business day;
- 2.14 “**Plan**” means this common share purchase plan;

- 2.15 “**Promissory Note**” means the promissory note in the form as attached hereto, completed and signed by a Participant;
- 2.16 “**Security-Based Compensation Arrangements**” means all security-based compensation arrangements of the Company, as defined in the Toronto Stock Exchange Company Manual;
- 2.17 “**Shares Outstanding**” means the issued and outstanding shares of the Company;
- 2.18 “**Subscribed Shares**” means the Common Shares subscribed by a Participant in accordance with the Plan;
- 2.19 “**Subscription Form**” means the subscription form in the form as attached hereto, completed and signed by a Participant;
- 2.20 “**Subscription Price**” means the price of the Subscribed Shares, as determined in Section 7.1;
- 2.21 “**Subsidiary**” means an entity controlled by the Company. An entity is deemed controlled by the Company if the Company owns the necessary securities enabling it to elect the majority of directors of such entity. The Subsidiary of a Subsidiary is deemed a Subsidiary of the Company;
- 2.22 “**Trustee**” means Computershare Trust Company of Canada, at its head office in Montreal, or any other trustee designated by the Company.

3. OFFER

The Company offers Employees during the Offering Period the right to directly subscribe for Common Shares from the Company, in consideration of cash or pursuant to the Financing Program.

4. MAXIMUM NUMBER OF OFFERED SHARES

The total number of Common Shares offered pursuant to this Plan shall not exceed 550,000. If, pursuant to Subsection 6.2, the Company receives Subscription Forms which would bring the Common Shares issued pursuant to this Plan above 550,000, the Company will distribute the Common Shares available under the Plan among the Participants of such participation period in proportion to their respective subscriptions.

5. ELIGIBILITY AND RESTRICTIONS

- 5.1 Are eligible to participate in the Plan, all regular, full-time or part-time, employees of the Company or of a Subsidiary who, on the Participation Date, are Canadian residents, are not in a probationary period, and, directly, indirectly or with related persons who are not employees of the Company or of a Subsidiary, hold less than 5% of the Company's issued and outstanding share capital.

5.2 The number of Common Shares issuable to Insiders, at any time, under all Security-Based Compensation Arrangements, cannot exceed 10% of the Common Shares Outstanding.

5.3 The number of Common Shares issued to Insiders, within any one year period, under all Security-Based Compensation Arrangements, cannot exceed 10% of the Shares Outstanding.

6. PARTICIPATION IN THE PLAN AND SUBSCRIPTION OF SHARES

6.1 Participation in the Plan is completely voluntary.

6.2 The Employee who wishes to participate in the Plan and subscribe for Common Shares pursuant to the Plan must complete and sign the Subscription Form and remit it to the Corporate Secretary of the Company no later than ten (10) days after the Participation Date.

6.3 For each calendar year, a Participant may subscribe for a number of Common Shares pursuant to the Plan up to a maximum amount of 10% of his current annual gross salary.

7. SUBSCRIPTION PRICE, ISSUE OF COMMON SHARES AND REMITTANCE OF SHARE CERTIFICATES

7.1 The subscription price of the Subscribed Shares will be equal to the weighted average closing price of the Common Shares on the Toronto Stock Exchange during a period of five (5) days preceding the Participation Date during which the Toronto Stock Exchange was open for trading.

7.2 For the purposes of the Plan, it is presumed that the Common Shares will be issued as of the date of acceptance of the subscription by the Company, as indicated on the Subscription Form.

7.3 The certificates representing the Subscribed Shares shall be prepared by the Trustee within 15 business days following the Participation Date and:

7.3.1 if all of the Common Shares have been paid in cash, the certificates shall be sent to the Participant according to the instructions provided to the Corporate Secretary of the Company; or

7.3.2 if all or a portion of the Common Shares have been paid pursuant to the Financing Program, the certificates shall be held by the Trustee until full repayment of the Loan.

8. PAYMENT OF THE SUBSCRIPTION PRICE

The Subscription Price must be paid in full at the time of remittance of the Subscription Form. To do so, the Participant shall complete, sign and remit the attached Subscription Form to the Corporate Secretary, together with: (i) a certified cheque made to the order of the Company for the full amount of the Subscription Price of the Subscribed Shares or (ii) the attached Promissory

Note. If a Participant takes advantage of the Financing Program, the Company will then pay the total Subscription Price on behalf of the Participant.

9. FINANCING PROGRAM

9.1 Subject to Section 9.2, the Company offers each Participant who subscribes for Common Shares pursuant to this Plan, an interest-free loan of an amount corresponding to the Subscription Price per share.

9.2 The aggregate amount of Loans incurred by each Participant pursuant to this Plan shall not, in any case, exceed 10% of the amount of his current annual gross salary.

9.3 Any Loan is subject to the following conditions:

9.3.1 all the proceeds from the Loan must be used exclusively to purchase the Subscribed Shares;

9.3.2 the Loan is repayable by equal withholdings from the Participant's salary for a period not exceeding 52 consecutive withholdings, according to the payment method applicable to this Participant, the first of these withholdings to start on the first pay following the issue date of the Subscribed Shares;

9.3.3 as soon as the Subscribed Shares are issued, the Participant hypothecates them with delivery (and all dividends thereon paid thereafter, as the case may be) in favour of the Company for a sum equal to the full amount of the Loan (capital and interest, as the case may be) to secure full and final repayment of the Loan (and the interest, as the case may be);

9.3.4 the Company and the Participant authorize and mandate the Trustee, as soon as the Subscribed Shares are issued, to hold the certificates representing all of the Subscribed Shares on behalf of the Company until repayment of all sums owed on the Loan;

9.3.5 as long as a balance of the Loan remains outstanding, the Participant cannot obtain full possession of the certificates representing the Subscribed Shares;

9.3.6 the Participant may, at all times, repay before due all or a portion of the Loan;

9.3.7 the Company may, at its discretion, declare the Loan immediately due and repayable until full payment, upon the occurrence of one of the following circumstances:

- (i) termination of the Participant's employment further to his resignation, dismissal, retirement, death or otherwise;
- (ii) the sale or seizure of the Subscribed Shares;
- (iii) the Participant's bankruptcy or insolvency;

(iv) the suspension of the payment of the Participant's salary or the revocation of his authorization with respect to salary withholdings;

9.3.8 in the event that the Participant does not reimburse any balance of the Loan, such balance will become due and payable and shall bear interest after its due date at the prime rate of the National Bank of Canada plus 3% per year; "prime rate" shall mean the annual interest rate announced from time to time by the National Bank of Canada which serves as the rate of reference to establish the rate of interest on loans extended in Canada, in Canadian dollars, by the bank to its preferred customers;

9.3.9 if the balance of the Loan remains outstanding, the Company may exercise its hypothecary right and start legal proceedings to sell, for its own account, the Subscribed Shares. The Participant remains liable for the repayment of the balance of the Loan if the sale of the Subscribed Shares is insufficient to repay all of the balance owed on the Loan and the interest payable thereon, in accordance with Subsection 9.3.8.

9.4 As soon as the Loan is repaid in its entirety, the Promissory Note and the Hypothec shall be automatically terminated and the Participant will be able to obtain full possession of the Subscribed Shares. The Company shall then give instructions to the Trustee to release the share certificate representing the Subscribed Shares, in accordance with the instructions received from the Participant.

