



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of the shareholders of Ambrilia Biopharma Inc. (“**Ambrilia**”) will be held at Mount-Royal Center, International Room, 2200 Mansfield Street, Montréal, Québec, on June 10, 2008 at 10:30 a.m. (Montréal time), for the following purposes:

1. To receive the Financial Statements of Ambrilia for the fiscal period ended December 31, 2007, together with the auditors’ report thereon;
2. To elect eight directors;
3. To appoint the auditors of Ambrilia and authorize the directors to fix their remuneration;
4. To transact such further and other business as may properly come before the meeting or any adjournment thereof.

DATED at Verdun, Québec this 13th day of May, 2008.

BY ORDER OF THE BOARD OF DIRECTORS

(s) Richard La Rue

Vice President, Legal Affairs,
Human Resources and Corporate Secretary

IMPORTANT

Shareholders registered at the close of business on May 6, 2008 are entitled to receive this notice of meeting and to vote at the Meeting. **Shareholders who are unable to attend the Meeting in person are urged to complete and sign the enclosed form of proxy and return it in the postage-paid envelope provided for that purpose.** To be valid, proxies must be received at the office of Computershare Trust Company of Canada, 1500 University Street, Suite 700, Montréal, Québec H3A 3S6 no later than on June 8, 2008 at 5:00 p.m. (Montréal time).



INFORMATION CIRCULAR

May 13, 2008

PART I
INFORMATION CONCERNING THE MEETING

DATE, TIME AND PLACE OF MEETING

This information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by and on behalf of the management of Ambrilia Biopharma Inc. (“**Ambrilia**”) for use at the meeting to be held at Mount-Royal Center, International Room, 2200 Mansfield Street, Montréal, Québec, on June 10, 2008 at 10:30 a.m. (Montréal time) and every adjournment thereof for the purposes set forth in the Notice of Meeting (the “**Meeting**”). Except as otherwise indicated, the information contained herein is given as of May 13, 2008, and, except as otherwise mentioned, all dollar amounts set forth herein are expressed in Canadian dollars.

SOLICITATION OF PROXIES

The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone, by telecopy, by the Internet, by advertisement or by officers or regular employees of Ambrilia at nominal cost. The cost of solicitation by management will be borne by Ambrilia.

QUORUM FOR THE TRANSACTION OF BUSINESS

Four or more persons present and holding or representing by proxy not less than 15% of the shares entitled to vote at the Meeting will form a quorum. If a quorum is not present at the opening of the Meeting, the shareholders of Ambrilia (the “**Ambrilia Shareholders**”) present or represented by proxy may adjourn the Meeting to a fixed time or place, but may not transact any other business.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are senior officers of Ambrilia. **An Ambrilia Shareholder desiring to appoint some other person as his or her proxy holder may do so by either inserting such person’s name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to either the Corporate Secretary of Ambrilia at 1000 chemin du Golf, Verdun, Québec, H3E 1H4, or to Computershare Trust Company of Canada, 1500 University Street, Suite 700, Montréal, Québec, H3A 3S8, before the close of business on June 8, 2008 or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) preceding the day of the adjourned Meeting.**

An Ambrilia Shareholder who has given a proxy may revoke it as to any matter on which a vote has not already been cast under the authority conferred by such proxy and may do so: (a) by completing and signing a proxy bearing a later date and depositing it as described above; (b) by depositing an instrument in writing executed by the Ambrilia Shareholder or by his or her attorney authorized in writing (i) at the registered office of Ambrilia at any time up to and including the last business day preceding the day of the Meeting, or an adjournment thereof, at which the proxy is to be used, or (ii) with the Chairman of the Meeting on the day of the Meeting, or an adjournment thereof; or (c) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the instructions of the Ambrilia Shareholders appointing them. **In the absence of such instructions, the shares will be voted as follows:**

- **FOR** the election of each proposed director; and
- **FOR** the appointment of the proposed auditors and the authorization of the directors to fix their remuneration;

all as described in this Circular.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying notice of meeting (the “Notice of Meeting”) and to other matters that may properly come before the Meeting. At the date of this Circular, the management of Ambrilia is not aware of any such amendments, variations or other matters expected to come before the Meeting other than the matters referred to in the Notice of Meeting. If any matters that are not now known properly come before the Meeting, the persons named in the enclosed form of proxy will vote on such matters in accordance with their best judgment.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of this Circular, 47,963,634 common shares of Ambrilia (“**Common Shares**”) were outstanding. Ambrilia Shareholders whose names are registered at the close of business on May 6, 2008 (the “**Record Date**”) will be entitled, at the Meeting, to one vote for each Common Share held.

To the knowledge of the directors and officers of Ambrilia, as of the date of this Circular, no person beneficially owns or exercises control or direction over shares carrying more than 10% of the votes attaching to the outstanding Common Shares, except Turenne Capital Partenaires, which exercises control over 5,151,406 Common Shares, representing approximately 10.7% of the outstanding Common Shares.

Ambrilia and Investissement Desjardins (“**Desjardins**”) entered into an agreement on March 26, 2003 (the “**Desjardins Agreement**”), pursuant to which, as long as Desjardins holds at least 2% of the issued and outstanding Common Shares, Desjardins has the right to designate one nominee to represent it on Ambrilia’s Board of Directors (the “**Board**”). Ambrilia and all the former shareholders of Bioxalis Medica Inc. (the “**Bioxalis Shareholders**”) entered into an agreement on June 29, 2005 (the “**Bioxalis Agreement**”), pursuant to which, as long as the Bioxalis Shareholders, in the aggregate, hold at least 2% of the issued and outstanding Common Shares, the Bioxalis Shareholders have the right to designate one nominee to represent them on the Board.

ADVICE TO BENEFICIAL HOLDERS OF SHARES

The information set forth in this section should be reviewed carefully by the non-registered Ambrilia Shareholders. Ambrilia Shareholders who do not hold their shares in their own name (the “Beneficial Shareholders”) should note that only proxies deposited by Ambrilia Shareholders whose names appear on the records maintained by Ambrilia’s registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to an Ambrilia Shareholder by a broker, those shares will, in all likelihood, *not* be registered in the Ambrilia Shareholder’s name. Such shares will more likely be registered under the name of the Ambrilia Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository of Securities Limited, which acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

National Instrument 54-101 of the Canadian Securities Administrators requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Ambrilia Shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the form of proxy provided directly to the registered Ambrilia Shareholders by Ambrilia. However, its purpose is limited to instructing the registered Ambrilia Shareholder (*i.e.*, the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility of obtaining instructions from clients to ADP Investor Communications ("ADPIC") in Canada. ADPIC typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to ADPIC, or otherwise communicate voting instructions to ADPIC (by way of the Internet or telephone, for example). ADPIC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives an ADPIC voting instruction form cannot use that form to vote shares directly at the Meeting. The voting instruction forms must be returned to ADPIC (or instructions respecting the voting of shares must otherwise be communicated to ADPIC) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through a broker or other intermediary, please contact your broker or other intermediary of assistance.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his or her broker (or his or her broker's agent), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Ambrilia Shareholder and vote the shares as proxyholder for the registered Ambrilia Shareholder by entering his or her own name in the blank space on the proxy form provided to him or her by his or her broker (or his or her broker's agent) and return it to that broker (or that broker's agent) in accordance with the broker's instructions (or the agent's instructions).

All references to Ambrilia Shareholders in this Circular, the enclosed form of proxy and the Notice of Meeting are to the registered Ambrilia Shareholders unless specifically stated otherwise.

PART II PARTICULARS OF MATTERS TO BE ACTED UPON

PRESENTATION OF FINANCIAL STATEMENTS

Ambrilia's consolidated financial statements for the year ended December 31, 2007, and the report of the auditors thereon will be presented at the Meeting but no vote is required with respect thereto.

