**No securities regulatory authority in Canada or any other jurisdiction has expressed an opinion about, or passed upon the fairness or merits of, the transaction described in this document, the securities offered pursuant to such transaction or the adequacy of the information contained in this document and it is an offense to claim otherwise.**


# NOTICE OF MEETING

# AND

# MANAGEMENT INFORMATION CIRCULAR

# FOR THE

# ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF

# APPILI THERAPEUTICS INC.

# TO BE HELD ON

**September 17, 2024**

**Dated as of August 19, 2024**

*These materials are important and require your immediate attention. They require shareholders of Appili Therapeutics Inc. to make an important decision. If you are in doubt as to how to make such decision, please contact your financial, legal or other professional advisor. If you have any questions or require more information with regard to the transactions described herein or procedures for voting, please contact Appili Therapeutics Inc. at* Info@AppiliTherapeutics.com.

**APPILI THERAPEUTICS INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the "**Meeting**") of holders (the "**Company Shareholders**") of Class A common shares ("**Company Shares**") of Appili Therapeutics Inc. (the "**Company**" or "**Appili**") will be held virtually via a live teleconference hosted through the facilities of Chorus Call at 11:00 a.m. (Toronto time), on September 17, 2024 for the following purposes:

1. to consider and, if thought advisable, pass, with or without amendment, a special resolution (the "**Continuance Resolution**"), the full text of which is set forth in Appendix B to the accompanying management information circular (the "**Circular**"), approving the Company's continuation (the "**Continuance**") from a corporation governed under the *Canada Business Corporations Act* (the "**CBCA**") to a corporation governed under the *Business Corporations Act* (Ontario) ("**OBCA**"), such Continuance being a preliminary step necessary for the completion of the Company's proposed arrangement with Aditxt, Inc. (as further described in the Circular);

2. to consider and, if thought advisable, to pass, with or without amendment, a special resolution, the full text of which is set forth in Appendix C to the Circular, to authorize the board of directors of the Company following the Continuance to set the number of directors from time to time within the minimum and maximum number of directors set forth in the articles of the Company, in accordance with Section 125(3) of the OBCA;

3. receiving the financial statements of the Company for its fiscal year ended March 31, 2024 and the report of the auditor thereon (the "**2024 Financial Statements**");

4. electing the directors for the ensuing year, as further detailed in Appendix E to the Circular;

5. appointing PricewaterhouseCoopers LLP as the auditor of the Company and authorizing the board of directors of the Company to fix its remuneration and terms of engagement, as further detailed in Appendix E to the Circular; and

6. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Particulars of the foregoing matters are set forth in the Circular. The board of directors of the Company has fixed the close of business on August 6, 2024, as the record date for the determination of the Company Shareholders entitled to receive notice of, and to vote at, the Meeting. Only Company Shareholders whose names have been entered in the register of shareholders as of the close of business on August 6, 2024 will be entitled to receive notice of, and to vote at, the Meeting.

**Company Shareholders are entitled to vote at the Meeting either on their own behalf or by proxy, as described in the Circular under the heading "*General Proxy Information*". Only Registered Company Shareholders, or the persons appointed as their proxies, are entitled to vote at the Meeting. For information on how to vote Company Shares held through an intermediary, see "***GENERAL PROXY INFORMATION** - *Non-Registered Company Shareholders*" in the accompanying Circular.**

**Whether or not you are able to attend the Meeting, you are encouraged to provide voting instructions on the enclosed form of proxy as soon as possible. The Company's transfer agent, Computershare Investor Services Inc., must receive your proxy no later than September 13, 2024 at 11:00 a.m. (Toronto time), or, if the Meeting is adjourned or postponed, no later than two (2) Business Days**

**before any adjourned or postponed Meeting. You must send your proxy to the Company's transfer agent by either using the envelope provided or by mailing the proxy to Appili Therapeutics Inc. c/o Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1. You may vote on the internet by going to investorvote.com and following the instructions. You will need your control number located on the form of proxy. If you wish to vote on the internet, you must do so no later than two (2) days prior to the Meeting on September 13, 2024 at 11:00 a.m. (Toronto time).**

**If you are a Non-Registered Company Shareholder (for example, if you hold Company Shares in an account with an intermediary), you should follow the voting procedures described in the form of proxy or voting instruction form provided by your intermediary or call your intermediary for information as to how you can vote your Company Shares. Note that the deadlines set by your intermediary for submitting your form of proxy or voting instruction form may be earlier than the dates described above. Computershare must receive your voting instructions from your intermediary no later than the proxy deadline which is September 13, 2024 at 11:00 a.m. (Toronto time).**

**Late proxies may be accepted or rejected by the Chairperson of the Meeting ("Chairperson") at his or her sole discretion. The Chairperson is under no obligation to accept or reject any particular late proxy. The time limit for the deposit of proxies may be waived or extended by the Chairperson of the Meeting at his or her discretion, without notice.**

Company Shareholders are directed to read the Circular carefully and in full to evaluate the matters for consideration at the Meeting. Further disclosure on the matters set out above may be found in the Circular in the section entitled Appendix E – *Annual Matters*. The Circular, 2024 Financial Statements, MD&A and other relevant materials are available at https://appilitherapeutics.com/proxy-info/, for a minimum of one (1) year, and under the Company's profile on the System for Electronic Document Analysis and Retrieval+ at www.sedarplus.ca.