10. OWNERSHIP OF THE SUBSCRIBED SHARES

Notwithstanding the Loan and the Hypothec, the Participant retains the ownership of the Subscribed Shares and continues to benefit from the rights attached thereto, such as the right to vote and to receive the dividends declared and paid thereon, as the case may be, as long as the Participant is not in default with respect to the Loan.

11. PLAN ADMINISTRATIVE EXPENSES

The Company will cover the account's administrative and management expenses charged by the Trustee during the complete term of the Loan.

12. CERTAIN TAX CONSIDERATIONS

For federal and Quebec income tax purposes, as the case may be, the Company must add to each Participant's gross revenue an amount equal to the product obtained by multiplying, for any given period, the balance of the Loan to facilitate the purchase of the Common Shares by the interest rate recommended pursuant to the *Income Tax Act* (Canada) and the *Taxation Act* (Quebec), as the case may be, as amended from time to time. These rates may vary at the discretion of the governments in question. However, any amount to be added to a Participant's gross revenue is deemed to be interest paid for investment purposes by the latter and may be deducted in computing his taxable income.

13. RESALE OF THE SHARES

The Company is a reporting issuer pursuant to the provisions of the *Securities Act* (Quebec) whose Common Shares are listed and traded on the Toronto Stock Exchange. A Participant's Subscribed Shares may be resold through the Toronto Stock Exchange, if the following conditions are satisfied:

- (i) the Company is and has been a reporting issuer in a jurisdiction of Canada for the four (4) months immediately preceding the date at which the resold shares have been subscribed;
- (ii) the sale of the Subscribed Shares is not a control distribution;
- (iii) no unusual effort is made to prepare the market or to create a demand for the Common Shares;
- (iv) no extraordinary commission or consideration is paid to a person or company in respect of the sale;
- (v) the Participant who is a officer or an Insider of the Company has no reasonable grounds to believe that the Company is in default of securities legislation.

14. VARIOUS PROVISIONS

- 14.1 The Plan is a voluntary program set up by the Company and does not constitute a condition of employment or a condition to maintain employment.
- 14.2 An Employee's participation in the Plan is not mandatory; it is purely voluntary by the Employee and cannot be construed as conferring any right or privilege whatsoever other than the rights and privileges expressly set out in this Plan. In particular, participation in the Plan does not constitute an undertaking by the Company or a Subsidiary to continue to guarantee employment to the Employee and cannot be construed as interfering with or preventing the Employer from exercising its management rights.
- 14.3 The Plan does not offer any guarantee against any loss a Participant may incur because of a decline in the value of the Subscribed Shares due to market fluctuations.

15. AMENDMENTS AND SUSPENSIONS

- 15.1 The Board of Directors bears full and complete responsibility with regard to the Plan, which includes, but is not limited to, the power and authority to adopt, amend, suspend or terminate the Plan. The Board of Directors is also entitled to suspend, defer, postpone or stay any Participation Date if it deems it in the Company's best interest. Any such adoption, amendment, suspension or termination is subject to the rules set forth by the regulatory authorities.
- 15.2 Approval by a majority of voting shareholders present at a duly called shareholder meeting is required for any amendments relating to the Offering Period as such term is

defined in Section 2 (Definitions), Section 4 (Maximum Number of Offered Shares), Section 5 (Eligibility and Restrictions), Subsection 6.3 (Limit on employee contribution), Subsection 7.1 (Purchase price) and Subsection 9.2 (Financing program).

- 15.3 No amendment of the Plan may contravene the requirements of any competent regulatory authority to which the Plan or the Company is now or may hereafter be subject to.
- 15.4 The shareholders' approval of an amendment may be given by way of confirmation at the next meeting of shareholders following such amendment, provided that no Common Shares are issued pursuant to the amended terms.

16. RIGHT TO TERMINATE THE PLAN

The Company reserves the right, at all times, before the Subscribed Shares are issued, to amend, to suspend or to terminate the Plan, in whole or in part, subject to Subsections 15.1 through 15.4; the Company may not however amend this Plan in a way that would remove a right or a privilege existing on the date of the amendment from a Participant or any other person and in contravention of Subsections 15.1 through 15.4.

Notwithstanding the Offering Period, the Plan terminates automatically as soon as all the Common Shares set aside for purposes of the Plan have been subscribed for and the Loans extended thereon repaid.

17. NON-ASSIGNABILITY

A Participant cannot assign or otherwise alienate his rights in the Plan and any such assignment or alienation is not enforceable against the Company.

18. OTHER MATERIAL FACTS

There is no other material fact pertaining to the Company and to the offered Common Shares, the disclosure of which would be necessary to enable a person to make a well-informed decision.

19. INTERPRETATION AND ADMINISTRATIVE DETAILS

A committee composed of the President and Chief Executive Officer, the Senior Executive Vice President and Chief Financial Officer, and the Corporate Secretary of the Company has full power to interpret the provisions of the Plan, adopt any by-law and make any decision it deems necessary or expedient to administer the Plan and may, together with the Trustee, agree on the administrative details to ensure the efficiency of the Plan.

20. APPLICABLE LAWS

This Plan must be construed in accordance with the laws of Quebec.

21. SUBSCRIPTION AND PROMISSORY NOTE FORMS

The Subscription Form and Promissory Note attached hereto form an integral part of this Plan.

22. EFFECTIVE DATE OF THE PLAN

The Plan became effective on April 22, 1999. It was approved by the directors on February 16, 1999, by the shareholders on April 22, 1999 and by the regulatory authorities on September 13, 1999. It was modified on three occasions, namely on May 7, 2003, March 27, 2007 and February 24, 2009.

COMMON SHARE PURCHASE PLAN
FOR EMPLOYEES OF
THERATECHNOLOGIES INC. AND ITS SUBSIDIARIES

SUBSCRIPTION FORM

PRESENTED TO

Theratechnologies inc.
2310, Alfred-Nobel Boulevard
Montreal, Québec
H4S 2B4
Attention: The Corporate Secretary of the Company

PARTICIPANT GENERAL INFORMATION

Name: _____

First Name: _____

Personal Address: _____

Telephone (Office): _____

Telephone (Home): _____

Employer: _____

Date of Employment: _____

SUBSCRIPTION

1. Number of Subscribed Shares: _____
(hereinafter the “**Subscribed Shares**”)

2. Price per Share: _____
(determined by the Plan)

3. Total Amount Invested: _____
(hereinafter “**Total Amount Invested**”)
(Number of Subscribed Shares (1) multiplied by the Price per Share (2))
(Maximum: 10% of the annual gross salary, including the previous subscriptions of the year)

PAYMENT TERMS

1. **Cash:**

A certified cheque for the Total Amount Invested (3) must accompany the present form.

2. **Pursuant to the Financing Program:**

A promissory note (annexed hereto) for the Total Amount Invested (3) must be completed and signed by the Participant, and remitted with the present form.