ELECTION OF DIRECTORS

Ambrilia's articles of incorporation provide that the Board shall consist of a minimum of one and a maximum of fifteen directors. In accordance with its by-laws, the Directors have determined that the Board shall consist of eight directors for the time being.

Majority Voting

On February 23, 2007, the Board adopted a new policy, which requires that any nominee for director who receives a greater number of votes withheld than in favour of his or her election shall tender his or her resignation to the Board following the annual meeting. This policy applies only to uncontested elections,

meaning elections where the number of nominees for director is equal to the number of directors to be elected. The Board shall consider, within 90 days, the resignation and whether or not it should be accepted. Resignations shall be expected to be accepted except in situations where extenuating circumstances would warrant the applicable director to continue to serve as a member of the Board. If the resignation is accepted, the Board may leave the vacancy unfulfilled or it may fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the Ambrilia Shareholders.

The management representatives named in the enclosed form of proxy intend to vote FOR the election of each of the eight nominees whose names are set forth below on any ballot that may be called for, unless authority to do so is withheld. Ambrilia’s management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy shall exercise discretionary authority to vote FOR the election of any other person or persons proposed as directors of Ambrilia. Each director elected will hold office until the next annual meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the by-laws of Ambrilia.

The following table and notes thereto set out the name of each person proposed to be nominated for election as a director of Ambrilia; all of the major positions and offices held in Ambrilia by such person; the principal occupation or employment of such person; the year in which such person became a director of Ambrilia; and, to the best of the knowledge of Ambrilia’s management, the approximate number of Common Shares beneficially owned, directly or indirectly, or subject to control or direction by that person at the date of this Circular.

Name and Municipality of Residence	Principal Occupation⁽¹⁾	Director Since	Common Shares Held⁽²⁾
Frédéric Porte ^{(3) (4) (5)} Québec (Canada)	President, Médipress Management Inc. (strategic and financial planning company in the health care sector)	2007	509,752
Philippe Calais Québec (Canada)	President and Chief Executive Officer of Ambrilia	2008	NIL
Bonabes-Olivier de Rougé Paris (France)	Senior Executive Vice-President & Chief Scientific Officer of Ambrilia	2006	561,211
François Lombard ^{(4) (5)} Paris (France)	Chief Executive Officer, Turenne Capital Partenaires ⁽⁶⁾ (France) (fund management company)	2006	NIL
Philip S. Tabbiner ^{(3) (5)} North Carolina (U.S.A.)	President and General Manager, K-12 Learning and Development, Educational Testing Systems (educational products and services)	2006	NIL
Luc Tanguay ^{(3) (4) (7)} Québec (Canada)	Senior Executive Vice-President and Chief Financial Officer, Theratechnologies Inc. (biopharmaceutical company)	2006	3,000
Paul-Henry Schmelck ⁽⁴⁾ Garches (France)	Directeur de Participations, OTC Asset Management ⁽⁸⁾ (fund management company)	2007	NIL

Name and Municipality of Residence	Principal Occupation ⁽¹⁾	Director Since	Common Shares Held ⁽²⁾
Jean-Paul St-Pierre ^{(5) (9)} Québec (Canada)	Biotechnology Consultant and Physician	2007	NIL
TOTAL			1,073,963
Total Percentage			2.24%

Notes:

- (1) For the past five years, all directors of Ambrilia have held the positions described above, except: Dr. Philippe Calais, who from January 2003 to December 2007 was President, Global Business, of Neurochem Inc.; Dr. Bonabes-Olivier de Rougé, who until April 21, 2006, was President of the Directoire & Chief Executive Officer of Cellpep S.A. (now Ambrilia Biopharma France S.A.); Dr. Philip Tabbiner, who from June 2002 to March 2004 was President & Chief Executive Officer of aaiPharma Inc., from April 2004 to December 2005 was a consultant at BioCentrex LLC., and from February 2006 to November 2007 was co-founder and Director of Theragenex Pharma LLC; Mr. Luc Tanguay, who from May 2002 to October 2004 was President and Chief Executive Officer of Theratechnologies Inc.; Dr. Paul Henry Schmelck, who from July 2000 to February 2004 was President of Primebiotech SAS; and, Dr. Jean-Paul St-Pierre, who from June 2004 to July 2005 was Vice- President, Clinical Operations of Wyeth Pharmaceuticals.
- (2) Includes Common Shares beneficially owned, directly or indirectly, or controlled or directed by the directors.
- (3) Member of the Audit Committee.
- (4) Member of the Nominating & Compensation Committee.
- (5) Member of the Corporate Governance & Strategies Committee.
- (6) As of the date of this Information Circular, Turenne Capital Partenaires exercised control or direction over 5,151,406 Common Shares through the following investment funds: Jet Innovation 2, Jet Innovation 3 and Tronchet Associés.
- (7) Mr. Tanguay is nominated pursuant to the Desjardins Agreement.
- (8) As of the date of this Information Circular, OTC Asset Management exercised control or direction over 3,744,031 Common Shares through the following investment funds: OTC Innovation 1, OTC Innovation 2, OTC Innovation 3 and OTC Innovation 4.
- (9) Dr. St-Pierre is nominated pursuant to the Bioxalis Agreement.

None of the proposed directors is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any 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 30 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 30 consecutive days; (iii) or that, 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, other than Mr. Frédéric Porte, who was elected director of Avance Pharma Inc. in October 2004 and resigned from such position on January 26, 2005. In June 2005, Avance Pharma Inc. instituted proceedings under the *Companies' Creditors Arrangements Act* (Canada). In addition, none of the proposed directors has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director.

APPOINTMENT OF AUDITORS

Ambrilia's management proposes the appointment of Ernst & Young LLP, Chartered Accountants, of Montreal, Québec, as auditors of Ambrilia for the year ending December 31, 2008 and that Ambrilia's directors be authorized to fix the auditors' remuneration.

Unless the Ambrilia Shareholder has specified in the enclosed form of proxy that the shares represented by such proxy are to be withheld from voting on the appointment of auditors, on any ballot that may be called for in the appointment of auditors, the management representatives named in the enclosed form of proxy intend to vote FOR the appointment of Ernst & Young LLP, Chartered Accountants, as the auditors of Ambrilia to hold office until the next meeting of shareholders, and FOR the authorization of the directors to fix the auditors' remuneration. Ernst & Young LLP, have been the auditors of Ambrilia since November 1993.

STATEMENT OF EXECUTIVE COMPENSATION

Summary Compensation Table

The following table provides a summary of all compensation awarded or paid to, or earned by, Mr. Hans J. Mäder, Mr. Stephen G. Sudovar, Ms. Monique Létourneau, Dr. Bonabes-Olivier de Rougé, Dr. Jinzi J. Wu and Mr. Richard La Rue (the "Named Executive Officers") for each of Ambrilia's three most recently completed fiscal periods ended December 31, 2005, December 31, 2006 and December 31, 2007:

Name and Principal Position	Fiscal Period	Annual Compensation			Long Term Compensation		All other Compensation
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Options Granted (#)	Long Term Incentive Plan Payouts (\$)	
Hans J. Mäder Former President and C.E.O.	2007	95,172	-	30,051 ⁽²⁾	NIL	NIL	700,000 ⁽³⁾
	2006	312,000	154,800 ⁽¹⁾	16,915	65,000	NIL	NIL
	2005	300,000	75,000	12,000	NIL	NIL	NIL
Stephen G. Sudovar Former Interim C.E.O.	2007	80,000 ⁽⁴⁾	-	-	40,000	NIL	NIL
Monique Létourneau Executive Vice-President, Finance and C.F.O.	2007	206,000	20,600	9,600	32,773	NIL	150,000 ⁽⁵⁾
	2006	198,733	65,582	9,166	21,500	NIL	NIL
	2005	185,000	56,250	7,200	NIL	NIL	NIL
Bonabes-Olivier de Rougé ⁽⁶⁾ Senior Executive Vice- President and C.S.O.	2007	283,207	40,097	12,000	42,605	NIL	NIL
	2006	229,420	94,268	3,176	26,000	NIL	NIL
	2005	NIL	NIL	NIL	NIL	NIL	NIL