Registered Company Shareholders have the right to dissent with respect to the Continuance Resolution. If the Continuance Resolution becomes effective, registered Company Shareholders who validly dissent in respect of the Continuance Resolution will be entitled to be paid the fair value of their Company Shares in accordance with the provisions of Section 190 of the CBCA. A Company Shareholder's right to dissent is more particularly described in the Circular under the heading "THE CONTINUANCE-*Dissent Rights*" and the relevant text of the CBCA is set forth in Appendix D.

Please refer to the Circular for a description of the right to dissent in respect of the Continuance Resolution.

Failure to strictly comply with the requirements set forth in Section 190 of the CBCA may result in the loss of any right to dissent. Persons who are beneficial owners of Company Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the Registered Company Shareholders are entitled to dissent. Accordingly, a beneficial owner of Company Shares desiring to exercise the right to dissent must make arrangements for the Company Shares beneficially owned by such holder to be registered in such holder's name prior to the time the written objection to the Continuance Resolution is required to be received by the Company or, alternatively, make arrangements for the registered holder of such Company Shares to dissent on behalf of the holder.

**DATED** at Toronto, Ontario this August 19, 2024.

**BY ORDER OF THE BOARD**

*(Signed) "Armand Balboni"*

Armand Balboni
Chair of Board

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**APPILI THERAPEUTICS INC.**

**MANAGEMENT INFORMATION CIRCULAR**

This management information circular (the "**Circular**") and accompanying forms of proxy are furnished in connection with the solicitation of proxies by the management of Appili Therapeutics Inc. (the "**Company**" or "**Appili**") for use at the annual and special meeting of shareholders (the "**Meeting**") to be held virtually via a live teleconference hosted through the facilities of Chorus Call on September 17, 2024, commencing at 11:00 a.m. (Toronto time) and at any adjournment or postponement thereof, for the purposes set forth in the notice of annual and special meeting (the "**Notice of Meeting**").

## GENERAL MATTERS

### Defined Terms

In this Circular, unless otherwise indicated or the context otherwise requires, terms defined in Appendix A shall have the meanings attributed thereto. Words importing the singular include the plural and vice versa and words importing gender include all genders.

### Information Contained in this Circular

The information contained in this Circular, unless otherwise indicated, is given as of August 19, 2024.

No person has been authorized by the Company to give any information (including any representations) in connection with the matters to be considered at the Meeting other than the information contained in this Circular. This Circular does not constitute an offer to buy, or a solicitation of an offer to acquire, any securities, or a solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or is unlawful. Information contained in this Circular should not be construed as legal, tax or financial advice, and Company Shareholders should consult their own professional advisors concerning the consequences of the Continuance in their own circumstances.

This Circular has not been approved or disapproved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of such transactions or upon the accuracy or adequacy of the information contained in this Circular. Any representation to the contrary is unlawful.

### Information Contained in this Circular Regarding Aditxt

Certain information included in this Circular pertaining to Aditxt has been furnished by Aditxt. Although the Company does not have any knowledge that would indicate that such information is untrue or incomplete, except as required by law, neither the Company nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for the failure by Aditxt to disclose events or information that may affect the completeness or accuracy of such information.

For further information regarding Aditxt, please refer to Aditxt's filings with the securities regulatory authorities which may be obtained under Aditxt's profile on EDGAR at www.sec.gov/edgar.

**Financial Information**

All financial statements and financial data derived therefrom included or incorporated by reference in this Circular pertaining to Appili have been prepared in accordance with IFRS as issued by the International Accounting Standards Board, and (if audited) are audited in accordance with Canadian generally accepted auditing standards.

**Currency**

Unless otherwise indicated, all references to "$" or "dollars" set forth in this Circular are to the currency of Canada. References to "US$" set forth in this Circular are to the currency of the United States.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Circular and the documents incorporated into this Circular by reference contain "forward-looking statements" and "forward-looking information" within the meaning of Securities Laws (forward-looking statements and forward-looking information being collectively referred to as "**forward-looking information**") that are based on expectations, estimates and projections as at the date of this Circular or the dates of the documents incorporated by reference, as applicable. This forward-looking information includes, but is not limited to, statements and information concerning: the Continuance; the anticipated benefits of the Continuance, timing of the Arrangement Meeting, the entering into of the Third Amendment, the consideration to be received by Company Shareholders in connection with the Arrangement and other statements that are not historical facts. To the extent any forward-looking information constitutes future-oriented financial information or financial outlook, as those terms are defined under applicable Securities Laws, such statements are being provided to describe the current anticipated effect of the Arrangement and Continuance, and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often, but not always, using the words or phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes" or variation (including negative variations) of such words and phrases, or statements that certain actions, events, or results "may", "could", "would", "might", or "will" "be taken", "to occur" or "to be achieved") are not statements of historical fact and may be forward-looking statements.