Number of withholding periods: _____
(Maximum: 52)

PARTICIPANT’S UNDERTAKINGS

The undersigned hereby wishes to join the Plan and confirms that:

- A. I have read the Common Share Purchase Plan for Employees of Theratechnologies inc. and of its Subsidiaries (the “Plan”) and I accept all the terms, conditions and covenants set out therein which are integrated herein by reference and are deemed to form an integral part hereof;

- B. I acknowledge that the total balance of all loans I would have contracted, cannot exceed, in any circumstances, 10% of my annual gross salary;

- C. I undertake to repay the Loan in accordance with the terms and conditions set out in Section 9 of the Plan;

- D. I irrevocably authorize the Company to withhold installments from my salary according to the applicable payment method (covering the capital and, as the case may be, interest), to repay the Loan;
- E. once issued, the Subscribed Shares (and all dividends to be subsequently paid thereon, as the case may be) will automatically and immediately be hypothecated in favour of the Company to secure repayment of the Loan;
- F. to create and preserve the Hypothec, the certificates representing the Subscribed Shares (as well as all securities issued in relation to these shares or in replacement thereof) will be held by the Trustee on behalf of the Company; for this purpose, I authorize you to remit to the Trustee a copy hereof, as written evidence of the Hypothec;
- G. notwithstanding the Hypothec, I retain the ownership of the Subscribed Shares and will continue to benefit from the rights attached thereto, such as the right to vote and to receive the dividends declared and paid thereon, as the case may be, as long as I am not in default with respect to the Loan.
- H. in the event that a portion of the Loan is not repaid, all of the unpaid balance of the Loan will bear interest at an annual rate equal to the prime (base) rate of National Bank of Canada plus three (3)% per year;
- I. I appoint the Company as mandatary with respect to the Subscribed Shares, with full powers of substitution, to endorse any certificate representing such shares or to sign any transfer form in their respect, so as to allow the Company to more effectively exercise its rights as creditor pursuant to the aforementioned Hypothec;
- J. if the balance of the Loan remains outstanding, the Company may exercise its hypothecary right and sell, for its own account, the Subscribed Shares; I remain liable for the repayment of the balance of the Loan if the sale of the Subscribed Shares is insufficient to repay all of the balance owed of the Loan and the interest payable thereon; and
- K. as soon as the Loan is repaid in its entirety, the Promissory Note and the Hypothec shall be automatically terminated and I will be able to obtain full possession of the Subscribed Shares.

AND I HAVE SIGNED, ON _____.

(Participant's signature)

ACCEPTED ON _____.

THERATECHNOLOGIES INC.

By: _____

Name: _____

Title: _____

PROMISSORY NOTE

FOR VALUE RECEIVED the undersigned promises to pay Theratechnologies inc. (“Theratechnologies”), or to its order

\$ _____
(Total Amount Invested)

no later than on the date of the last withholding from my salary as provided for in the Subscription Form or on any other earlier date, if this amount becomes immediately repayable, without interest before its due date, but after its due date with interest on the entire balance then due at the prime (base) rate of National Bank of Canada increased by three (3)% per year.

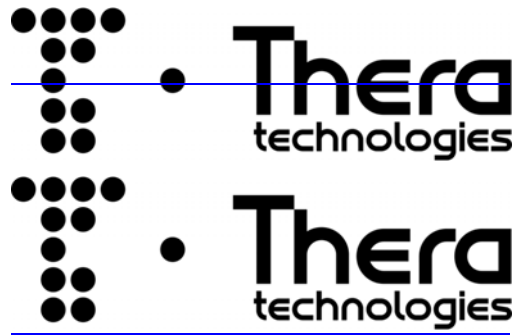
“**Prime Rate**” means the annual interest rate declared from time to time by National Bank of Canada and which serves as a reference rate to set interest rates on loans extended in Canada, in Canadian Dollars, by the bank to its preferred customers.

This promissory note evidences my loan contracted with Theratechnologies, repayable by withholdings from my salary and subject to the terms and conditions of the Common Share Purchase Plan for Employees of Theratechnologies and of its Subsidiaries (the “Plan”). The terms and conditions of the Plan are integrated herein by reference and are deemed to form an integral part hereof.

AND, I have signed, the _____.

(Participant's signature)

(Name in block letters)



COMMON SHARE PURCHASE PLAN
FOR EMPLOYEES OF
THERATECHNOLOGIES [INC.](#) AND ITS SUBSIDIARIES

LAST UPDATE: ~~MARCH 27, 2007~~ [FEBRUARY 24, 2009](#)

1. PURPOSE OF THE PLAN

In order to facilitate employee shareholding, Theratechnologies ~~Inc.~~ establishes a share purchase plan for its employees and those of its subsidiaries.

2. DEFINITIONS

Within the meaning of this plan, unless the context indicates otherwise:

2.1 ~~2.1~~—“**Affiliate**” means a person who is an affiliate of another person, as that term is defined in the *Securities Act (Ontario)*, as amended from time to time;

2.2 “**Associate**” means an associate, as this term is defined in the *Securities Act (Ontario)*, as amended from time to time;

~~2.3~~ “**Common Shares**” means the common shares of the Company's share capital;

~~2.4~~ ~~2.2~~—“**Company**” means Theratechnologies ~~Inc.~~;

~~2.5~~ ~~2.3~~—“**Employee**” means any eligible employee within the meaning of Section 5.1;

~~2.6~~ ~~2.4~~—“**Employer**” means the Company or a Subsidiary for which an Employee works;

~~2.7~~ ~~2.5~~—“**Financing Program**” means the financing program offered pursuant to ~~Article~~Section 9;

~~2.8~~ ~~2.6~~—“**Hypothec**” means the hypothec ~~of~~on the Subscribed Shares ~~by~~of the Participant ~~extended~~ in favor of the Company to secure full and final repayment of the Loan, pursuant to Subsection 9.3.3;

2.9 “**Insider**” means (i) an insider, as ~~this term is~~ defined in the *Securities Act (Ontario)*, ~~as amended from time to time~~, other than a person who falls within that definition solely by virtue of being a director or senior officer of a Subsidiary; (ii) ~~an Associate of any person who is an insider by virtue of (i) above~~; and (iii) an ~~associate~~Affiliate of any person who is an insider by virtue of (i) above;

2.10 “**Loan**” means the loan extended to a Participant pursuant to the Plan by the Company in accordance with Section 9.1;

~~2.11~~ ~~2.9~~—“**Offering Period**” means the period between March ~~29, 2007~~26, 2009 and March 31, ~~2009~~2012;

2.12 “**Participant**” means an Employee who is participating in the Plan, in accordance with ~~Article~~Section 6;

2.13 “**Participation Date**” means November 1st or May 1st of each year, or if this date is not a business day, the first following business day;

- 2.14 “**Plan**” means this common share purchase plan;
- 2.15 “**Promissory Note**” means the promissory note in the form as attached hereto, completed and signed by a Participant;
- 2.16 “**Security-Based Compensation Arrangements**” means all security-based compensation arrangements of the Company, as defined in the Toronto Stock Exchange Company Manual;
- 2.17 “**Shares Outstanding**” means the issued and outstanding shares of the Company, ~~as defined in the Toronto Stock Exchange Company Manual~~;
- 2.18 “**Subscribed Shares**” means the Common Shares subscribed by a Participant in accordance with the Plan;
- 2.19 “**Subscription Form**” means the subscription form in the form as attached hereto, completed and signed by a Participant;
- 2.20 “**Subscription Price**” means the price of the Subscribed Shares, as determined in Section 7.1;
- 2.21 “**Subsidiary**” means an entity controlled by the Company. An entity is ~~reputed~~deemed controlled by the Company ~~when it~~if the Company owns the necessary securities enabling it to elect the majority of directors of such entity. The Subsidiary of a Subsidiary is ~~reputed being~~deemed a Subsidiary of the Company;
- 2.22 “**Trustee**” means Computershare Trust Company of Canada, at its head office in Montreal, or any other trustee designated by the Company.