Name and Principal Position	Annual Compensation				Long Term Compensation		All other Compensation
	Fiscal Period	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Options Granted (#)	Long Term Incentive Plan Payouts (\$)	
Jinzi J. Wu Vice-President Preclinical and Basic Research	2007	214,240	32,136	7,200	24,345	NIL	NIL
	2006	208,000	83,640	7,200	5,000	NIL	NIL
	2005	200,000	50,000	7,200	NIL	NIL	NIL
Richard La Rue Vice-President, Legal Affairs, Human Resources & Corporate Secretary	2007	201,880	40,376	9,600	34,037	NIL	NIL
	2006	177,760	58,661	9,166	17,680	NIL	NIL
	2005	170,000	52,500	23,546 ⁽⁷⁾	NIL	NIL	NIL

Notes:

- (1) An additional amount was paid to Mr. Mäder to purchase 35,555 Common Shares on the market.
- (2) This amount includes the payment of accrued vacations in the amount of \$24,720.
- (3) This amount includes \$600,000 for severance payment and \$100,000 in Common Shares.
- (4) This amount is in U.S. dollars and represents the salary received by Mr. Sudovar for his services as Interim C.E.O. from April 18 to June 13, 2007.
- (5) This amount represents 75% of a retention bonus paid to Ms. Létourneau. See details under Employment Agreement and Termination Provisions.
- (6) Amounts shown for 2006 are for the period from March 1 to December 31, 2006.
- (7) This amount includes the payment of accrued vacations in the amount of \$16,346.

Option/Stock Appreciation Right (SAR) Grants During the Most Recently Completed Financial Year

The Board approved several stock option awards during the financial year ended on December 31, 2007. Effective January 29, 2007, the exercise price for each grant was the higher of (i) the closing price of the Common Shares on the TSX on the day immediately preceding the date of grant and (ii) the volume weighted average price of the Common Shares on the TSX for the five trading days immediately preceding the date of grant, and on such terms and conditions as are contained in the Plan. Prior to this date, the exercise price was based on the closing price of the Common Shares on the TSX on the day immediately preceding the date of grant. The Board of Directors or the Compensation Committee grants options to eligible employees, including the President and Chief Executive Officer and other Named Executive Officers, for the purchase of a set number of Common Shares. Since January 29, 2007, each option may be exercised over a 7-year period; as of September 2007, 1/3 of the options granted vest one year after the date of grant, 1/3 of the options granted vest two years after the date of grant, and the remaining 1/3 of the options granted vest three years after the date of grant. Before the month of September 2007, 1/3 of the options granted vested one year after the date of grant and the remaining 2/3 of the options granted vested two years after the date of grant. However, options granted to directors and options granted as a special achievement bonus vest immediately upon granting. Ambrilia's stock option granting practices are in line with the requirements of the TSX.

No single participant may be granted options for more than 5% of the outstanding Common Shares. In the event that a participant ceases to be a full-time employee for any reason other than for cause, the maturity date of options that are vested at the time of termination is the expiry of the initial 7-year option period, after which all unexercised options will be forfeited.

Option/SAR Grants During the Most Recently Completed Financial Year

The following table shows information regarding grants of stock options made to the Named Executive Officers during the year ended December 31, 2007:

Name	Securities under Options (#)	% of Total Options Granted to Employees in Fiscal 2007	Exercise or Base Price (\$/Common Share)	Market Value of Securities Underlying Options on the Date of Grant (\$/Common Share)⁽¹⁾	Expiration Date
Hans J. Mäder	NIL	-	-	-	-
Stephen G. Sudovar	40,000	7.0	2.45	2.29	14/06/14
Monique Létourneau	32,773	5.7	2.16	2.15	19/09/14
Bonabes-Olivier de Rougé	42,605	7.5	2.16	2.15	19/09/14
Jinzi J. Wu	24,345	4.3	2.16	2.15	19/09/14
Richard La Rue	1,920 32,117	0.3 5.6	3.89 2.16	3.89 2.15	10/01/12 19/09/14

Notes:

(1) Effective January 29, 2007, the basis for determining the exercise price was changed to the higher of (i) the closing price of the Common Shares on the TSX on the day immediately preceding the date of grant and (ii) the volume weighted average price of the Common Shares on the TSX for the five trading days immediately preceding the date of grant

Aggregated Option/SAR Exercises During the Most Recently Completed Financial Year And Financial Year End Option/Sar Values

The following table shows, for each Named Executive Officer:

- the number of Common Shares acquired through the exercise of stock options during the financial year ended December 31, 2007;
- the aggregate value realized upon exercise of options, if any; and
- the number of Common Shares underlying unexercised options under the Stock Option Plan as at December 31, 2007.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SARs at Year End		Value of Unexercised Options/ SARs at Year End	
			(#) Exercisable	(#) Unexercisable	(\$) Exercisable	(\$) Unexercisable
Hans J. Mäder	NIL	NIL	95,000	NIL	NIL	NIL
Stephen G. Sudovar	NIL	NIL	40,000	NIL	NIL	NIL
Monique Létourneau	NIL	NIL	25,667	47,106	NIL	NIL
Bonabes-Olivier de Rougé	NIL	NIL	8,667	59,938	NIL	NIL
Jinzi J. Wu	NIL	NIL	9,256	24,345	NIL	NIL
Richard La Rue	NIL	NIL	22,893	45,824	NIL	NIL

Options and SAR Repricings

Ambrilia has not repriced downward any options or SARs held by Named Executive Officers during the financial year ended December 31, 2007.

Pensions

Ambrilia does not provide a pension plan to any employees.

Employment Agreements and Termination Provisions

On January 3, 2008, Ambrilia entered into an employment agreement with Dr. Philippe Calais, the President and Chief Executive Officer of Ambrilia, under which Dr. Calais received options to acquire 200,000 Common Shares upon beginning of his employment and will receive options to acquire 200,000 Common Shares after one year, as incentives to employment. The agreement contained provisions relating to confidentiality, non-competition and assignment of inventions. Dr. Calais is entitled to one year notice of termination or pay in lieu thereof in the event of termination without cause. As at January 3, 2008, Dr. Calais's annual salary is \$280,000 and he is also entitled to an annual bonus of up to 35% of his annual salary under Ambrilia's Short-Term Incentive Plan against company results as to 75% and against personal objectives as to the other 25%. In addition, Dr. Calais is also entitled to receive an amount equivalent to 5% of his annual salary as Ambrilia's contribution to his RRSP and other benefits, including life insurance and healthcare benefits.

Ambrilia has also entered into employment agreements with each of the other Named Executive Officers. Each of these employment agreements sets out the obligations of the Named Executive Officer to Ambrilia and the compensation to be paid. The Named Executive Officers' compensation includes a combination of base salary, cash bonus, stock options and other benefits, including life insurance and healthcare benefits. Each employment agreement also contains provisions relating to confidentiality, non-competition and assignment of inventions.

