



## MANDATE OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Reporting to the Board of Directors (the “**Board**”) of Labopharm Inc. (the “**Company**”), and as one of its members, the President and Chief Executive Officer (the “**CEO**”) is responsible for implementing the Company’s strategic and operational objectives and for the execution of the Board’s decisions.

### I. RESPONSIBILITIES

The CEO has the following responsibilities:

#### A. *With respect to strategic planning*

- Formulating, and recommending to the Board, a long-term strategy that will promote shareholder value.
- Assuming ultimate accountability for the execution of the Company’s strategy and policies and, if applicable, for their communication to the Company’s key senior executives as well as to the Company’s external partners.
- Submitting to the Board annual business plans and budgets that support the Company’s strategy and, when approved by the Board, implementing such business plans within the parameters of such budgets.

#### B. *With respect to operations of the Company*

- Supervising the management of the Company and the Company’s subsidiaries in order to ensure that their operations coincide with the strategic plan of the Company.
- Identifying and managing the risks and business opportunities faced by the Company in the course of its business.
- Monitoring the hiring, compensation and performance assessment of the Company’s senior management in cooperation with the Compensation Committee.
- Directing and monitoring the activities of the Company in a manner that ensures that targets that have been set are met and that the assets of the Company are safeguarded and utilized in the best manner and in the best interests of the Company.

#### C. *With respect to corporate governance matters*

- Serving as the Company’s key spokesperson for all major issues.
- Collaborating with the Chairman of the Board and the Secretary in establishing Board agendas and ensuring that the Chairman of the Board as well as its members are kept informed of the overall business operations of the Company and of its subsidiaries and of major issues facing them.
- Maintaining effective channels of communication with the Chairman and the Board as a whole and meeting periodically and as required with the Chairman of the Board and other Board members in order to ensure that they quickly receive all desired information.
- Fostering a corporate culture that promotes integrity, discipline and sound financial policies.
- Ensuring that the Company is in compliance with all applicable laws and regulations in all areas of its operations.

- Ensuring that the Company has an accounting system in place capable of producing financial statements that fairly reflect the Company's financial situation and enable investors to understand the Company's business and to make investment decisions accordingly.

## **II. PERFORMANCE ASSESSMENT**

The Compensation Committee of the Company reviews and approves annually the objectives which the CEO is responsible for meeting, assesses the CEO in light of these objectives and establishes the compensation he will receive. A report is thereafter presented to the Board for approval.