

DISCLOSURE AND TRADING POLICY OF BELLUS HEALTH INC.

OVERVIEW

BELLUS Health Inc. (“**BHI**” or the “**Corporation**”) is committed to broad, timely, balanced and factual disclosure, consistent with legal and regulatory requirements, to enable orderly behavior in the market. Disclosure will occur whether information is positive or negative and will be disseminated so that access to information is fair and equal for all market participants. This document will explain BHI’s policies with respect to confidentiality of information and the rules that must be followed when buying or selling BHI shares.

This Policy applies to the directors and senior officers of BHI and its subsidiaries and, to the extent they may be in possession of or have access to, material information (as described below) regarding the Corporation, any other officer or employee of the Corporation or its subsidiaries and their authorized spokespersons, members of all scientific advisory committees and certain external consultants, such as legal counsel, investment bankers and investor relations consultants (collectively, the “**Recipients**”). It covers all shareholder communications, including the annual and quarterly reports, press releases, documents filed with securities regulatory authorities, analyst briefings, analyst conference calls, investor presentations, media interviews and the BHI website.

This document is only a summary of specific rules and regulations. If you have any questions on any issues discussed in this Policy or how you may be affected by the various securities laws, please contact the Vice President, Finance (“**VPF**”) or the Chief Executive Officer (“**CEO**”).

The onus of complying with the Policy and the relevant insider trading and other rules is on each Recipient. It is fundamental to the reputation and ongoing success of BHI that Recipients (and particularly BHI’s directors, officers and employees) respect and adhere to the rules and procedures outlined in this Policy. It is in your interest that the rules and procedures outlined in this Policy are complied with fully. Failure to comply with these rules and procedures may result in disciplinary action including immediate termination of employment, a request for resignation or loss of nomination (in the case of a director or member of an advisory committee) or the termination of an engagement or retainer (in the case of an external consultant).

MAINTAINING CONFIDENTIALITY

Any Recipient privy to confidential information is prohibited from communicating such information to anyone else unless it is necessary to do so in the course of business. “**Confidential information**” is all information, in whatever form, pertaining to the business or affairs of BHI or any of its subsidiaries, which has not been disclosed to the public, and includes “material information” as explained below.

In order to prevent the misuse or inadvertent disclosure of confidential information, the procedures set forth below should be observed at all times:

1. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who “need to know” that information in the necessary course of business.

2. Confidential matters should not be discussed in places where the discussion may be overheard.
3. Confidential documents should not be displayed in public places and should not be discarded where others can retrieve them.
4. Recipients must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
5. Transmission of documents by electronic means should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.

DEFINITION OF MATERIALITY

Under the *Securities Act* (Québec), a “**material fact**”, where used in relation to securities issued or proposed to be issued means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of such securities. A “**material change**” is a change in the business, operations or capital of an issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the issuer and includes a decision to implement such a change made by the board of directors of the issuer or by senior management of the issuer who believe that confirmation of the decision by the board of directors is probable. “**Material information**” consists of both material facts and material changes and includes any information that a reasonable investor would consider important in deciding whether to purchase or hold an issuer’s securities.

Information dealing with the following subjects (among others) is reasonably likely to be found material in particular situations:

- (i) annual or quarterly financial results;
- (ii) significant changes in certain financial statement line items;
- (iii) significant changes in the Corporation’s management or the board of directors;
- (iv) significant shifts in operating such as results from clinical trials;
- (v) change in clinical trials estimates;
- (vi) significant changes in the Corporation’s prospects;
- (vii) major new products, services or patents;
- (viii) news in relation to regulatory and intellectual property activities, or financial circumstances such as major write-offs and changes in earnings projections or unusual gains or losses in operations;
- (ix) developments regarding significant litigation or government agency investigations;
- (x) extraordinary borrowing or borrowing of a significant amount of funds;

- (xi) proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, licensing arrangements, or purchases or sales of substantial assets;
- (xii) entry into or termination of a significant contract or agreement;
- (xiii) loss of business;
- (xiv) liquidity problems;
- (xv) major changes in accounting methods or policies;
- (xvi) cybersecurity risks and incidents, including vulnerabilities and breaches; and
- (xvii) offerings of securities of the Corporation.