In the event of termination without cause, Dr. Bonabes-Olivier de Rougé, the Senior Executive Vice-President and Chief Scientific Officer of Ambrilia, Ms. Monique Létourneau, the Executive Vice-

President, Finance and Chief Financial Officer, Dr. Jinzi J. Wu, the Vice-President, Preclinical and Basic Research and Mr. Richard La Rue, the Vice-President, Legal Affairs, Human Resources & Corporate Secretary and, are each entitled to one year notice or pay in lieu thereof.

Pursuant to the employment agreement of April 18, 2001 between Ambrilia the Executive Vice-President, Finance & Chief Financial Officer, Ms. Létourneau was entitled to receive one year notice or pay in lieu thereof should she have opted to leave Ambrilia following Mr. Mäder's departure from Ambrilia. Following Mr. Hans Mäder's departure as President & Chief Executive Officer of Ambrilia, Ambrilia agreed to pay Ms. Létourneau a retention bonus of \$200,000 payable in four equal quarterly payments of \$50,000 starting in June 2007 provided Ms. Létourneau is still in the employment of Ambrilia at the time such installment is payable. In consideration of such retention bonus, Ms. Létourneau has agreed to remain in the employment of Ambrilia until at least June 15, 2008, failing which any portion of such retention bonus already paid by Ambrilia shall be reimbursed to it.

In February 2008, in the context of the cessation of his employment with Ambrilia and in accordance with his employment agreement, it was agreed that Dr. Chandra Panchal, Executive Vice-President, Business Development, Licensing and Intellectual Property of Ambrilia, will receive a lump sum payment of \$452,908, representing his base salary for two years plus the amount of his total maximum contribution to his RRSP for years 2008 and 2009 and an amount of \$15,050 representing his outstanding vacation pay by no later than June 30, 2008.

COMPOSITION OF THE COMPENSATION COMMITTEE

The Compensation Committee of Ambrilia was, from June 20, 2006 to January 29, 2007, composed of the following independent directors: Dr. Max Link, Dr. Bernard Coupal, Mr. Stephen G. Sudovar and Dr. Philip S. Tabbiner. Dr. Max Link and Dr. Coupal resigned on January 29 and January 30, 2007, respectively. From January 30, 2007 to February 23, 2007, the Compensation Committee was composed of Mr. Stephen G. Sudovar and Dr. Philip S. Tabbiner and, from February 23, 2007, until June 14, 2007, it was composed of the four following independent directors: Mr. Joseph Krivulka, Mr. Frédéric Porte, Dr. François Lombard and Mr. Luc Tanguay. From June 14, 2007, until January 25, 2008, the Compensation Committee was composed of the following independent directors: Dr. François Lombard, Mr. Luc Tanguay and Mr. Frédéric Porte. Since January 25, 2008, Dr. Paul-Henry Schmelck, an independent director, has joined Dr. Lombard, Mr. Tanguay and Mr. Porte as additional member of the Compensation Committee.

REPORT ON EXECUTIVE COMPENSATION

Overview

Compensation is one of the primary tools used by Ambrilia to attract, retain and motivate employees with the skills and commitment needed to create sustainable value for Ambrilia Shareholders. This is particularly true for the most senior officers, who have a significant influence on corporate performance.

Base salaries and benefits are set at median of market. A major portion of senior executive incentive compensation, however, is variable; the total amount received is directly influenced by the results of Ambrilia and his own performance.

This report on executive compensation is presented by the Compensation Committee.

The Compensation Committee advises the board on compensation and human resource principles, as well as related policies, programs and plans designed to achieve the strategic goals and financial objectives of Ambrilia. Each year the Compensation Committee also reviews senior executive performance, talent development programs and executive compensation disclosure.

The President and Chief Executive Officer's compensation is approved by the Board based on the recommendations of the Compensation Committee in light of Ambrilia's performance against approved objectives. The Compensation Committee also approves the compensation of senior management, including those whose compensation is set forth under the summary compensation table.

Independent Advice

The Compensation Committee has sole authority to retain and approve the fees of any independent compensation consultant to assist in determining compensation for officers of Ambrilia. The Compensation Committee engages the services of an independent consultant from Aon Consulting to provide advice and counsel on executive compensation matters. The Chair of the Compensation Committee has direct access to the independent consultant.

Ambrilia's General Approach to Executive Compensation

The compensation package for Ambrilia's executive officers has three main components: base salary, benefits and performance based compensation, which includes the Short-Term Incentive Plan and the Stock Option Plan evaluated against competitive market practices.

Base salary and benefits generally correspond to median range of salary and benefits paid by companies in Ambrilia's sector of activities. The Short-Term Incentive Plan and the Stock Option Plan are broadly designed to produce awards in the superior quartile of similar awards by comparative companies when Ambrilia has strong performance, as measured against its targets.

The Compensation Committee has set an annual target for the annual Short-Term Incentive Plan of 30% of base salary for the senior officers and for other employees and is based on market practices in Ambrilia's sector of activity.

A significant portion of compensation is delivered through a long-term equity incentive program (the Stock Option Plan). These awards reflect the executive's level of business influence, accountabilities, decisions and actions, as well as the executive's impact on long-term shareholder value creation.

The Compensation Committee's decisions on long-term equity incentive awards are not based on the number of outstanding options or the in-the-money value of outstanding options.

The Components of Compensation

Base Salary and Benefits

Each year, the Compensation Committee reviews the individual salaries for the Named Executive Officers and, if needed, makes adjustments to reflect individual responsibility and experience, as well as the contribution expected from each officer. Ambrilia also offers levels of benefits that are comparable to peer companies.

Short-Term Incentive Plan

Ambrilia believes that incentive pay rewards employees for their contribution to its overall performance. A key component of an employee's annual short-term incentive pay remains Ambrilia's overall performance.

The key performance drivers used in determining incentives for 2007 under Ambrilia's Short-Term Incentive Plan are presented below.

Corporate Performance Objectives	
Objectives	Associated Weighting
Corporate General & Finance	20%
Technologies	55%
Licensing	25%

The actual 2007 annual short-term incentive for each Named Executive Officer was weighted as follows: 50% for overall corporate objectives and 50% for his or her business area contribution, adjusted for individual performance. This contribution is reviewed against a variety of factors, including business results, judgment, managerial performance and overall contribution to Ambrilia's success. For the President and Chief Executive Officer, the annual short-term incentive award is based on overall corporate financial performance and other corporate priorities.

In addition, no Named Executive Officer, executive or senior manager would receive an annual short-term incentive payment if Ambrilia's performance fell below the minimum performance thresholds set by the Board.

The Compensation Committee, having considered the achievements of the Corporation during year 2007, came to the conclusion that the corporate objectives for 2007 were achieved at a level of 70%. Performance bonuses were granted to the senior managers of the Corporation based on such a level of achievement, the whole in accordance with the Short-Term Incentive Plan of Ambrilia.

Long-Term Equity Incentive Program

Stock Option Plan

Ambrilia's Stock Option Plan provides senior officers with an incentive to enhance shareholder value by providing participants with a form of compensation that is tied to increases in the market value of the Common Shares.

Options are granted by the Board or by the Compensation Committee to eligible senior officers, including the President and Chief Executive Officer and the other Named Executive Officers.

Effective January 1, 2003, Ambrilia commenced expensing stock options in its financial statements.

President and Chief Executive Officer's Compensation

The components of the President and Chief Executive Officer's total compensation are the same as those for other executive officers of Ambrilia, namely, base salary and benefits, an annual short-term incentive and long-term equity incentive.

The Compensation Committee's objective is to provide competitive compensation. In setting total compensation levels for the President and Chief Executive Officer, Ambrilia defines total direct compensation as the aggregate of base salary, annual short-term incentive, and long-term equity incentive such as stock options.