Forward-looking statements are based on the reasonable assumptions, estimates, internal and external analysis and opinions of management that reflect management's experience and perception of trends, current conditions and expected developments, as well as assumptions and other factors that management believes to be relevant and reasonable based on information available at the date that such statements are made or such information was given. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by forward-looking statements.

Although the Company has attempted to identify key factors that could cause actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as at the date of this Circular. There can be no assurance that

forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements for various reasons.

Forward-looking information is information about the future and is inherently uncertain. There can be no assurance that the forward-looking information will prove to be accurate. Actual results could differ materially from those reflected in the forward-looking information as a result of, among other things, the matters set out or incorporated by reference in this Circular generally and economic and business factors, some of which may be beyond the control of the Company.

Readers are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Forward-looking statements are based on material assumptions, including those listed above, that were applied in drawing a conclusion or making a forecast or projection believed to be appropriate in the circumstances. While we consider these assumptions to be reasonable based on information currently available to management, there is no assurance that such assumptions will prove to be correct.

The forward-looking statements contained herein are made as of the date of this Circular and are based on the beliefs, estimates, expectations, opinions and assumptions of management on the date such forward-looking statements are made. The Company undertakes no obligation to update or revise any forward-looking statements contained in this Circular, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking statements, except as required by Securities Laws.

The forward-looking statements contained in this Circular are expressly qualified in their entirety by the foregoing cautionary statement.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

**This Circular is furnished in connection with the solicitation of proxies by the management and the directors of the Company** for use at the Meeting of the Company Shareholders to be held virtually via a live teleconference hosted through the facilities of Chorus Call at 11:00 a.m. (Toronto time), on September 17, 2024 and at all adjournments or postponements thereof for the purposes set forth in the Notice of Meeting. The solicitation of proxies will be made primarily by mail and electronic delivery and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Company. Directors, officers, and employees of the Company will not receive any extra compensation for such activities. The Company may also retain and pay a fee to one or more professional proxy solicitation firms to solicit proxies from the Company Shareholders to vote **FOR** the matters set forth in the Notice of Meeting. The Company may solicit proxies in favour of the matters set forth in the Notice of Meeting using dealer and proxy solicitation services in compliance with Law.

The Company is not using "notice and access" to send its proxy related materials to Company Shareholders, and copies of such materials will be sent to all Company Shareholders. The Company intends to pay for an Intermediary to deliver the Meeting Materials (as defined below) to objecting Non-Registered Company Shareholders.

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Company. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

### Voting at the Meeting

**The Meeting will be hosted virtually by way of a teleconference. Company Shareholders will not be able to attend the Meeting in person.**

In order to be permitted to ask questions and participate in telephone voting, each Registered Company Shareholder or duly appointed proxyholder must pre-register via the following link prior to proxy cut-off time at 11:00 a.m. (Toronto time) on September 13, 2024:

https://dpregister.com/sreg/10023524/f87b8bc6a0

Registered Company Shareholders and duly appointed proxyholders who have properly pre-registered to participate in the Meeting will have the opportunity to speak during the Meeting, and provided they have not already submitted their votes, participate in telephone voting. All other shareholders and stakeholders can attend the Meeting via teleconference without pre-registering but will not be permitted to ask questions during the Meeting.

After pre-registration has been completed, pre-registered Registered Company Shareholders and duly appointed proxyholders will see on screen a unique PIN they have been assigned and dial-in phone numbers they will use to join the conference call. These details will also be sent to the pre-registered Registered Company Shareholders and duly appointed proxyholders by email in the form of a calendar booking. It is recommended to connect at least ten minutes prior to the scheduled start time of the Meeting.

**Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders.**

All other shareholders and stakeholders wishing to attend the Meeting can log onto the webcast: https://event.choruscall.com/mediaframe/webcast.html?webcastid=yFrJI5pu.

If they prefer to attend by teleconference, they may do so on a listen-only basis by dialing the following toll free, or international toll number, approximately five minutes prior to the commencement of the Meeting and asking the operator to join the Annual and Special Meeting of the shareholders of Appili Therapeutics Inc.