3. OFFER

The Company offers Employees during the Offering Period the right to directly subscribe for Common Shares ~~by means from the Company, in consideration of an interest free Loan~~cash or pursuant to the Financing Program.

4. MAXIMUM NUMBER OF OFFERED SHARES

The total number of Common Shares offered pursuant to this Plan shall not exceed ~~400~~550,000. If, pursuant to Subsection 6.2, the Company receives Subscription Forms which would bring the Common Shares issued pursuant to this Plan above ~~400~~550,000, the Company will distribute the Common Shares available under the Plan among the ~~participants~~Participants of such participation period in proportion to their respective subscriptions.

5. ELIGIBILITY AND RESTRICTIONS

- 5.1 Are eligible to participate in the Plan, all regular, full-time or part-time, employees of the Company or of a Subsidiary who, on the Participation Date, are Canadian residents of Quebec or Ontario, have at least three (3) months of continuous service, are not in a probationary period, and, directly, indirectly or with related persons who are not

employees of the Company or of a Subsidiary, hold less than 5% of the Company's issued and outstanding share capital.

5.2 The number of Common Shares issuable to Insiders, at any time, under all Security-Based Compensation Arrangements, cannot exceed 10% of the Common Shares Outstanding.

5.3 The number of Common Shares issued to Insiders, within any one year period, under all Security-Based Compensation Arrangements, cannot exceed 10% of the Shares Outstanding.

6. PARTICIPATION IN THE PLAN AND SUBSCRIPTION OF SHARES

6.1 Participation in the Plan is completely voluntary.

6.2 The Employee who wishes to participate in the Plan and subscribe for Common Shares pursuant to the Plan must complete and sign the Subscription Form and remit it to the Corporate Secretary of the Company no later than ten (10) days after the Participation Date.

6.3 ~~A-For each calendar year, a~~ Participant may ~~annually~~ subscribe for a number of Common Shares pursuant to the Plan up to a maximum amount of 10% of his current annual gross salary.

7. SUBSCRIPTION PRICE, ISSUE OF COMMON SHARES AND REMITTANCE OF SHARE CERTIFICATES

7.1 The subscription price of the Subscribed Shares will be equal to the weighted average closing price of the Common Shares on the Toronto Stock Exchange during a period of five (5) days ~~prior to preceding~~ the Participation Date. ~~If during such period there is no closing price, such price shall be replaced by which the simple average of the bid and ask prices~~ Toronto Stock Exchange was open for trading.

7.2 For the purposes of the Plan, it is presumed that the Common Shares will be issued as of the date of acceptance of the subscription by the Company, as indicated on the Subscription Form.

7.3 The certificates representing the Subscribed Shares shall be prepared by the Trustee within 15 working business days following the Participation Date and ~~shall be held by the latter during the complete term of the Loan.:~~

7.3.1 if all of the Common Shares have been paid in cash, the certificates shall be sent to the Participant according to the instructions provided to the Corporate Secretary of the Company; or

7.3.2 if all or a portion of the Common Shares have been paid pursuant to the Financing Program, the certificates shall be held by the Trustee until full repayment of the Loan.

8. PAYMENT OF THE SUBSCRIPTION PRICE

The Subscription Price must be paid in full at the time of remittance of the Subscription Form. To do so, the Participant shall complete, sign and remit the ~~Promissory Note to the Secretary together with the attached~~ Subscription Form. ~~The~~ to the Corporate Secretary, together with: (i) a certified cheque made to the order of the Company for the full amount of the Subscription Price of the Subscribed Shares or (ii) the attached Promissory Note. If a Participant takes advantage of the Financing Program, the Company will then pay the total Subscription Price on behalf of the Participant.

9. FINANCING PROGRAM

9.1 Subject to Section 9.2, the Company offers each Participant who subscribes for Common Shares pursuant to this Plan, an interest-free loan of an amount corresponding to the Subscription Price per share.

9.2 The aggregate amount of Loans ~~granted to~~incurred by each Participant pursuant to this Plan shall not, in any case, exceed 10% of the amount of his current annual gross salary.

9.3 Any Loan is subject to the following conditions:

9.3.1 all the proceeds from the Loan must be used exclusively to purchase the Subscribed Shares;

9.3.2 the Loan is repayable by equal withholdings from the Participant's salary for a period not exceeding 52 consecutive withholdings, according to the payment method applicable to this Participant, the first of these withholdings to start on the first pay following the issue date of the Subscribed Shares;

9.3.3 as soon as the Subscribed Shares are issued, the Participant hypothecates them with delivery (and all dividends thereon paid thereafter, as the case may be) in favour of the Company for a sum equal to the full amount of the Loan (capital and interest, as the case may be) to secure full and final repayment of the Loan (and the interest, as the case may be);

9.3.4 the Company and the Participant authorize and mandate the Trustee, as soon as the Subscribed Shares are issued, to hold the certificates representing all of the Subscribed Shares on behalf of the Company until ~~full~~-repayment ~~and payment~~ of all sums owed on the Loan;

9.3.5 as long as a balance of the Loan remains outstanding, the Participant cannot obtain full possession of the certificates representing the Subscribed Shares;

9.3.6 the Participant may, at all times, repay before due all or a portion of the Loan;

9.3.7 the Company may, at its discretion, declare the Loan immediately due and repayable until full payment, upon the occurrence of one of the following circumstances:

(i) termination of the Participant's employment further to his resignation, dismissal, retirement, death or otherwise;

~~(ii) (ii)~~—the sale or seizure of the Subscribed Shares;

~~(iii) (iii)~~—the Participant's bankruptcy or insolvency;

(iv) the suspension of the payment of the Participant's salary or the revocation of his authorization with respect to salary withholdings;

9.3.8 in the event that the Participant does not reimburse any balance of the Loan, such balance will become due and payable and shall bear interest after its due date at the prime rate of the National Bank of Canada ~~increased by~~plus 3% per year; “prime rate” shall mean the annual interest rate announced from time to time by the National Bank of Canada which serves as the rate of reference to establish the rate of interest on loans extended in Canada, in Canadian dollars, by the bank to its preferred customers;

9.3.9 if the balance of the Loan remains outstanding, the Company may exercise its hypothecary right and start legal proceedings to sell, for its own account, the Subscribed Shares. The Participant remains ~~responsible~~liable for the repayment of the balance of the Loan if the sale of the Subscribed Shares is insufficient to repay all of the balance owed on the Loan and the interest payable thereon, in accordance with Subsection 9.3.8.

9.4 As soon as the Loan is repaid in its entirety, the Promissory Note and the Hypothec shall be automatically terminated and the Participant will be able to obtain full possession of the Subscribed Shares. The Company shall then give instructions to the Trustee to release the share certificate representing the Subscribed Shares ~~and shall remit such certificate to,~~ in accordance with the ~~participant~~instructions received from the Participant.

10. OWNERSHIP OF THE SUBSCRIBED SHARES

Notwithstanding the Loan and the Hypothec, the Participant retains the ownership of the Subscribed Shares and continues to benefit from the rights attached thereto, such as the right to vote and to receive the dividends declared and paid thereon, as the case may be, as long as the Participant is not in default with respect to the Loan.

11. PLAN ADMINISTRATIVE EXPENSES

The Company will cover the account's administrative and management expenses charged by the Trustee during the complete term of the Loan.