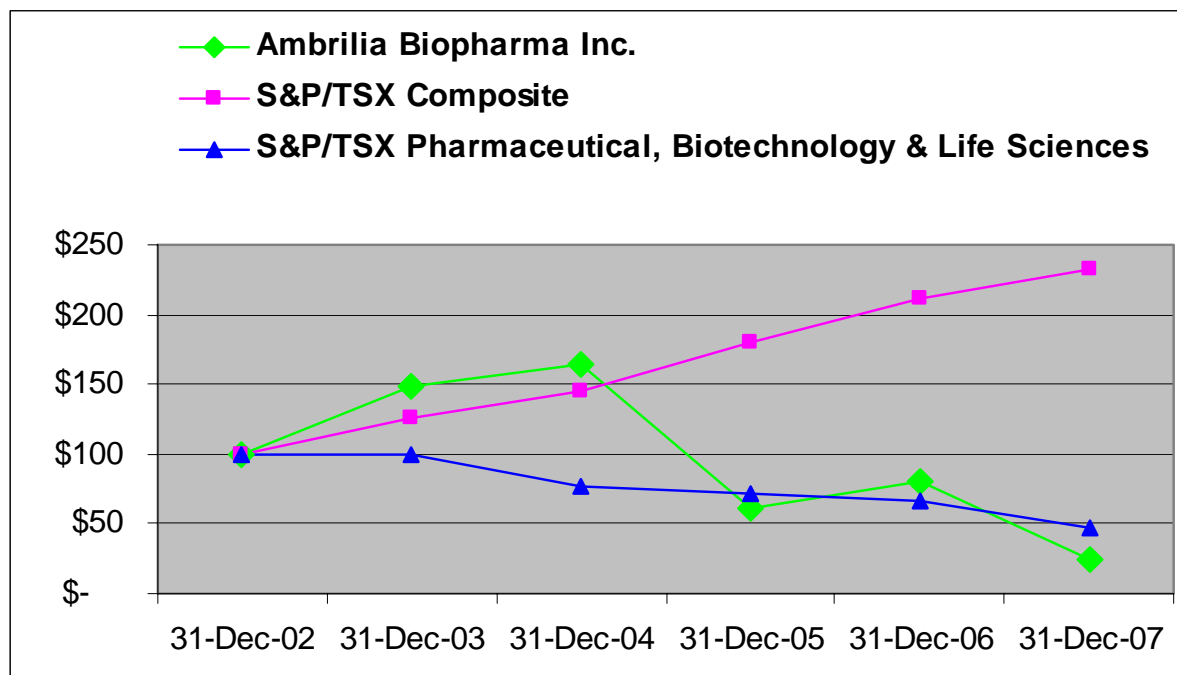
2007 President and Chief Executive Officer Performance Assessment

On April 17, 2007, Mr. Mäder resigned as President & Chief Executive Officer and received the severance payments as more fully described in the Summary Compensation Table and under Employee Share Purchase Loan Program in this Circular.

This report of the Compensation Committee has been approved by the Board on May 13, 2008.

PERFORMANCE GRAPH

On August 18, 1998, Ambrilia's Common Shares commenced trading on the Canadian Venture Exchange. Effective August 1, 2000, the Common Shares were listed on the TSX. The following graph compares the yearly change in the cumulative shareholder total return on \$100 invested in the Common Shares from December 31, 2002 to December 31, 2007 compared to the cumulative total return of the S&P / TSX Composite Index and the cumulative total return of the S&P / TSX Pharmaceuticals, Biotechnology & Life Sciences Index for the same period:



	Dec. 31, 2002	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007
Ambrilia	\$100	\$148	\$164	\$62	\$80	\$24
S&P/TSX	\$100	\$127	\$145	\$180	\$211	\$232
S&P/TSX Pharmaceuticals, Biotechnology & Life Sciences *	\$100	\$99	\$76	\$71	\$67	\$46

* S&P/TSX Pharmaceutical, Biotechnology & Life Science Composite GICS Industry Group.

COMPENSATION OF DIRECTORS

During the year ended December 31, 2007, each non-executive director was entitled to receive an annual retainer of \$20,000 for his tenure as director. Each non-executive director also received attendance fees of \$1,600 for each board meeting (\$800 if phone meeting). As to the Chairman of the Board, he was entitled to receive an annual fee of \$62,000 but no attendance fees for Board meetings. In addition, each member of a committee of the Board, including the Chairman of the Board, received attendance fees of \$1,600 for each meeting of a committee to which they are appointed (\$800 if phone meeting). In addition to the attendance fees they received, the Chairman of the Audit Committee received an annual retainer of \$9,000 and the Chairmen of the other committees of the Board each received an annual retainer of \$5,000. In 2007, payments to the directors were made in U.S. dollars. Directors were also entitled to be reimbursed their reasonable out-of-pocket expenses incurred on the business of Ambrilia and were eligible to also receive stock options.

Further to the departure of the President & Chief Executive Officer in April 2007, followed by the leaving of the Interim Chief Executive Officer in June 2007, the Chairman of the Board and the directors had to provide an additional contribution during a year of transition. Consequently, there was a significant number of Board and committee meetings during year 2007 and a sub-group of the Corporate Governance & Strategies Committee was established to review and assess the various programs of Ambrilia. Also, the Chairman of the Board spent a significant amount of time in assisting management in the day-to-day operations of Ambrilia.

During the financial year ended December 31, 2007, fees in the amount of \$681,178 were paid to non-executive directors then in office (excluding reimbursement of expenses). Such amount of \$681,178 includes fees in the amount of \$218,750 paid to the members of the sub-group of the Corporate Governance & Strategies Committee and \$97,500 paid to the Chairman of the Board for his additional services rendered from June 13 to December 31, 2007 while there was no Chief Executive Officer in place.

In 2007, the non-executive directors were granted a total of 123,750 stock options as follows:

Name	Date Granted	Exercise Price	Number of Options	Initial Expiry Date
Stephen G. Sudovar	January 29, 2007	3.97	8,750	January 29, 2012
François Lombard	January 29, 2007	3.97	15,000	January 29, 2012
Philip S. Tabbiner	January 29, 2007	3.97	15,000	January 29, 2012
Joseph J. Krivulka	January 29, 2007	3.97	15,000	January 29, 2012
Luc Tanguay	January 29, 2007	3.97	15,000	January 29, 2012
Frédéric Porte	January 29, 2007 July 6, 2007	3.97 2.13	15,000 40,000	January 29, 2012 July 6, 2014

The Directors, with a view to conserving Ambrilia's cash and limiting the Board fees for fiscal year 2008, approved modifications to the remuneration of the Chairman and of the non-executive directors. The Board fees will be paid in the form of fixed annual retainers covering their services for all meetings of the Board and of the Committees thereof to take place during the year. The cash portion of such retainers (not to exceed 75% of the remuneration) will be as follows: Chairman of the Board: \$46,500 plus \$18,750 for his additional work during the transition period following the appointment of the new C.E.O., each

external Director: \$24,375, each member of the Audit Committee: \$11,250, and each member of the other Committees: \$5,625. The rest of the remuneration will be paid in stock options. For fiscal year 2008, the total cash portion of the remuneration of the external directors will not exceed \$300,000.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table shows, as of December 31, 2007, compensation plans under which equity securities of Ambrilia are authorized for issuance from treasury. The information has been aggregated either by equity compensation plans providing for the issuance of Common Shares previously approved by Ambrilia Shareholders, or equity compensation plans providing for the issuance of Common Shares not previously approved by Ambrilia Shareholders.