Toll-free (Canada/U.S.): 1-844-763-8274, or

Toll (International): +1-647-484-8814

**Appointment of Proxies**

The persons named in the enclosed Proxy are directors and/or officers of the Corporation. **COMPANY SHAREHOLDERS HAVE THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM, HER OR IT AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE PROXY INSTRUMENT** either by striking out the names of the persons designated in the proxy and by inserting the name of the person or company to be appointed in the space provided in the proxy or by completing another proper form of proxy.

A proxy can be submitted by a Registered Company Shareholder to Computershare either (a) in person, or by mail or courier, to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, (b) using a touch-tone phone to transmit voting choices to 1-866-732-VOTE (8683) or (c) via the internet at www.investorvote.com. The proxy must be deposited with Computershare by no later than **11:00 a.m. (Toronto time) on September 13, 2024** or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the beginning of any adjournment(s) or postponement(s) to the Meeting. Late proxies may be accepted or rejected by the Chairperson of the Meeting (the "**Chairperson**"), in his or her discretion. However, the Chairperson is under no obligation to accept or reject any particular late proxy. The Chairperson may waive this time limit for receipt of proxies without notice.

If a Registered Company Shareholder who has submitted a proxy attends the Meeting (as described herein) and has accepted the terms and conditions when entering the Meeting, any votes cast by such Registered Company Shareholder at the Meeting will be counted and the submitted Proxy will be disregarded.

**Revocation of Proxies**

A Registered Company Shareholder who has given a proxy may revoke the proxy in accordance with the CBCA at any time prior to use by depositing an instrument in writing, including another completed form of proxy, executed by such Registered Company Shareholder or by his or her attorney authorized in writing or by electronic signature, or, if the Registered Company Shareholder is a corporation, by an authorized officer or attorney thereof, or by transmitting by telephone or electronic means, a revocation signed, subject to the CBCA, by electronic signature to Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, on the last Business Day preceding the day of the Meeting (or any adjournment or postponement thereof).

**Exercise of Discretion by Proxies**

The Company Shares represented by an appropriate form of proxy will be voted, by ballot or otherwise, at the Meeting, or at any adjournment or postponement thereof, in accordance with the instructions contained

on the form of proxy and, if the Company Shareholder specifies a choice with respect to any matter to be acted on, the Company Shares will be voted accordingly. **In the absence of instructions, such Company Shares will be voted FOR each of the matters described in the Notice of Meeting.**

**The enclosed forms of proxy, when properly completed and signed, confer discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters described in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment or postponement thereof, whether or not any amendments or variations or other matters are routine or contested.** As at the date hereof, management of the Company knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matter which is not now known to management of the Company should properly be brought before the Meeting, or any adjournment or postponement thereof, the Company Shares represented by such proxy will be voted on such matter in accordance with the judgment of the person named as proxy thereon.

**Signing of Proxy**

The appropriate form of proxy must be signed by the Company Shareholder or the duly appointed attorney thereof authorized in writing or, if the Company Shareholder is a corporation, by an authorized officer of such corporation whose title must be indicated. A form of proxy signed by the person acting as attorney of the Company Shareholder or in some other representative capacity should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Company). A Company Shareholder or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such Company Shareholder or by or on behalf of his or her attorney, as the case may be.

**Non-Registered Company Shareholders**

Only Registered Company Shareholders, or the persons they appoint as their proxy, are entitled to attend and vote at the Meeting. The Company Shares of a Non-Registered Company Shareholder (a "**Non-Registered Company Shareholder**") will generally be registered in the name of either:

(a) an intermediary (an "**Intermediary**") with whom the Non-Registered Company Shareholder deals in respect of the Company Shares (including, among others, banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or

(b) a clearing agency (such as CDS) of which the Intermediary is a participant.

In accordance with the requirements of NI 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notices of Meeting, this Circular and the accompanying forms of proxy (collectively, the "**Meeting Materials**") to the Intermediaries for onward distribution to Non-Registered Company Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Company Shareholder unless the Non-Registered Company Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Company Shareholders. Generally, Non-Registered Company Shareholders who have not waived the right to receive Meeting Materials will be given either:

(a) a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Company Shareholders and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. Typically, the voting instruction form will consist of a one (1) page pre-printed form. Sometimes, instead of the one (1) page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Company Shareholders must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

(b) a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Company Shares beneficially owned by the Non-Registered Company Shareholders but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Company Shareholders when submitting the proxy.

In either case, the purpose of these procedures is to permit Non-Registered Company Shareholders to direct the voting of the Company Shares they beneficially own. Should a Non-Registered Company Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting, as applicable, and vote (or have another person attend and vote on behalf of the Non-Registered Company Shareholder), the Non-Registered Company Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Company Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **Non-Registered Company Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those instructions regarding when and where the voting instruction form or the form of proxy is to be delivered.**

A Non-Registered Company Shareholder who has submitted a proxy may revoke it by contacting the Intermediary through which the Company Shares of such Non-Registered Company Shareholder are held and following the instructions of the Intermediary respecting the revocation of proxies.