Material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company's operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. When in doubt about whether particular non-public information is material, a Recipient should presume it is material. If a Recipient is unsure whether information is material, a Recipient should either consult with the VPF or CEO before making any decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates or assume that the information is material.

DISCLOSURE COMMITTEE

A Disclosure Committee (the "**Committee**") will consider the materiality of information, and review and monitor BHI's disclosure activity and its rules regarding trading of BHI securities. The Committee will help fulfill the Corporation's obligation to establish effective disclosure controls and procedures, and support the related certification obligations of its CEO and VPF under applicable securities laws. The composition of the Committee is set out in the Disclosure Committee Charter and currently consists of the CEO, the VPF, the Senior Vice President, Drug Development and the Vice President, Business Development. Such members may be replaced, or new members added, at any time and from time to time by the CEO. These individuals should be familiar with the relevant rules of the applicable securities regulatory authorities and, collectively, should be knowledgeable about all significant aspects of BHI's business, finances and risks, as well as the disclosure practices of other peer companies in the same industry.

AUTHORIZED SPOKESPERSONS

The CEO and the VPF are designated as the primary authorized spokespersons for the Corporation, as well as any other parties designated by the CEO. Others within the Corporation, outside counsel and investor relations representatives, may from time to time be designated to speak on behalf of the

Corporation by the CEO to respond to specific inquiries from the investment community or the media. Collectively, these people are referred to as “**Authorized Spokespersons**”.

No one other than the Authorized Spokespersons are permitted to respond under any circumstances to inquiries from the investment community, the media or others unless specifically asked to do so by an Authorized Spokesperson. People who are not Authorized Spokespersons are instructed to refer calls to an Authorized Spokesperson.

BHI’s Authorized Spokespersons shall continue to be integrally involved in approving, scheduling and developing presentations for all meetings and other communications with analysts, institutional investors and shareholders, arranging appropriate interviews with BHI’s management and responding to inquiries from the public for additional information.

DISCLOSURE OF MATERIAL INFORMATION

Material information will be disclosed through a press release. No other means of disseminating material information shall be used without the prior consent of the Committee. When the exchanges are open for trading, the market surveillance organization, the Investment Industry Regulatory Organization of Canada (“**IIROC**”), and, if applicable, any stock exchanges on which BHI’s securities are listed, should be advised prior to the dissemination of any material information, including providing a copy of any press release. This will allow IIROC and any such stock exchanges to determine whether a trading halt is necessary. When a press release announcing material information is issued outside of trading hours, IIROC and any applicable stock exchanges should be notified before the market opens. Copies of all press releases should be supplied to IIROC and applicable stock exchanges and filed with the relevant securities regulators immediately.

PROCEDURE FOR CORPORATE COMMUNICATIONS AND DISCLOSURE DOCUMENTS

Once the Committee determines that a development is material, it will authorize the issuance of a press release unless the Committee determines that such developments must remain confidential for the time being where immediate release of the information would be unduly detrimental to the Corporation’s interests. In such cases, appropriate confidential filings will be made and control mechanisms will be instituted for such material information (for example, the information will be identified as confidential to the persons involved and such persons will be reminded of the aspects of this Policy dealing with maintaining confidentiality). The Committee will periodically review the development to determine when timely public disclosure of the development is appropriate.

BHI has developed and intends to maintain a routine procedure for all corporate communications. The procedure consists of drafting a press release, circulating it for review to the members of the Committee, corporate counsel and other officers and the Board of Directors, as appropriate, alerting IIROC and any applicable stock exchange and disseminating the release through a national wire service and other distribution channels so as to effect broad dissemination to the public. The transmission of the press release will be monitored to determine when the news has crossed the wire and is considered fully released. The press release or a link to the press release will be added to BHI website, unless such posting is not permitted under applicable securities laws.

REVIEW OF CORPORATE MATERIAL

To the extent practicable, the Committee will review all speeches, written statements, presentations to securities analysts and institutional investors and other external communications prior to their use. The Committee should also be informed of responses to regulatory or litigation matters to ensure that such disclosure is accurate and complete. The Committee must react quickly to developments and make recommendations to the Board of Directors, if appropriate, and will meet as conditions dictate.