Plan	Securities To Be Issued Upon Exercise of Outstanding Options (#)	Weighted Average Price of Outstanding Options (\$)	Securities Remaining Available for Issuance (#)
Equity compensation plans approved by securityholders	1,023,267	3.28	2,175,694 ⁽¹⁾
Equity compensation plans not approved by securityholders	NIL	NIL	NIL

Note:

- (1) The Stock Option Plan allows for the issuance of stock options to purchase up to 10% of the total number of outstanding Common Shares at the time of grant.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The aggregate indebtedness of all officers, directors, employees, and former officers, directors and employees of Ambrilia, or a subsidiary of Ambrilia, outstanding as at December 31, 2007, that is owed to Ambrilia, or a subsidiary of Ambrilia, in connection with a purchase of securities of Ambrilia, or of a subsidiary of Ambrilia, is \$200,000.

Name and Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding During the Fiscal Year Ended December 31, 2007 (\$)	Amount Outstanding as at December 31, 2007 (\$)⁽¹⁾	Financially Assisted Securities Purchases During the Fiscal Year Ended December 31, 2007	Security for Indebtedness
Hans J. Mäder Former President and C.E.O.	Lender	100,000	100,000 ⁽²⁾	NIL	Pledge of securities

Name and Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding During the Fiscal Year Ended December 31, 2007 (\$)	Amount Outstanding as at December 31, 2007 (\$) ⁽¹⁾	Financially Assisted Securities Purchases During the Fiscal Year Ended December 31, 2007	Security for Indebtedness
Chandra J. Panchal Former Executive Vice-President, Business Development, Licensing and IP	Lender	100,000	100,000 ⁽²⁾	NIL	Pledge of securities

Notes:

- (1) See also “Employee Share Purchase Loan Program”.
- (2) Loans to senior officers under the Loan Program (as defined below).

Employee Share Purchase Loan Program

As a result of the interest by its employees and officers to purchase Common Shares and special warrants of Ambrilia, Ambrilia implemented an employee share purchase loan program (the “**Loan Program**”) effective April 11, 2000. Under the terms of the Loan Program, certain key employees were permitted to participate in the April 11, 2000 special warrant offering of Ambrilia through loans made by Ambrilia under the Loan Program. Loans were limited to a maximum of \$500,000 in the aggregate and to a maximum of \$100,000 to any one individual. All loans are secured by a pledge of the special warrants acquired and the securities underlying those special warrants. By resolution adopted by the Board on February 28, 2003, the term of the two remaining outstanding loans of \$100,000 each, namely the loans made to Mr. Hans J. Mäder and to Dr. Chandra J. Panchal, was extended from April 11, 2003, to April 11, 2013, provided however that (i) the loans will be repayable in full upon the market price of the Common Shares exceeding their issue price of \$26.20 and reaching a market value of \$26.50 for ten consecutive trading days, (ii) upon termination of the borrowers’ employment with Ambrilia prior to the reimbursement of their respective loans, any portion of the loans remaining outstanding, after the proceeds of the sale of the Common Shares underlying the warrants have been applied to repay such loans, will be foregone and (iii) Ambrilia will indemnify the borrowers against any adverse personal tax consequences resulting therefrom.

On April 18, 2007, in the context of an agreement with Mr. Hans J. Mäder on the terms and conditions of the cessation of his employment as President and Chief Executive Officer of Ambrilia, Mr. Mäder and Ambrilia agreed to temporarily suspend their respective obligations above described. In this regard, Mr. Mäder and Ambrilia agreed that the said obligations shall be met upon a date to be determined by Ambrilia, which date shall in no event be later than December 31, 2008. As security for the performance of its obligations, Ambrilia agreed to deposit in escrow with Heenan Blaikie LLP the sum of CDN \$50,000, which funds shall be released from escrow upon receipt of satisfactory evidence that Ambrilia has respected its obligation to indemnify Mr. Mäder against any adverse personal tax consequences resulting from the loan.

On February 22, 2008, in the context of an agreement with Dr. Chandra J. Panchal on the terms and conditions of the cessation of his employment as Executive Vice-President, Business Development and Licensing & Intellectual Property of Ambrilia, Dr. Panchal and Ambrilia agreed to temporarily suspend

their respective obligations above described. In this regard, Dr. Panchal and Ambrilia agreed that the said obligations shall be met upon a date to be determined by Ambrilia, which date shall in no event be later than February 28, 2010. As security for the performance of its obligations, Ambrilia agreed to deposit in escrow with Carlyle Peterson Lawyers LLP the sum of CDN \$50,000, which funds shall be released from escrow upon receipt of satisfactory evidence that Ambrilia has respected its obligations to indemnify Dr. Panchal against any adverse personal tax consequences resulting from the loan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Ambrilia's management is unaware of any informed person of Ambrilia, any proposed director of Ambrilia, or any associate or affiliate of such persons, that had a material interest, direct or indirect, in any transaction since the commencement of Ambrilia's financial year ended on December 31, 2007, or in any proposed transaction that has materially affected or would materially affect Ambrilia or its subsidiaries.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Ambrilia provides, as at the date of this Circular, directors' and officers' liability insurance with a policy limit of \$20,000,000 in the aggregate, subject to a deductible amount of \$50,000 per occurrence (\$100,000 per securities claim). The premium paid by Ambrilia in the financial year ended December 31, 2007, in respect of the directors and officers of Ambrilia as a group was \$80,997. No part of the premium was paid by any director or officer. Under this insurance coverage, Ambrilia is reimbursed for payments made under the corporate indemnity provisions on behalf of its directors and officers and individual directors and officers are reimbursed for losses arising in the performance of their duties for which they are not indemnified by Ambrilia. Illegal acts and those acts which result in personal profit are excluded from coverage.

AUDIT COMMITTEE

For information regarding Ambrilia's Audit Committee's composition, Audit Committee's Charter and the Audit Committee's pre-approval policies and procedures for non-audit consultant services and the service fees paid to Ambrilia's auditors as well as other related matters, see "Audit Committee Disclosure" in Ambrilia's Annual Information Form for the year ended December 31, 2007.

PART III MISCELLANEOUS

OTHER MATTERS

Ambrilia's management knows of no other matter to come before the Meeting other than the matters referred to in the Notice of the Meeting. If any matters that are not now known properly come before the Meeting, the accompanying proxy instrument will be voted on such matters in accordance with the best judgment of the person voting it.

2009 SHAREHOLDER PROPOSALS

For the next annual meeting of Ambrilia Shareholders, Ambrilia Shareholders must submit any proposal that they wish to raise at that meeting by February 18, 2009.

ADDITIONAL INFORMATION

Additional information concerning Ambrilia, including Ambrilia's consolidated interim and annual financial statements and related management's discussion and analysis and Ambrilia's Annual

Information Form, is available on SEDAR, which may be accessed at www.sedar.com. When available, copies of such information may also be obtained on Ambrilia's Website at www.ambrilia.com or upon request to the Corporate Secretary of Ambrilia at 1000 chemin du Golf, Verdun, Québec, H3E 1H4.

The contents and the sending of this Circular have been approved by the directors of Ambrilia.

APPROVED at Verdun, Québec, this 13th day of May, 2008.

(s) Richard La Rue

Vice President, Legal Affairs,
Human Resources and Corporate Secretary

SCHEDULE A

CORPORATE GOVERNANCE PRACTICES

Ambrilia believes that effective corporate governance practices are fundamental to the overall success of a corporation. Effective June 30, 2005, the Canadian Securities Administrators have adopted National Instrument 58-101 (“**NI 58-101**”) and the associated National Policy 58-201 (“**NI 58-201**”) which require Ambrilia to disclose its corporate governance practices. These new rules replace the corporate governance guidelines of the Toronto Stock Exchange. For more information on the Board’s mandate and its permanent committees or to receive a copy or consult the documents below, contact Ambrilia’s head office, or visit the website www.ambrilia.com.