12. CERTAIN TAX CONSIDERATIONS

For federal and Quebec income tax purposes, as the case may be, the Company must add to each ~~Participant's~~Participant's gross revenue an amount equal to the product obtained by multiplying, for any given period, the balance of the Loan to facilitate the purchase of the Common Shares by

the interest rate recommended pursuant to the *Income Tax Act* (Canada) and the *Taxation Act* (Quebec), as the case may be, as amended from time to time. These rates may vary at the discretion of the governments in question. However, any amount to be added to a ~~Participant's~~Participant's gross revenue is deemed to be interest paid for investment purposes by the latter and may be deducted in computing his taxable income.

13. RESALE OF THE SHARES

The Company is a reporting issuer pursuant to the provisions of the *Securities Act* (Quebec) whose Common Shares are listed and traded on the Toronto Stock Exchange. A Participant's Subscribed Shares may be resold through the Toronto Stock Exchange, if the ~~Company is still a reporting issuer and has complied with the applicable requirement for more than 12 months.~~following conditions are satisfied:

- (i) the Company is and has been a reporting issuer in a jurisdiction of Canada for the four (4) months immediately preceding the date at which the resold shares have been subscribed;
- (ii) the sale of the Subscribed Shares is not a control distribution;
- (iii) no unusual effort is made to prepare the market or to create a demand for the Common Shares;
- (iv) no extraordinary commission or consideration is paid to a person or company in respect of the sale;
- (v) the Participant who is a officer or an Insider of the Company has no reasonable grounds to believe that the Company is in default of securities legislation.

14. VARIOUS PROVISIONS

~~14.1~~ 14.1—The Plan is a voluntary program set up by the Company and does not constitute a condition of employment or a condition to maintain employment.

14.2 An Employee's participation in the Plan is not mandatory; it is purely voluntary by the Employee and cannot be construed as conferring any right or privilege whatsoever other than the rights and privileges expressly set out in this Plan. In particular, participation in the Plan does not constitute an undertaking by the Company or a Subsidiary to continue to guarantee employment to the Employee and cannot be construed as interfering with or preventing the Employer from exercising its management rights.

14.3 The Plan does not offer any guarantee against any loss a Participant may incur because of a decline in the value of the Subscribed Shares due to market fluctuations.

15. AMENDMENTS AND SUSPENSIONS

~~15.1~~ 15.1—The Board of Directors bears full and complete responsibility with regard to the Plan, which includes, but is not limited to ~~and subject to Subsection 15.2,~~ the power and

authority to adopt, amend, suspend or terminate the Plan, ~~as it deems necessary or desirable~~. The Board of Directors is also entitled to suspend, defer, postpone or stay any Participation Date if it deems it in the Company's best interest. Any such adoption, amendment, suspension or termination is subject to the rules set forth by the regulatory authorities.

15.2 ~~15.2~~—Approval by a majority of voting shareholders present at a duly called shareholder meeting is required for any amendments relating to the Offering Period as such term is defined in Section 2 (Definitions), Section 4 (Maximum Number of Offered Shares), Section 5 (Eligibility and Restrictions), Subsection 6.3 (~~Limit~~ Limit on employee contribution), Subsection 7.1 (~~purchase~~ Purchase price) and Subsection 9.2 (~~financing~~ Financing program).

15.3 ~~15.3~~—No amendment of the Plan may contravene the requirements of any competent regulatory authority to which the Plan or the Company is now or may hereafter be subject to.

15.4 ~~15.4~~—The shareholders' approval of an amendment may be given by way of confirmation at the next meeting of shareholders ~~after the following such amendment is made~~, provided that no Common Shares are issued pursuant to the amended terms.

16. RIGHT TO TERMINATE THE PLAN

The Company reserves the right, at all times, before the Subscribed Shares are issued, to amend, to suspend or to terminate the Plan, in whole or in part, subject to ~~Subsection 15.1-Subsections 15.1 through 15.54~~; the Company may not however amend this Plan in a way that would remove a right or a privilege existing on the date of the amendment from a Participant or any other person and in contravention of Subsections 15.1- ~~through 15.54~~.

Notwithstanding the Offering Period, the Plan terminates automatically as soon as all the Common Shares set aside for purposes of the Plan have been subscribed for and the Loans extended thereon repaid.

17. NON-ASSIGNABILITY

A Participant cannot assign or otherwise alienate his rights in the Plan and any such assignment or alienation is not enforceable against the Company.

18. OTHER MATERIAL FACTS

There is no other material fact pertaining to the Company and to the offered Common Shares, the disclosure of which would be necessary to enable a person to make a well-informed decision.

19. INTERPRETATION AND ADMINISTRATIVE DETAILS

A committee composed of the President and Chief Executive Officer, the Senior Executive Vice President and Chief Financial Officer, and the Corporate Secretary of the Company has full power to interpret the provisions of the Plan, adopt any by-law and make any decision it deems

necessary or expedient to administer the Plan and may, together with the Trustee, ~~concur~~[agree](#) on the administrative details to ensure the efficiency of the Plan.

20. APPLICABLE LAWS

This Plan must be construed in accordance with the laws of Quebec.

21. SUBSCRIPTION AND PROMISSORY NOTE FORMS

The Subscription Form and Promissory Note attached hereto form an integral part of this Plan.

22. **EFFECTIVE DATE OF THE PLAN**

The Plan became effective on April 22, 1999. It was approved by ~~its~~the directors on February 16, 1999, by ~~its~~the shareholders on April 22, 1999 and by the regulatory authorities on September 13, 1999. It was modified on ~~two~~three occasions, namely on May 7, 2003 ~~and~~, March ~~29~~27, 2007 and February 24, 2009.

COMMON SHARE PURCHASE PLAN
FOR EMPLOYEES OF
THERATECHNOLOGIES INC. AND ITS SUBSIDIARIES

SUBSCRIPTION FORM

PRESENTED TO

Theratechnologies [Inc.](#)
2310, Alfred-Nobel Boulevard
Montreal, Québec
H4S [2A42B4](#)
Attention: The [Corporate](#) Secretary of the Company

PARTICIPANT GENERAL INFORMATION

Name: _____

First Name: _____

Personal Address: _____

Telephone (Office): _____

Telephone (Home): _____

Employer: _____

Date of Employment: _____

~~(3 months from the Participation Date)~~

SUBSCRIPTION

- 1. Number of Subscribed Shares: _____
(hereinafter the “**Subscribed Shares**”)

- 2. Price per Share: _____
(determined by the Plan)

- 3. Total Amount Invested: _____
(hereinafter “**Total Amount Invested**”)
(Number of Subscribed Shares (1) multiplied by the ~~price~~Price per ~~share~~Share (2))
(Maximum: 10% of the annual gross salary, including the previous subscriptions of the year)

PAYMENT TERMS

1. Cash:

A certified cheque for the Total Amount Invested (3) must accompany the present form.

2. Pursuant to the Financing Program:

A promissory note (annexed hereto) for the Total Amount Invested (3) must be completed and signed by the Participant, and remitted with the present form.