The Committee will periodically review the Corporation's previous disclosures, regulatory filings and other public information to determine whether any updating or correcting is appropriate, and should be aware of analysts' reports relating to BHI. The Authorized Spokespersons should be in positions where they will at all times be fully apprised of Corporation developments.

FORWARD-LOOKING INFORMATION

It is BHI's policy to provide certain forward-looking information in press releases and other presentations to enable shareholders and the investment community to better evaluate the Corporation and its prospects. In certain circumstances, however, the Corporation will refrain from making specific quantifiable projections or disclosing information for competitive reasons. Moreover, forward-looking information and statements will be accompanied by meaningful cautionary language identifying key assumptions and important factors that could cause actual results to differ materially from those projected in the statements.

When making voluntary forward-looking statements, BHI should clearly indicate what its practice is for updating those statements.

UPDATE OF MATERIAL CHANGES IN INFORMATION

If the Corporation discovers that a statement it made was, in fact, materially incorrect at the time it was disclosed, the Corporation will publicly issue a correction of the prior misstatement as soon as the error is discovered and promptly make any filings required to be made under applicable securities laws.

CONFERENCE CALLS

BHI may conduct interactive conference calls with analysts and investors from time to time. There will be a widespread, broadcast notification of the conference call to ensure that all interested parties, including investors, analysts, and members of the media, will be able to participate in the call.

The Corporation will announce the date and time of its conference calls, as well as a general description of what is to be discussed, the means of accessing the call and for how long a replay will be available, by press release and conference calls will be broadcast. A replay of each conference call will be made available following the call for a period of at least 7 days.

RESPONDING TO MARKET RUMORS

BHI's policy is not to comment on market rumors. So long as it is clear that BHI is not the source of the market rumor, the Authorized Spokespersons will respond consistently to those rumors, saying, "It is our policy not to comment on market rumors or speculation." However, should the Toronto Stock Exchange ("TSX"), The NASDAQ Stock Market LLC ("NASDAQ"), or other applicable stock exchange or IROC

request that BHI make a definitive statement in response to a market rumor that is causing significant volatility in the stock, the Committee will consider the matter and decide whether to make a policy exception. If the rumor is true in whole or in part, BHI will immediately issue a press release disclosing the relevant material information, and promptly make any filings required to be made under applicable securities laws.

RELEASE OF EARNINGS PROJECTIONS

At the present time, BHI does not release earnings projections or spending estimates. It provides guidance to analysts in their fact-checking and their efforts to develop earnings or spending estimates. The Corporation will provide non-material forward-looking information to enable the investment community to better evaluate the Corporation and its prospects for performance. The Corporation will not alter the materiality of information by breaking it down into smaller, non-material components.

GUIDANCE OF ANALYSTS

It is BHI's policy, when analysts inquire with respect to their earnings or spending estimates, to acknowledge what the current range of analyst estimates is and also to question an analyst's assumptions if his or her estimate is out of the current range of street estimates. In all cases, BHI's policy while communicating with analysts is limited to providing only non-material information and publicly disclosed information.

BHI treats all analysts equally and does not "blackball" analysts. All analysts are entitled to the same access to information, regardless of their current view on the merits of BHI stock as an investment.

REVIEW OF ANALYST REPORTS

It is the Corporation's policy to review, upon request, analysts' models or reports. In order to avoid appearing to "endorse" an analyst's report or model, BHI will provide comments only with respect to factual accuracy based on publicly disclosed information.

With regard to responding to financial models or drafts of analysts' research reports, it will continue to be BHI's policy to review the models or reports for factual accuracy based on publicly disclosed information and to question the analyst's assumptions when his or her estimate is outside of the current range of street estimates. The Corporation will not comment on an analyst's conclusion or soft information in his or her model or report. The Corporation will not confirm, or attempt to influence, an analyst's opinions or conclusions.

CONTACTS WITH ANALYSTS, INVESTORS AND THE MEDIA

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Corporation intends to announce material information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a press release.

The Corporation recognizes that meetings with analysts and significant investors are an important element of its investor relations program. The Corporation will meet with analysts and investors on an individual

or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Policy.

The Corporation will provide only non-material information through individual and group meetings, in addition to regular publicly disclosed information. The Corporation will not alter the materiality of information by breaking it down into smaller, non-material components.