- Mandate of the Board
- Charter of the Audit Committee
- Charter of the Nominating & Compensation Committee

BOARD OF DIRECTORS

Independent Directors

The Board is currently comprised of eight members of which six are independent and two are not independent within the meaning of the definition of National Instrument 52-110 respecting Audit Committees (“**NI 52-110**”). The independent directors are not employees or executives of Ambrilia and are not subject to any influence by Ambrilia or its management. As is the case with the independent directors, the non-independent directors are sensitive to conflicts of interest and excuse themselves from deliberations and voting in the appropriate circumstances. Their extensive knowledge of Ambrilia’s business is extremely beneficial to Ambrilia and the other directors and their participation as directors is an important element of the overall effectiveness of the Board.

The directors proposed by management for election at the Annual Meeting of Shareholders have examined the definition of “independence” of NI 52-110 and have individually considered their respective interests and relationships in and with Ambrilia. The Board has concluded that six of Ambrilia’s eight proposed directors are independent directors.

The independent directors regularly hold meetings at which non-independent directors and members of management are not in attendance. Accordingly, the Board believes that its relationship with management and its supervision of the management of the business and affairs of Ambrilia are appropriate.

The six current independent directors are:

- Mr. Frédéric Porte;
- Dr. François Lombard;
- Dr. Philip S. Tabbiner;
- Mr. Luc Tanguay;
- Dr. Paul-Henry Schmelck; and
- Dr. Jean-Paul St-Pierre.

The two current non-independent directors are:

- Dr. Philippe Calais, being the President and Chief Executive Officer of Ambrilia; and
- Dr. Bonabes-Olivier de Rougé, being the Senior Executive Vice-President and Chief Scientific Officer of Ambrilia.

The following directors currently serve on the board of directors of other reporting issuers (or equivalent) as follows:

- Dr. François Lombard:
 - Turenne Investissement, General Partner
- Mr. Luc Tanguay:
 - Theratechnologies Inc.
- Mr. Frédéric Porte:
 - Labopharm Inc.

On January 29, 2007, Dr. Max Link resigned as Chairman of the Board and the directors unanimously appointed Mr. Stephen G. Sudovar as Chairman of the Board. On April 18, 2007, Mr. Hans J. Mäder resigned as President and Chief Executive Officer of Ambrilia and Mr. Stephen G. Sudovar was appointed Executive Chairman and Interim Chief Executive Officer. On June 13, 2007, Mr. Stephen G. Sudovar resigned as Executive Chairman and Interim Chief Executive Officer and Mr. Frédéric Porte was appointed as Chairman of the Board. On June 14, 2007, Mr. Richard La Rue, Vice-President, Legal Affairs, Human Resources and Corporate Secretary of Ambrilia, was elected by the shareholders as director. On November 13, 2007, Dr. Paul-Henry Schmelck was appointed by the Board as additional Director. On December 7, 2007, Dr. Jean-Paul St-Pierre was appointed as additional Director. Effective January 3, 2008, Mr. La Rue resigned as Director and Dr. Calais was appointed as director effective on the same date. Although there is no written description of the position of Chairman of the Board, the Board has established that the Chairman of the Board's responsibility is to oversee that the Board discharges its responsibilities and that its role and responsibilities include, but are not limited to:

- Promote in conjunction with the Audit Committee and the Nominating & Compensation Committee the highest standards of corporate governance;
- Ensure in conjunction with the Audit Committee and the Nominating & Compensation Committee that the Board, the Committees of the Board and directors discharge their obligations under Ambrilia's system of corporate governance;
- Ensure that the members of the Board understand the boundaries between Board and management responsibilities; and
- Chair meetings of independent directors to be held in appropriate circumstances.

It is Ambrilia's policy to keep the size of the Board relatively small in order to maintain its efficiency and effectiveness. The Audit Committee and the Nominating & Compensation Committee are composed entirely of independent directors.

In performing its responsibilities, the Board, a Committee of the Board, or an individual director may retain the services of external advisors with the authorization of the Chairman of the Board or of the Board.

The attendance record of each Director for all Board meetings since the beginning of the fiscal year ended December 31, 2007 is as follows:

Director	Number of Board Meetings called to	Present	Absent
Dr. Max Link ⁽¹⁾	0	0	0
Mr. Hans J. Mäder ⁽²⁾	6	6	0
Dr. Bernard Coupal ⁽³⁾	1	1	0
Mr. Stephen G. Sudovar ⁽⁴⁾	8	8	0
Dr. Bonabes-Olivier de Rouge	18	18	0
Dr. François Lombard	18	18	0
Dr. Philip S. Tabbiner	18	18	0
Mr. Joseph J. Krivulka ⁽⁵⁾	9	8	1
Mr. Luc Tanguay	18	17	1
Mr. Frédéric Porte ⁽⁶⁾	18	18	0
Mr. Richard La Rue ⁽⁷⁾	8	8	0
Dr. Paul-Henry Schmelck ⁽⁸⁾	3	3	0
Dr. Jean-Paul St-Pierre ⁽⁹⁾	1	1	0

Notes:

- (1) Resigned on January 29, 2007
- (2) Resigned on April 18, 2007
- (3) Resigned on January 30, 2007
- (4) Resigned on June 13, 2007
- (5) Office expired on June 14, 2007
- (6) Appointed on January 29, 2007
- (7) Appointed on June 14, 2007 and resigned on January 3, 2008
- (8) Appointed on November 13, 2007
- (9) Appointed on December 7, 2007

Board Mandate

The Board, either directly or through Board committees, is responsible for the stewardship of Ambrilia, i.e. is responsible for the management and supervision of executive management of Ambrilia's business with the objective of enhancing shareholder value. The executive management is responsible for Ambrilia's day-to-day business.

The directors have approved a mandate for the Board, which is to represent the Ambrilia Shareholders before the management of Ambrilia and to supervise the financial, corporate and operational management of Ambrilia. The Mandate of the Board is attached as Schedule B.

POSITION DESCRIPTIONS

The Board, together with the Chief Executive Officer, has developed responsibilities and objectives for the Board and for the Chief Executive Officer, including limitations where appropriate on the exercise of authority by management.

The Board works closely with members of senior management. The Board maintains access to information relating to the operations of Ambrilia, both through reports made to the Board and by the membership on the Board of the President and Chief Executive Officer of Ambrilia and the Senior Executive Vice-President and Chief Scientific Officer of Ambrilia. In addition, in order to assist the Board, other members of management may attend meetings of the Board from time to time at the request

of the Board. Any responsibility that is not delegated to senior management or a Board Committee remains with the full Board.

Although there is no written description of the position of President and Chief Executive Officer, the mandate of the President and Chief Executive Officer is included in his Employment Agreement and formalized in the Board's approval of corporate objectives presented to the Board annually. Included in this process is the Board's approval of the annual budget and plan which forms the parameters within which management operate during the year.

The Board Committee's Chairs do not have written position descriptions, however, all of the committees have charters which set out duties and responsibilities. It is the responsibility of each Board Committee chair to ensure that the committee carries out its duties and responsibilities. The various committees will review their charters on an annual basis and, when advisable, will recommend to the Board that they be modified. Each committee chair is responsible for leading the committee's work and, in that capacity, ensuring that the committee's structure and mandate is appropriate and adequate to support the discharge of its responsibilities, that the committee has adequate resources, as well as timely and relevant information to support its work, and that the scheduling, organization and procedures of committee meetings provide adequate time for the consideration and discussion of relevant issues. The committee chair is responsible for ensuring that the effectiveness of the committee is assessed on a regular basis. Each committee chair presides the committee's meetings and works with the Secretary and the Chief Executive Officer and, when necessary, with Ambrilia's concerned executive officers in setting both the calendar of the committee's meetings and the agendas and has also the authority to convene special meetings of the committee as he deems it appropriate. The committee chair acts as liaison with Ambrilia's management in relation to the committee's work program and ensures that the committee reports to the full Board at each subsequent meeting of the Board in relation to the committee's deliberations decisions and recommendations.