____ Number of withholding periods: _____
____ (Maximum: 52)

PARTICIPANT’S UNDERTAKINGS

The undersigned hereby wishes to join the Plan and confirms that:

- A. I have read the Common Share Purchase Plan for Employees of Theratechnologies ~~Inc.~~inc. and of its Subsidiaries (the “Plan”) and I accept all the terms, conditions and covenants set out therein which are integrated herein by reference and are deemed to form an integral part hereof;

- B. I acknowledge that the total balance of all loans I would have contracted, cannot exceed, in any circumstances, 10% of my annual gross salary;

- C. I undertake to repay the Loan in accordance with the terms and conditions set out in Article~~Section~~ 9 of the Plan;

D. I irrevocably authorize the Company to withhold installments from my salary according to the applicable payment method (covering the capital and, as the case may be, interest), to repay the Loan;

E. once issued, the Subscribed Shares (and all dividends to be subsequently paid thereon, as the case may be) will automatically and immediately be hypothecated in favour of the Company to secure repayment of the Loan;

F. to create and preserve the Hypothec, the certificates representing the Subscribed Shares (as well as all securities issued in relation to these shares or in replacement thereof) will be held by the Trustee on behalf of the Company; for this purpose, I authorize you to remit to the Trustee a copy hereof, as written evidence of the Hypothec;

G. notwithstanding the Hypothec, I retain the ownership of the Subscribed Shares and will continue to benefit from the rights attached thereto, such as the right to vote and to receive the dividends declared and paid thereon, as the case may be, as long as I am not in default with respect to the Loan.

H. in the event that a portion of the Loan is not repaid, all of the unpaid balance of the Loan will bear interest an annual rate equal to the prime (base) rate of National Bank of Canada increased by plus three (3)% per year;

I-name. I appoint the Company as mandatary with respect to the Subscribed Shares, with full powers of substitution, to endorse any certificate representing such shares or to sign any transfer form in their respect, so as to allow the Company to more effectively exercise its rights as creditor pursuant to the aforementioned Hypothec;

J. if the balance of the Loan remains outstanding, the Company may exercise its hypothecary right and sell, for its own account, the Subscribed Shares; I remain responsibleliable for the repayment of the balance of the Loan if the sale of the Subscribed Shares is insufficient to repay all of the balance owed of the Loan and the interest payable thereon; and

K. as soon as the Loan is repaid in its entirety, the Promissory Note and the Hypothec shall be automatically terminated and I will be able to obtain full possession of the Subscribed Shares.

AND I HAVE SIGNED, ON _____.

(Participant's signature)

(Participant's signature)

ACCEPTED ON _____.

THERATECHNOLOGIES ~~INC~~INC.

By: _____

Name: _____

Title: _____

PROMISSORY NOTE

FOR VALUE RECEIVED the undersigned promises to pay Theratechnologies ~~Inc.~~ inc. ("Theratechnologies";), or to its order

\$ _____
(Total Amount Invested)

no later than on the date of the last withholding from my salary as provided for in the Subscription Form or on any other earlier date, if this amount becomes immediately repayable, without interest before its due date, but after its due date with interest on the entire balance then due at the prime (base) rate of National Bank of Canada increased by three (3)% per year.

"Prime Rate" means the annual interest rate declared from time to time by National Bank of Canada and which serves as a reference rate to fixset interest rates on loans extended in Canada, in Canadian Dollars, by the bank to its preferred customers.

This promissory note evidences my loan contracted with Theratechnologies, repayable by withholdings from my salary and subject to the terms and conditions of the Common Share Purchase Plan for Employees of Theratechnologies and of its Subsidiaries (the "Plan";). The terms and conditions of the Plan are integrated herein by reference and are deemed to form an integral part hereof.

AND, I have signed, the _____.

(Participant's signature)

(Name in block letters)

APPENDIX B
RESOLUTION OF THE SHAREHOLDERS OF
THERATECHNOLOGIES INC. (THE “COMPANY”)
RESOLUTION 2009-1
AMENDMENTS TO THE COMMON SHARE PURCHASE PLAN

WHEREAS the Board of Directors of the Company approved, on February 24, 2009, amendments to its common share purchase plan (the “**Share Purchase Plan**”), as more particularly described in the management proxy circular of the Company dated February 24, 2009 (the “**Circular**”); and

WHEREAS the Company, pursuant to the rules and policies of the Toronto Stock Exchange, wishes to obtain the requisite shareholder approval to amend the Share Purchase Plan.

BE IT RESOLVED:

1. That Section 2 (Definitions) of the Share Purchase Plan be amended to, among other things, extend the offering period from March 31, 2009 to March 31, 2012;
2. That Section 3 (Offer) of the Share Purchase Plan be amended to entitle employees to pay the subscription price of the common shares in cash;
3. That Section 4 (Maximum Number of Offered Shares) of the Share Purchase Plan be amended to increase the number of common shares that may be issued under the Share Purchase Plan from 400,000 to 550,000;
4. That the eligibility and restriction criteria of Section 5 (Eligibility and Restrictions) of the Share Purchase Plan be amended to entitle employees who are residents of Canada (not only of Québec and Ontario) and who are not subject to a probationary period (not to three (3) months of continuous service) to participate in the Share Purchase Plan;
5. That Section 7 (Subscription Price, Issue of Common Shares and Remittance of Share Certificates) of the Share Purchase Plan be amended as follows:
 - (i) by removing the formula based on the simple average of the bid and ask prices to determine the subscription price of the common shares issuable under the Share Purchase Plan if there is no closing price during the five (5) days prior to a participation date;
 - (ii) by adapting the language of paragraph 7.3 to the amendment relating to the right of employees to pay the subscription price of the common shares in cash;
6. That Section 8 (Payment of the Subscription Price) of the Share Purchase Plan be amended to adapt the text of this section with the right of employees to pay the subscription price of the common shares in cash;
7. That Section 13 (Resale of the Shares) of the Share Purchase Plan be amended to reflect the current restrictions under Canadian securities regulation relating to the resale of common shares purchased under a plan similar to the Share Purchase Plan;
8. That any director or officer of the Company be and he is hereby authorized to sign all documents, do all acts and do all things necessary or useful, in his own discretion, in order to give effect to this resolution; and
9. That the directors of the Company may in their discretion revoke this resolution before it is implemented, without further notice to, or approval of the shareholders of the Company.

APPENDIX C

COMPENSATION COMMITTEE CHARTER

I. Mandate

The Compensation Committee (the “Committee”) is responsible for assisting the Company’s Board of Directors (the “Board”) in overseeing the following:

- A. compensation of Senior Management;
- B. assessment of Senior Management;
- C. compensation of Directors;
- D. stock option grants;
- E. overall increase in total compensation.

II. Obligations and Duties

The Committee carries out the duties usually entrusted to a compensation committee and any other duty assigned from time to time by the Board. Specifically, the Committee is charged with the following obligations and duties:

- A. Compensation of Senior Management
 - 1. Develop a compensation policy for the Company’s Senior Management, notably the Senior Management compensation structure, annual salary adjustments as well as the creation and administration of short and long term incentive plans, stock options, indirect advantages and benefits proposed by the President and Chief Executive Officer.
 - 2. Review and establish all forms of compensation to Senior Management.
 - 3. Oversee, as required, employment contracts and terminations of Senior Management, notably severance pay.
 - 4. Oversee the Company’s annual report on Senior Management compensation part of the Company’s continuous disclosure requirements under applicable laws and regulations.
- B. Assessment of Senior Management
 - 1. Develop a written position description for the President and Chief Executive Officer.
 - 2. Establish general objectives annually for the President and Chief Executive Officer of the Company and for other members of senior management.

