



Compensation Committee Charter

Mandate and Purpose of the Committee

The Compensation Committee (the "Committee") of the board of directors (the "Board") of Intellipharma International Inc. (the "Company") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its responsibilities relating to:

- a. the development, review and periodic approval of the Company's compensation philosophy that attracts and retains key executives and employees, while supporting the overall business strategy and objectives and links compensation with business objectives and organizational performance;
- b. evaluate and approve all compensation of executive officers including salaries, bonuses and equity compensation that are required to be determined;
- c. review the Company's stock option plan, the employee restricted stock unit plan and the deferred stock unit plan on an annual basis;
- d. review and make recommendations to the Board on compensation payable to senior officers of the Company to be hired subsequent to the adoption of this Charter; and
- e. produce a report annually on executive officer compensation for inclusion in the proxy statement of the Company.

Composition

The Committee shall be composed of three members, each of whom is a director of the Company. All of the members shall be "independent" as such term is defined in applicable securities legislation. In no case shall a member be a current employee or immediate family member of a current employee.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee.

Meetings

Any member of the Committee may call a meeting of the Committee. The Committee shall meet at least two times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting.

A majority of members of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

The Committee may invite such directors, officers and employees of the Company as it sees fit from time to time to attend meetings of the Committee and any such legal input from Company counsel as it may require.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint one of its members to serve as the Secretary of the Committee. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

Committee and Charter Review

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Toronto Stock Exchange and may recommend any changes to the Board as it considers appropriate.

Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

Other Duties and Responsibilities

The Committee shall also be responsible for:

- a. making recommendations to the Board with respect to the adoption of new incentive compensation plans or amendment of incentive compensation plans;
- b. making recommendations to the Board with respect to the adoption or amendment of equity-based compensation plans, including the designation of those who may participate in such plans and the issuance of incentive options in accordance with such plans;
- c. reviewing executive compensation disclosure information before the Company publicly discloses the information; and
- d. such other matters related to discretionary compensation for the Board and senior officers of the Company, if any, as may be requested from time to time by the Board.

Adopted by the Board on November 9, 2011