## Participation at the Meeting

The Company is holding the Meeting in a virtual-only format, which will be conducted virtually via a live teleconference hosted through the facilities of Chorus Call. Company Shareholders will not be able to attend the Meeting in person. Participating in the Meeting online enables Registered Company Shareholders and duly appointed proxyholders (including those acting in accordance with the voting instructions received from Non-Registered Company Shareholders) to vote at the appropriate times during the Meeting. Guests are able to listen to the Meeting but are not able to ask questions or vote at the Meeting.

Registered Company Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at https://event.choruscall.com/mediaframe/webcast.html?webcastid=yFrJI5pu.

- United States Beneficial Holders: To attend and vote at the Meeting, you must first obtain a valid proxy from your broker, bank or other agent and then register in advance to attend the applicable Meeting. Follow the instructions from your broker or bank included with the proxy materials or contact your broker or bank to request a form of proxy. After first obtaining a valid form of proxy

from your broker, bank or other agent, you must submit a copy of your proxy to Computershare in order to register to attend the meeting. Requests for registration should be sent:

By mail to: COMPUTERSHARE
100 UNIVERSITY AVENUE 8TH FLOOR
TORONTO, ON M5J 2Y1

By email at: USLegalProxy@computershare.com

Even if you plan to attend the Meeting, we recommend that you vote in advance, so that your vote will be counted if you later decide not to attend the Meeting.

**If a Company Shareholder has any questions or requires assistance with voting, such Company Shareholder should contact Computershare Investor Services Inc. at service@computershare.com or by phone at 1-800-564-6253 (toll free in Canada and the United States) between 9:00 a.m. and 6:00 p.m. Eastern Time or 514-982-7555 (international direct dial).**

**Quorum and Procedure**

The quorum for any meeting of Company Shareholders will be two (2) persons who are, or who duly represent by proxy, Company Shareholders who, in the aggregate, hold at least 5% of the outstanding shares entitled to vote at the Meeting.

Each holder of Company Shares at the close of business on the Record Date will be entitled to receive notice of, to attend and to vote at the Meeting. Each Company Share entitled to be voted at the Meeting will entitle the holder thereof as of the Record Date to one (1) vote at the Meeting in respect of each matter.

The following chart describes the proposals to be considered at the Meeting, the voting options and the vote required for each matters:

| Matter | Voting Options | Required Vote |
|---|---|---|
| Continuance Resolution | For; Against | At least two-thirds ($66^{2/3}\%$) of the votes cast at the Meeting by Company Shareholders |
| Number of Directors Resolution | For; Against | At least two-thirds ($66^{2/3}\%$) of the votes cast at the Meeting by Company Shareholders |
| Election of Directors | For; Against | At least a majority (50% + 1) of votes cast at the Meeting by Company Shareholders to elect each nominee to the Company Board. |
| Appointment of Auditors | For; Withhold | At least a majority (50% + 1) of votes cast at the Meeting by Company Shareholders. |

Notwithstanding the foregoing, the Continuance Resolution authorizes the Company Board to abandon the application to continue under the OBCA without further approval of the Company Shareholders. See Appendix B to this Circular for the full text of the Continuance Resolution.

**Voting Securities and Principal Holders Thereof**

Only Company Shareholders of record as of the Record Date are entitled to receive notice of, attend and vote at the Meeting. As at the Record Date, the Company had 121,266,120 Company Shares issued and outstanding. Each Company Share carries the right to one (1) vote.

The record date for the purpose of determining the Company Shareholders entitled to receive notice of the Meeting has been fixed by the Company Board to be August 6, 2024 (the "**Record Date**"). Only Company Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Company Shares voted at the Meeting.

Except as set out below, to the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially own, or control or direct, directly or indirectly, 10% or more of the issued and outstanding Company Shares as of the Record Date:

| Name | Number of Company Shares Beneficially Owned or Controlled or Directed | Percentage of Outstanding Company Shares |
|---|---|---|
| Bloom Burton & Co. Inc. ("**Bloom Burton**") | 14,358,611(1) | 11.84% |

**Note:**

(1) Bloom Burton holds, in the aggregate, 14,358,611 Company Shares as follows: (a) 454,120 Company Shares directly; (b) 13,896,000 Company Shares indirectly through Bloom Burton Development Corporation, its wholly-owned subsidiary; and (c) 8,491 Company Shares indirectly through BBSI. Brian Bloom, a director of the Company, together with Jolyon Burton, beneficially own, indirectly, and exercise control and direction over Bloom Burton.

## THE CONTINUANCE

**General**

At the Meeting, Company Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, the Continuance Resolution to approve the Continuance. In order to become effective, the Continuance Resolution must be approved by at least two-thirds ($66^{2/3}\%$) of the votes cast at the Meeting by Company Shareholders present or represented by proxy at the Meeting and entitled to vote thereat on the Continuance Resolution. A copy of the Continuance Resolution is set out in Appendix B.