3. Examine and review annually the President and Chief Executive Officer's performance against specific performance criteria pre-established by the Committee.
 4. Examine, in collaboration with the President and Chief Executive Officer, the annual performance assessment of other senior managers.
- C. Compensation of Directors
1. Recommend to the Board approval of the Director's Compensation Policy.
 2. Examine the compensation of Directors in relation to the risks and duties of their position.
- D. Stock Option Grants
1. Oversee, review as needed and recommend Board approval of the Company Share Option Plan.
 2. The Committee may delegate, at its discretion, the plan's administration to members of the Company's Management and employees.
 3. Examine, oversee and recommend Board approval of stock option grants, specifically:
 - a. the people to whom options are granted;
 - b. the number of options granted;
 - c. the exercise price of the options;
 - d. the exercise period of the options; and
 - e. all other conditions relating to options granted.
 4. Overall Increase in Total Compensation
Approve annually the Company's increase in overall compensation.

III. External Advisors

In discharging its duties and responsibilities, the Committee is empowered to retain external legal counsel or other external advisors, as appropriate. The Company shall provide the necessary funds to secure the services of such advisors.

IV. Composition of the Committee

The Committee is composed of any number of Directors, but no less than three, as may be determined by the Board from time to time by resolution. Each member of the Committee shall be independent from the Company, as determined by the Board, in accordance with applicable laws, rules and regulations.

V. Term of the Mandate

Committee members are appointed by Board resolution to carry out their mandate extending from the date of the appointment to the next annual general meeting of shareholders, or until successors are so appointed.

VI. Vacancy

The Board may fill vacancies at any time by resolution. Subject to the constitution of the quorum, the Committee's members can continue to act even if there is one or many vacancies on the Committee.

VII. Chairman

The Board appoints the Committee Chairman who will call and chair the meetings.

VIII. Secretary

Unless decided otherwise by resolution of the Board, the Secretary of the Company shall act as Committee Secretary. The Secretary must attend Committee meetings and prepare the minutes. He/she must provide notification of meetings as directed by the Committee Chairman. The Secretary is the guardian of the Committee's records, books and archives.

IX. Meeting Proceedings

The Committee establishes its own procedures as to how meetings are called and conducted. Unless it is otherwise decided, the Committee shall meet privately and independently from Management at each regularly scheduled meeting. In the absence of the regularly appointed Chairman, the meeting shall be chaired by another Committee member selected among attending participants and appointed accordingly. In the absence of the regularly appointed Secretary, Committee members shall designate someone to carry out this duty.

X. Quorum and Vote

Unless the Board otherwise specifies by resolution, two Committee members shall constitute an appropriate quorum for deliberation of items on the agenda. During meetings, decisions are reached by a majority of votes from Committee members, unless the quorum is of two members, in which case decisions are made by consensus of opinion.

XI. Records

The Committee keeps records that are deemed necessary for its deliberations and reports to the Board on its activities and recommendations on a regular basis.

XII. Effective Date

This charter was adopted by the Directors at its May 3, 2004 Board meeting. It was amended by the Directors during the February 8, 2006 Board meeting.

APPENDIX D

MANDATE OF THE BOARD OF DIRECTORS

I. Role

The Company's Board of Directors (the "Board") is ultimately responsible for the stewardship of the Company and executes its mandate directly or after considering recommendations from its related committees and Management.

Management is responsible for the Company's day-to-day activities and is charged with realizing strategic activities approved by the Board within the scope of its authorized business activities, capitalization plan and company directives. Management must report regularly to the Board on matters relating to short-term results and long-term development activities.

II. Obligations and Responsibilities

The Board carries out the functions, performs duties and assumes the responsibilities entrusted by the laws and regulations. The Board may delegate some of its responsibilities to Board committees and Management within the scope of the Company's General By-laws, the laws and the regulations. Therefore, day-to-day management of the Company's activities is entrusted to Senior Management, which reports directly to the Board. One of the key functions of the Board is to appoint the senior management team.

The functions and duties of Board members include, without limitation, the following functions and duties:

- A. Appointment, assessment, succession planning of Senior Management
 - 1. Select and appoint the President and Chief Executive Officer of the Company.
 - 2. Oversee the appointment of other members of Senior Management.
 - 3. Ensure that the Company has a succession plan for the President and Chief Executive Officer.
 - 4. Monitor the performance of the President and Chief Executive Officer and other Executive Officers, with respect to pre-established objectives.
- B. Compensation of Directors
 - 1. Establish the compensation of Directors.
- C. Strategic Direction and Planning
 - 1. Adopt the Company's strategic planning process.
 - 2. Approve the Company's strategic plan and review Senior Management's performance in implementing the plan.

3. Review the strategic plan annually, taking into account opportunities and risks, and monitoring the Company's performance against the plan.
4. Review and approve the Company's annual plans towards financing the strategic plan.
5. Review and approve the Company's annual operating budget.
6. Identify key business risks facing the Company and the implementation of appropriate systems to manage these risks.
7. Discuss with Management how the strategic environment is changing and the key strategic issues.

D. Corporate Behaviour and Governance

1. Develop an approach to corporate governance, including the determination of principles and guidelines for the Company.
2. Obtain reasonable assurance of the integrity of the President and Chief Executive Officer and other senior members of Management, and that they uphold principles of integrity within the ranks of the Company.
3. Oversee the implementation of a Company disclosure policies and procedures.
4. Monitor the integrity of the Company's internal controls and disclosure systems.
5. Be available to receive feedback from stakeholders, which must be provided in writing, at the Company's head office, bearing the mention "Confidential".

E. Personal Behaviours

1. Keep up-to-date with the regular programs and employees of the Company.
2. Upon request, join a committee and actively participate at its meetings.
3. Be accessible, at least by telephone, to personnel and other Company Directors, as required.
4. Keep confidential information discussed during meetings.
5. Attend regular and special Board meetings.
6. Get to know other members of the Board and promote collegial decision-making.

III. External Advisors

In discharging its duties and responsibilities, the Board is empowered to retain external legal counsel or other external advisors, as appropriate. The Company shall provide the necessary funds to secure the services of such advisors.

IV. Composition of the Board

The Board consists of such number of Directors as the Board may determine from time to time by resolution. The Board must assure itself that it is composed of Directors that are sufficiently familiar with the business of the Company, and the risks it faces, to ensure active and effective participation in the deliberations of the Board. Directors should have diverse backgrounds and personal characteristics and traits as well as competencies and expertise that add value to the Company. Finally, a majority of the Directors must be independent for the purposes of National Policy 58-201 Corporate Governance Guidelines.

V. Board Meeting Procedures

The Board follows the procedure established in the Company's General By-Laws.

VI. Records

The Company's Secretary keeps the records required by law and any other relevant document.

VII. Effective Date

This written mandate was adopted by the Directors at its February 8, 2006 Board meeting.

APPENDIX E

DIRECTOR ORIENTATION AND CONTINUING EDUCATION POLICY

The Board must first ensure that every new nominee as Director possesses the necessary skill, expertise, availability and knowledge to properly fulfil its mandate. Once a Director is effectively elected, the Chairman of the Board, the President and Chief Executive Officer and Secretary provide him with the specific information required for a well-informed contribution.

I. Purpose

The purpose of this Director Orientation and Continuing Education Policy (the “Policy”) is to set forth the Company’s process of orientation for newly appointed Company Directors to familiarize them with the role of the Company’s Board of Directors, its committees, its directors, and the nature and operation of the Company’s business activities. The Policy also indicates the elements of continuing education of the Board of Directors to ensure the Company Directors maintain the skill and knowledge necessary to fulfill their obligations as directors.