ORIENTATION AND CONTINUING EDUCATION

Although Ambrilia has not implemented any formal orientation and education program, the Chairman of the Board and management provide comprehensive education for the new members of the Board, through interview, documentation and tours. Reports relating to Ambrilia's business and affairs are provided to the new directors on a regular basis. Ambrilia's relative size and stage of development requires a relatively high degree of involvement in Ambrilia by the directors in the day-to-day activities.

A regular flow of comprehensive information from management to the Board ensures that the Board has sufficient and timely information concerning Ambrilia's affairs. This information is used by the Board to assess both the direction of Ambrilia's business and management performance. The Board receives briefing material from management in advance of all meetings. Regular communications are provided to the directors between meetings to provide updates on developments that might affect Ambrilia's business and that of its subsidiaries. In addition, various professionals specialized in compensation or other subjects, among which lawyers, tax experts, auditors and consultants, are invited to give information and seminars to the Board and Board Committees' members on various subject matters relevant to Ambrilia's business or about their role and responsibilities. In January 2008, a formal presentation on the roles, duties and responsibilities of Directors and Officers, on timely disclosure and secondary market liability was made by Ambrilia's outside counsel to the directors.

The Board is kept informed of Ambrilia's operations at Board and Board Committee meetings and through reports from, and discussions with, management. Board and Board Committee meetings are regularly scheduled and communications between the Board and management occur apart from regularly scheduled Board and Board Committee meetings in the form of oral and written briefings or specially-called meetings. Care is taken to ensure that new directors understand the roles and

responsibilities of the Board and its committees, as well as the level of commitment Ambrilia expects of them.

CODE OF BUSINESS CONDUCT AND ETHICS

Although the Board has not adopted a formal written code of business conduct, it has approved several policies and guidelines which are applicable to directors, officers and employees of Ambrilia. These rules constitute written standards that are reasonably designed to promote integrity and to deter wrongdoing. In particular, these rules address:

- Protection of proper use of corporate assets;
- Confidentiality of corporate information;
- Fair dealing with Ambrilia's security holders;
- Compliance with laws, rules and regulations; and
- Reporting of any illegal or unethical behaviour.

In order to encourage and promote a culture of ethical business conduct, all such policies and guidelines are made available to each new director and employee of Ambrilia.

Copies of these policies and guidelines may be obtained by written request to the Corporate Secretary of Ambrilia.

NOMINATION OF DIRECTORS

The functions of the Nominating & Compensation Committee of the Board, which is entirely composed of independent directors, include the proposal of new nominees to the Board and assessment of directors on an ongoing basis. The Chairman of the Board identifies and screens Board candidates who are introduced to and reviewed by the Nominating & Compensation Committee and afterwards by the entire Board, prior to a decision to add them to the Board.

The Nominating & Compensation Committee meets as needed to propose new nominees to the Board and to review the performance and compensation of the Chief Executive Officer and of the senior managers of the Corporation. The Board is responsible for all matters relating to corporate governance through its Nominating & Compensation Committee.

COMPENSATION

The Board acts through its Nominating & Compensation Committee, for the compensation of Ambrilia's directors and officers.

The Board is involved in monitoring and assessing senior management through its regular contact with the management team. In addition, the Board assesses the individual performance of the President and Chief Executive Officer and the rest of senior management through the Nominating & Compensation Committee as part of its compensation review process.

REGULAR BOARD ASSESSMENTS

The Nominating & Compensation Committee has to evaluate on a continuing basis the performance of the Board, Board Committees, Board Committee chairs and Board members. The evaluation is made during the Nominating & Compensation Committee meetings, at which time the global performance of

the Board and each individual director is evaluated, and the adequacy of the size of the Board and its composition is also reviewed. The Nominating & Compensation Committee chair meets the president and chief executive officer to assess the operation of the Board and Board Committees, the participation of individual directors, the adequacy of information given to directors and communication between the Board and management. The committee reports to and submits recommendations to the Board if deemed necessary.

The Board and senior management review, assess and adjust, annually or more often if necessary, the strategic direction of Ambrilia, set goals and objectives and determine the best use of capital resources in the Ambrilia's business plan.

The principal risks to Ambrilia of various strategic decisions are identified, addressed and monitored by the Board through updates at regular Board meetings. Senior management actively addresses these risks, and the Board, at its meetings, receives reports from management on its assessment and management of these risks.

Management is responsible for the maintenance of internal controls and management information systems. Ambrilia's internal controls are monitored on a regular basis by the Audit Committee which meets with Ambrilia's external auditors.

While there is no formal process for assessing directors on an ongoing basis, the Board monitors its performance and the performance of its corporate governance function and recommends modifications or approves and implements modifications where appropriate in order to ensure that Ambrilia's systems of corporate governance continue to be appropriate for its needs.

SCHEDULE B

MANDATE OF THE BOARD OF DIRECTORS

APPROVED BY THE BOARD OF DIRECTORS ON FEBRUARY 27, 2004

Declaration

The Board, either directly or through Board committees, is responsible for the stewardship of the Corporation, meaning that it is responsible for the management or supervision of executive management of the business of the Corporation with the objective of enhancing shareholder value. The executive management of the Corporation is responsible for the day-to day business.

Mandate

Under its governing statute (Canada Business Corporations Act), the Board of Directors has the mandate to represent the shareholders before the management of the Corporation and to supervise the financial, corporate and operational management of the Corporation. In order to fully execute its mandate, the Board must:

- Meet at least four times per year, or more as required, in order to efficiently supervise the management of the business of the Corporation and to fulfill its duties;
- Use its best efforts to protect the value of the assets of the Corporation;
- Ensure that the business of the Corporation is conducted in compliance with applicable laws and regulations and according to the highest ethical standards;
- Ensure that the Corporation possesses the appropriate financial resources in order to efficiently conduct its strategic development plan and ensure that these resources are used in the most judicious manner;
- Approve the budgets and strategic objectives of the Corporation submitted by the management at the beginning of each fiscal year;
- Ensure that the appropriate measures are taken in order to reasonably reduce the financial risks and the other risks that the Corporation must face in the course of its business;
- Ensure that the officers of the Corporation have the capabilities and probity required to conduct its business
- Ensure that the control process, scientific activities and information management systems of the Corporation are in compliance with applicable laws and, as the case may be, with established standards of practice;
- Set up the committees it deems necessary to assist in the fulfillment of its mandate;
- Ensure that an efficient communication process is set up between the Corporation and its shareholders and, more specifically, but without limitation, ensure that the Corporation reports annually its results and its way of managing the business to the shareholders.

Decisions Requiring Board Approval

The Board considers that certain decisions and transactions are sufficiently important that management should require prior approval of the Board:

- The approval of the annual financial statements;
- The approval of the annual budget;
- Any material external financing project as defined by the Board, with the exception of debts incurred in the normal course of business;
- Strategic alliances;
- Material contracts;
- The acquisition and disposal of material assets (including fixed assets);
- The creation of subsidiaries;
- The payment of dividends;
- Any amendment to the articles or by-laws of the Corporation;
- Any issuance of options pursuant to the Incentive Stock Option Plan of the Corporation;
- Any projected issuance of securities from treasury by the Corporation as well as any projected redemption of such securities;
- The appointment of members of any committee of the Board.
- All matters as required under the Canada Business Corporations Act.