DISTRIBUTING OR REFERRING TO ANALYSTS' REPORTS

It is the Corporation's policy, if requested, to provide a list of all analysts that cover the Corporation, regardless of the analyst's investment recommendation. If the Corporation is asked to provide copies of the analysts' reports, it is the Corporation's policy to provide the most recent copy of such reports, whether the report is positive or negative, with appropriate cautionary language affixed to each report that informs the reader that supplying the information to the reader does not imply Corporation endorsement of the information.

RESPONSIBILITY FOR ELECTRONIC COMMUNICATIONS

This Policy also applies to electronic communications. Accordingly, Recipients responsible for written and oral public disclosures shall also be responsible for electronic communications.

The BHI website contains certain of the Corporation's continuous disclosure documents by way of links to the documents directly and/or to the SEDAR website or the website of the U.S. Securities and Exchange Commission (the "SEC"). The Committee shall be responsible for maintaining the Corporation's website, which shall be kept up to date and accurate. The Corporation shall maintain information on its website that may have historical or other value even though it is no longer current.

Disclosure of information on the Corporation's website alone does not constitute adequate disclosure of information that is considered material non-public information.

The Authorized Spokespersons shall be responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this Policy shall be utilized in responding to electronic inquiries.

In order to ensure that no material non-public information is inadvertently disclosed, employees, officers and directors of the Corporation and its subsidiaries are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to the Corporation's activities or its securities.

QUIET PERIODS

In order to avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, BHI will observe a quarterly quiet period, during which the Corporation will not comment on the financial results regarding the relevant quarter other than responding to unsolicited inquiries concerning factual matters. The quiet period corresponds with the quarterly blackout period and will generally commence 30 days before the end of each fiscal quarter and end at the beginning of the third trading day after the issuance of a new release disclosing quarterly or annual results. If asked to comment, the Authorized Spokesperson may cite this Policy, e.g., "In keeping with our Policy, we cannot discuss forthcoming results at this time".

DEFINITION OF INSIDER

For the purpose of this Policy, the definition of “**Insider**” includes all directors, senior officers and investor relations consultants of the Corporation and its subsidiaries, and any other employees and external parties with access to material information, as well as any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over, 10% or more of the shares of BHI.

TRADING RESTRICTIONS & TRADING BLACKOUTS

It is the policy of BHI to maintain the highest standards with respect to trading of its securities by its directors, officers and employees. Such trading should comply with the insider trading requirements of the various securities commissions, the TSX, NASDAQ and applicable securities legislation. It is illegal for anyone to purchase or sell securities of any public company with knowledge of material information affecting that company that has not been publicly disclosed. The purpose of this rule is to prevent persons in possession of, or who have knowledge of, material information not generally disclosed to the public from taking advantage of such information (whether intentionally or otherwise) through trading in that company’s securities. This rule is also intended to ensure that directors, officers and employees of a public company act, and are perceived to act, in accordance with applicable laws in the highest standards of ethical and professional behavior. Insiders are also prohibited from informing, or “tipping”, anyone else (including, but not limited to, family members and friends) about that information except in the necessary course of business, in which case all reasonable measures should be taken to advise the recipient of the confidential nature of the information.

BHI strictly prohibits Insiders from trading of the Corporation’s securities while in possession of material information before such information has been fully disclosed to the public and a reasonable period of time has passed following full disclosure of the information. The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be “public” the information must have been disseminated in a manner designed to reach investors generally, and the investors must be given the opportunity to absorb the information. In practical terms, this means that people with knowledge of confidential material information about BHI are prohibited from trading securities in the Corporation until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated.

Blackout periods may be prescribed from time to time by the Committee as a result of scheduled announcements (including scientific announcements and material regulatory filings), and special ongoing or onetime circumstances, as the case may be, relating to the Corporation pursuant to which Insiders of the Corporation would be precluded from trading in securities of the Corporation. All parties with knowledge of such special circumstances will be covered by the blackout.

In order to prevent insider trading violations or any appearance of impropriety, all Recipients (including, at all times, directors and officers) must consult with the VPF or the CEO, before purchasing or selling shares or other securities of BHI or before exercising any outstanding stock options or other securities granted or issued by BHI.