Unless otherwise directed in properly completed forms of proxy, it is the intention of the individuals named in the enclosed form of proxy to vote **FOR** the Continuance Resolution. If you do not specify how you want your Company Shares to be voted at the Meeting, the persons named as proxyholders in the enclosed form of proxy will cast the votes represented by your proxy at the Meeting **FOR** the Continuance Resolution.

**Background to the Continuance and Description of the Arrangement**

*The Arrangement*

On April 1, 2024, the Company entered into an arrangement agreement (the "**Arrangement Agreement**") with Aditxt, Inc. (NASDAQ: ADTX) ("**Aditxt**") and Adivir, Inc. (the "**Buyer**"), a wholly-owned subsidiary of Aditxt pursuant to which the Buyer agreed to acquire all of the issued and outstanding Company Shares by way of a court-approved plan of arrangement under the CBCA (the "**Arrangement**").

Aditxt is an innovation platform dedicated to discovering, developing, and deploying promising innovations. Aditxt's ecosystem of research institutions, industry partners, and shareholders collaboratively drives their mission to "Make Promising Innovations Possible Together." The innovation platform is the cornerstone of Aditxt's strategy, where multiple disciplines drive disruptive growth and address significant societal challenges. Aditxt operates a unique model that democratizes innovation, ensures every stakeholder's voice is heard and valued, and empowers collective progress.

Aditxt has a diverse innovation portfolio, including Adimune™, Inc., which is leading the charge in developing a novel class of therapeutics for retraining the immune system to combat organ rejection, autoimmunity, and allergies. Adivir™, Inc. focuses on enhancing national and population health and impacting public health globally. Pearsanta™, Inc., delivers rapid, personalized, and high-quality lab testing accessible anytime, anywhere, led by its CLIA-certified and CAP-accredited clinical laboratory based in Richmond, VA.

Under the terms of the Arrangement Agreement, the Company Shareholders will receive (i) 0.002745004 of a share of common stock (each whole share, an "**Aditxt Share**") of Aditxt (the "**Share Consideration**") and (ii) US$0.0467 (or approximately CAD$0.0633 with reference to the Bank of Canada closing exchange rate on March 29, 2024) (the "**Cash Consideration**" and together with the Share Consideration collectively, the "**Transaction Consideration**"), for each Company Share held representing implied total consideration per Company Share of approximately US$0.0561 (or approximately CAD$0.07598 with reference to the Bank of Canada closing exchange rate on March 29, 2024) based on the closing price of the Aditxt Shares on March 28, 2024. The Company may elect to receive in lieu of the Cash Consideration additional Aditxt Shares in certain circumstances as set out in the Arrangement Agreement. The Transaction Consideration represents an approximately 117% premium to the trading price of the Company Shares based on the closing price of the Company Shares on April 1, 2024 (the last trading prior to the execution of the Arrangement Agreement) and an approximately 141% premium to the 30-day volume weighted average price of the Company Shares prior to the date of the Arrangement Agreement.

In connection with the proposed Arrangement, Aditxt will: (i) agree to repay no less than 50% of the outstanding senior secured debt of the Company at the closing of the Arrangement (the "**Closing**") and to repay the remaining outstanding senior secured debt by no later than December 31, 2024; (ii) assume all of the Company's remaining outstanding liabilities and indebtedness; and (iii) agree to satisfy certain payables of the Company at Closing as further detailed in the Arrangement Agreement, a copy of which is available on the Company's SEDAR+ profile at www.sedarplus.ca.

The Arrangement is conditional upon Aditxt raising at least US$20 million in equity or debt financing (the "**Financing**") prior to Closing. In addition, completion of the Arrangement is subject to other customary conditions, including the receipt of all necessary court, regulatory and stock exchange approvals.

On July 1, 2024, the Arrangement Agreement was amended by an amending agreement between Appili, Aditxt and the Buyer to: (i) change the Outside Date (as defined in the Arrangement Agreement) from July 31, 2024 to August 30, 2024, (ii) change the deadline to convene the special meeting of the Company Shareholders to consider the Arrangement (the "**Arrangement Meeting**") from June 30, 2024 to August 30, 2024, and (iii) change the deadline for Aditxt to complete the Financing from June 30, 2024 to August 30, 2024 or such later date as Appili, Aditxt and the Buyer may agree in writing. On July 17, 2024, the Arrangement Agreement was further amended by a second amending agreement between Appili, Aditxt

and the Buyer to: (i) change the Outside Date from August 30, 2024 to September 30, 2024, (ii) change the deadline to convene the Arrangement Meeting from August 30, 2024 to September 30, 2024, and (iii) change the deadline for Aditxt to complete the Financing from August 30, 2024 to September 15, 2024 or such later date as Appili, Aditxt and the Buyer may agree in writing.