II. Orientation of New Directors

Newly appointed Directors first meet with the Chairman of the Board to discuss the functioning of the Board of Directors. Then, they meet with the President and Chief Executive Officer to discuss the nature and operation of the Company’s business activities. As required, meetings may be set up with other Senior Managers to further clarify some of the Company’s business activities. Finally, the Secretary provides new directors with the following documents:

- A. Copies of Board meeting minutes and written resolutions since the beginning of the fiscal year (which may include those of the preceding fiscal year, depending of the date of appointment), including a copy of the minutes of the last annual meeting;
- B. A schedule of Board Meetings for the year;
- C. The disclosure policies et procedures and the “Undertaking” form (for signature);
- D. The policy on insider trading in force at Theratechnologies (with mention to register as an insider with the Canadian securities agency through SEDI.ca and to prepare an initial insider report within ten (10) days following appointment);
- E. Theratechnologies’ Share Option Plan;
- F. The latest annual report and accompanying information on Theratechnologies (fact sheet, latest press releases, latest annual information form and corporate presentation);
- G. The Director Disclosure Form (to complete and return within afforded time);
- H. The General By-Laws, the Board’s written mandate, the Audit Committee Charter, Compensation Committee Charter, Nominating and Corporate Governance Charter; and
- I. The Directors and Senior Management coverage and compensation.

III. Continuing Education

The following actions are taken to ensure the continuing education of Directors:

- A. Management provides Directors, from time to time, with pertinent articles and books relating to the Company's business, its competitors, corporate governance and regulatory issues;
- B. Key Company executives make regular presentations to the Board on business activities;
- C. Certain consultants present to the Board on matters relevant to their role and duties. Consultants such as insurance brokers presenting on risks faced by the Company or consultants presenting a long-term strategy for the Company;
- D. The Secretary offers Directors continuing education in the form of presentations on new legal and regulatory requirements that impact the Board.

IV. Review

This Policy is reviewed and modified when the Board of Directors considers it necessary and desirable.

APPENDIX F

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

I. Mandate

The Nominating and Corporate Governance Committee (the “Committee”) is responsible for assisting the Company’s Board of Directors (the “Board”) in overseeing the following:

- A. Recruit candidates for the Board;
- B. Review the size of the Board;
- C. Composition of the Board;
- D. Function of the Board;
- E. Orientation and education of Board members; and
- F. Governance.

II. Obligations and Duties

The Committee carries out the duties usually entrusted to a Nominating and Corporate Governance Committee and any other duty assigned from time to time by the Board. Specifically, the Committee is charged with the following obligations and duties:

- A. Recruit Candidates for the Board
 - 1. Identify potential candidates as members of the Company’s Board of Directors. In so doing, the Committee will consider:
 - a. independence of candidates under the terms of National Policy 58-201 on corporate governance;
 - b. the competencies, skills and personal characteristics sought in candidates. The Committee will determine what it considers necessary by assessing competencies, skills and personal characteristics of the candidates in relation to: (1) those generally required by the Board; (2) those already present in other Board members; and (3) those which are a welcome addition; and
 - c. the availability of candidates.
 - 2. All Board members may submit to the Committee potential candidates for membership, and the Committee shall review such candidates in light of above described competencies and skills desirable for the Board.
 - 3. The Committee shall proceed as follows for the recruitment of candidates:

- a. as it is determined by the Committee and the Board of Directors that Board vacancies must be filled or new members are desirable, the Chairman of the Board of Directors shall make contact with candidates that have been identified by the Committee per the above described criteria;
- b. upon a positive evaluation by the Chairman of the Board of Directors and positive reaction from the candidate, at least two (2) members of the Board shall meet with the candidate; and
- c. upon a positive evaluation by the two (2) Board members and the continuing interest of the candidate, the Committee shall make a recommendation to the Board of Directors, providing all pertinent background information for analysis and discussion by the Directors.

B. Board Size

The Board must be composed of 3 to 20 directors, as per the Company's articles of incorporation and by law. As provided under the terms of the Company General By-Laws, the Board shall exercise its power to establish by resolution the exact number of directors. In this regard, the duties of the Committee are as follows:

1. Examine the size of the Board annually in view of assessing its effectiveness.
2. Consider modifications to the number of constituting members and issue its recommendations to the Board.

C. Composition of the Board

1. Ensure that the Board is composed of Directors that are sufficiently familiar with the business of the Company, and the risks it faces, to ensure active and effective participation in the deliberations of the Board.
2. Ensure that Directors have diverse backgrounds and personal characteristics and traits as well as competencies and expertise that add value to the Company.
3. Ensure that a majority of the directors are independent directors for the purposes of National Policy 58-201 Corporate Governance Guidelines.

D. Board Functioning

1. Examine the Board's functions and issue recommendations as to its obligations and role. Among others, the Committee must regularly review the Board's written mandate.
2. Determine and review, as needed, the roles and mandates of Board committees and issue recommendations.

E. Orientation and Continuing Education of Board Members

Develop an orientation and continuing education policy for Directors.

F. Governance

1. Follow corporate governance developments and, as required, advise the Board of appropriate actions.
2. Examine appropriate actions to promote ethical business conduct, issue relevant recommendations to the Board and oversee their implementation.
3. Examine conflict of interest issues that may be brought to the attention of the Board and offer solutions.

III. External Advisors

In discharging its duties and responsibilities, the Committee is empowered to retain external legal counsel or other external advisors, as appropriate. The Company shall provide the necessary funds to secure the services of such advisors.

IV. Composition of the Committee

The Committee is composed of any number of Directors, but no less than three, as may be determined by the Board from time to time by resolution. Each member of the Committee shall be independent from the Company, as determined by the Board in accordance with applicable laws, rules and regulations.

V. Term of the Mandate

Committee members are appointed by Board resolution to carry out their mandate extending from the date of the appointment to the next Annual General Meeting of Shareholders, or until successors are so appointed.

VI. Vacancy

The Board may fill vacancies at any time by resolution. Subject to the constitution of the quorum, the Committee's members can continue to act even if there is one or many vacancies on the Committee.

VII. Chairman

The Board appoints the Committee Chairman who will call and chair the meetings.

VIII. Secretary

Unless decided otherwise by resolution of the Board, the Secretary of the Company shall act as Committee Secretary. The Secretary must attend Committee meetings and prepare the minutes. He must provide notification of meetings as directed by the Committee Chairman. The Secretary is the guardian of the Committee's records, books and archives.

IX. Meeting Proceedings

The Committee establishes its own procedures as to how meetings are called and conducted. Unless it is otherwise decided, the Committee shall meet privately and independently from Management at each regularly scheduled meeting. In the absence of the regularly appointed Chairman, the meeting shall be chaired by another Committee member selected among attending participants and appointed accordingly.

In the absence of the regularly appointed Secretary, Committee members shall designate someone to carry out this duty.

X. Quorum and Vote

Unless the Board otherwise specifies by resolution, two Committee members shall constitute an appropriate quorum for deliberation of items on the agenda. During meetings, decisions are reached by a majority of votes from Committee members, unless the quorum is of two members, in which case decisions are made by consensus of opinion.

XI. Records

The Committee keeps records that are deemed necessary for its deliberations and reports to the Board on its activities and recommendations on a regular basis.

XII. Effective Date

This charter was adopted by the Directors during the February 8, 2006 Board meeting.