The VPF or CEO will only grant approval if it is clear that the proposed transaction will not contravene applicable insider trading restrictions and there is no undisclosed material information concerning BHI. The policy of BHI is to err on the side of caution in granting or denying trading permission in recognition

of the fact that trades that create notoriety but ultimately are found to be proper nonetheless tarnish the reputation and goodwill of BHI, especially among its shareholders. Certain developments or special circumstances may give rise to material information even at the proposal stage. It is the responsibility of BHI to determine what information is material information in the context of its own business and affairs, as provided under the heading “Definition of Materiality” above, and to review the information on a regular basis to determine whether it continues to constitute material information and, accordingly, whether it is justified to maintain a blackout period or appropriate to grant approval for a proposed purchase or sale of shares or other securities of BHI or before exercising any outstanding stock options granted by BHI.

Examples of special circumstances which may give rise to a blackout period or that might otherwise preclude a proposed transaction in shares, other securities or stock options include:

- changes in share ownership that may affect control of BHI;
- major reorganizations, amalgamations or mergers;
- the public or private sale of additional securities;
- shifts in financial circumstances, such as major cash flow reductions, major asset write-offs or write-downs;
- major changes in the value or composition of BHI’s assets;
- any development that significantly affects BHI’s resources, technology, products or markets;
- significant regulatory developments with respect to BHI’s technology or products;
- significant new contracts, products, patents, or services or significant losses of contracts or business;
- significant acquisitions or dispositions of assets, property or joint venture interests; and
- acquisitions of other companies, including a take-over bid for, or merger with, another company.

After consultation with the VPF or the CEO, the director, officer or other Insider will be informed in writing whether approval has been granted or refused to purchase or sell shares of BHI or exercise stock options or other securities. If approval for a proposed purchase or sale or exercise is granted, that approval will be effective for two business days, unless revoked prior to that time. No shares of BHI may be purchased or sold and no options or other securities may be exercised after the second business day following receipt of approval unless the approval is renewed. If for any reason a previously granted approval is revoked before the trade is effected, the transaction will not be permitted to proceed absent a new approval in writing.

Reporting insiders of BHI and its subsidiaries will be required to complete and file an insider trading report using SEDI within the times required by applicable securities laws when they have purchased, acquired or sold securities of BHI (including, for greater certainty, upon the granting of options to such persons and purchases or sales pursuant to the exercise of any options). Instructions on how to file an

insider report may be obtained from the VPF. In addition, certain significant shareholders of BHI may be required to file securities ownership reports with the SEC. Failure to file an insider trading report on a timely basis may result in the imposition of significant penalties, fines and/or imprisonment.

A “**reporting insider**” includes an insider of a reporting issuer if the insider is

- (a) the CEO, VPF or COO of BHI, of a significant shareholder of BHI or of a major subsidiary of BHI;
- (b) a director of BHI, of a significant shareholder of BHI or of a major subsidiary of BHI;
- (c) a person or company responsible for a principal business unit, division or function of BHI;
- (d) a significant shareholder of BHI; or
- (e) any other insider that
 - (i) in the ordinary course receives or has access to information as to material facts or material changes concerning BHI before the material facts or material changes are generally disclosed; and
 - (ii) directly or indirectly, exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of BHI.

Currently, employees who are not reporting insiders DO NOT HAVE TO FILE AN INSIDER TRADING REPORT.

COMMUNICATION AND ENFORCEMENT

New directors, officers and employees, Authorized Spokespersons, members of advisory committees and consultants (having access to material information) will be provided with a copy of this Policy.

Any employee or officer who violates this Policy may face disciplinary action, including possible termination of his or her employment with the Corporation without notice. Any director who violates this Policy may face disciplinary action, including a request for resignation and loss of nomination to the Board in the future. Similarly, any member of an advisory board who violates this Policy may face disciplinary action, including a request for resignation and loss of nomination to the advisory board in the future and any consultants who violate this Policy may see their engagement or retainer terminated immediately.

The violation of this Policy may also violate certain securities laws. If it appears that a Recipient may have violated such securities laws, the Corporation may refer the matter to counsel and/or the appropriate regulatory authorities, which could lead to significant penalties, fines and/or imprisonment.

POLICY REVIEW

The Committee and the Nominating and Corporate Governance Committee of the Board of Directors will review this Policy annually to ensure that it is achieving its purpose. Based on the results of the review, the Policy may be revised accordingly.