It is anticipated that Appili, Aditxt and the Buyer will enter into a third amending agreement to further amend the Arrangement Agreement to, *inter alia*: (i) change the Outside Date from September 30, 2024 to on or about October 31, 2024; (ii) require the Company to convene the Meeting, in parallel to the Arrangement Meeting, to consider the Continuance Resolution as promptly as practicable; (iii) change the deadline to convene the Arrangement Meeting from September 30, 2024 to on or about October 25, 2024; (iv) change the deadline for Aditxt to complete the Financing from September 15, 2024 to on or about October 18, 2024; and (v) impose the completion of the Continuance as a condition to the completion of the Arrangement (the "**Third Amendment**"). The Company expects the Third Amendment be entered into shortly following the date hereof. Once executed, a copy of the Third Amendment will be available on the Company's SEDAR+ profile at www.sedarplus.ca.

Further details regarding the Arrangement are included in the press release of the Company dated April 1, 2024 and will be included in the management information circular to be mailed to Company Shareholders in connection with the Arrangement Meeting.

By notice of application issued on July 18, 2024, Appili commenced an application for, amongst other things, an interim order for advice and directions pursuant to section 192 of the CBCA with respect to the Arrangement, and a final order approving the Arrangement pursuant to section 192 of the CBCA (the "**CBCA Application**"). Appili provided its draft motion materials in support of an interim order to the office of the director of Corporations Canada (the "**CBCA Director**") for review and comment. The CBCA Director required that Appili confirm that it would meet the requisite solvency test in accordance with section 192(2) of the CBCA by the return of the CBCA Application. Appili cannot meet this requirement. Accordingly, the Company was unable to consummate the proposed transaction with Aditxt by way of a plan of arrangement under the CBCA.

After discussion with Aditxt, the Company has determined to complete the Arrangement by way of a plan of arrangement under Section 182 of the OBCA, as the OBCA does not have the same solvency requirements contemplated by the CBCA. The Company is not permitted to commence an application for an interim order for an arrangement under the OBCA until such time as the Company is governed by the OBCA. Accordingly, the Company is seeking Company Shareholder approval of the Continuance at the Meeting. In parallel, the Company intends to requisition the Arrangement Meeting for purposes of having the Company Shareholders consider and approve the Arrangement. The Arrangement Meeting is expected to take place on or about October 25, 2024 (or such other date as Aditxt and the Company may mutually agree).

A corporation subject to the CBCA may apply under the OBCA for articles of continuance (the "**Articles of Continuance**") under the OBCA if: (i) the Continuance to the CBCA is authorized by special resolution of the shareholders of the corporation and (ii) the corporation establishes to the satisfaction of the Director under the CBCA that its proposed Continuance to the OBCA will not adversely affect the creditors or shareholders of the corporation. A registered Company Shareholder has the right to dissent to the Continuance Resolution. Upon the Continuance becoming effective, the Company will be treated as if it had been incorporated under the OBCA.

If the Company Shareholders approve the Continuance Resolution, the Articles of Continuance will be filed with the Registrar subsequent to the Meeting. As of the effective date of the Continuance, the Company's

current articles and by-laws under the CBCA will be replaced with the Articles of Continuance and new by-laws under the OBCA. See Exhibits "I" and "II" to Appendix B.

The Company Board may determine not to proceed with the Continuance at any time before or after the holding of the Meeting but prior to the issuance of the Certificate of Continuance, without further action on the part of the Company Shareholders. Continuance under the OBCA will not affect the application of the Canadian Securities Laws that presently apply to the Company. There will, however, be some changes to the rights of the Company Shareholders under corporate law, as further detailed under the heading "*Summary of Material Differences Between the OBCA and the CBCA*."

**Purpose of the Continuance**

The Company Board believes the Continuance will be beneficial to the Company Shareholders for the following reasons:

(a) *Plan of Arrangement:* The Continuance will allow the Company to apply to consummate the proposed transaction with Aditxt by way of a plan of arrangement pursuant to Section 182 of the OBCA. Corporations governed by the CBCA can effect a plan of arrangement pursuant to Section 192 of the CBCA (a "**CBCA Plan of Arrangement**"). As set out above, a pre-condition to effecting a CBCA Plan of Arrangement is that a corporation must not be insolvent (the "**Solvency Requirement**"). For the purposes of Section 192(2) of the CBCA, a corporation is insolvent: (i) where it is unable to pay its liabilities as they become due; or (ii) where the realizable value of the assets of the corporation are less than the aggregate of its liabilities and stated capital of all classes. As of the date hereof, it is likely the Company would not satisfy the Solvency Requirement and, therefore, the Company would not be able to consummate a CBCA Plan of Arrangement (including the Arrangement contemplated herein).

After consultation with its legal advisors, the Company Special Committee determined that it would be in the best interests of the Company and its various stakeholders that the Company first continue under the OBCA where there is no Solvency Requirement. In reaching this decision, the Company Special Committee considered, among other factors: (i) that each of the Company's secured creditors has signed support agreements in favour of the Arrangement; (ii) that the Continuance is in the best interests of the Company and does not adversely affect the interests of the Company Shareholders or the Company's creditors; (iii) that Company Shareholders will have the opportunity to vote on the Continuance; (iv) that the CBCA Director has been advised of the Arrangement Agreement and proposed transactions thereunder as well as the proposed Continuance; and (v) the potential costs and delays associated with holding two separate meetings of Company Shareholders.

(b) *Residency Requirements:* The CBCA contains a residency requirement whereby 25% of the directors of corporations governed by the CBCA must be resident Canadian (as defined in the CBCA) (the "**CBCA Residency Requirement**"). The OBCA does not contain a residency requirement. The Continuance will permit Company Shareholders (including the Buyer following the closing of the proposed Arrangement) to elect a board of directors that does not comply with the CBCA Residency Requirements, providing the Company with greater flexibility to attract directors from a global talent pool with the expertise and skills required by the Company's business operations.

(c) *Similarities in Legislation*: The OBCA is consistent with corporate legislation in most other Canadian jurisdictions and will provide Company Shareholders with substantially the same rights that are currently available to Company Shareholders under the CBCA, including rights of dissent and rights to bring derivative actions and oppression actions.

**Continuance Process**

In order to implement the Continuance into Ontario, the Company must take the following steps:

(a) apply to the Director under the CBCA for consent to continue the Company under the OBCA (the "**CBCA Consent to Continuance**"), such application to establish to the satisfaction of the Director that the Continuance will not adversely affect the Company's creditors or the Company Shareholders,

(b) after the CBCA Consent to Continuance has been obtained, apply to the Director under the OBCA for a Certificate of Continuance (the "**OBCA Certificate of Continuance**"); and

(c) after the OBCA Certificate of Continuance has been obtained, file a copy of the OBCA Certificate of Continuance with the Director under the CBCA and receive a Certificate of Discontinuance under the CBCA.

**Effect of the Continuance**

Upon the effective date of the Continuance, the CBCA will cease to apply to the Company and the Company will thereupon become subject to the OBCA, as if it had been originally incorporated as a corporation under the provincial laws of Ontario. The Continuance will not create a new legal entity, affect the continuity of the Company or result in a change in its business. The persons elected as directors by the Company Shareholders at the Meeting will continue to constitute the Company Board upon the Continuance becoming effective.

As of the effective date of the Continuance, the Company's current articles and by-laws under the CBCA will be replaced with the Articles of Continuance and new by-laws under the OBCA. See Exhibit "I" and "II" to Appendix B.

Each previously outstanding Company Share will continue to be a share of the Company as a corporation governed by the OBCA.

**Summary of Material Differences Between the OBCA and the CBCA**

In general terms, the OBCA provides shareholders with substantively the same rights as are available to shareholders under the CBCA, including rights of dissent and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions. There are, however, important differences concerning the qualifications of directors, location of shareholder meetings, requirements for certain corporate procedures and certain shareholder remedies. The Company Shareholders will not lose or gain any significant rights or protections as a result of the Continuance. **The following is a summary comparison of certain provisions of the CBCA and the OBCA. This summary is not intended to be exhaustive and is qualified in its entirety by the full provisions of the CBCA and the OBCA, as applicable**.

*Amendments to the Charter Documents*

There are no significant differences between the CBCA and the OBCA with respect to the charter documents for corporations governed by those statutes.

*Constitutional Jurisdiction*

Other significant differences in the statutes arise from the differences in the constitutional jurisdiction of the federal and provincial governments. For example, a CBCA corporation has the capacity to carry on business throughout Canada as a right. An OBCA company is only allowed to carry on business in another province where that other province allows it to register to do so. A CBCA corporation is subject to provincial laws of general application, but a province cannot pass laws directed specifically at restricting a CBCA corporation's ability to carry on business in that province. If another province so chooses, however, it can restrict an OBCA company's ability to carry on business within that province. Also, a CBCA corporation will not have to change its name if it wants to do business in a province where there is already a corporation with a similar name, whereas an OBCA company may not be allowed to use its name in that other province if that name, or a similar one, is already in use.

*Registered Office*

Under the CBCA, the registered office must be in the province specified in the articles and may be relocated to a different province by special resolution of the shareholders or relocated within the same province by resolution of the directors.

Under the OBCA, the registered office must be situated in Ontario and may be relocated to a different municipality within Ontario by special resolution of the shareholders or relocated within the same municipality by resolution of the directors.

*Right to Dissent*

The OBCA provides that shareholders, including beneficial holders, who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is available to shareholders, whether or not their shares carry the right to vote, where the company proposes to:

- amend its articles to add, remove or change any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- amend its articles to add, remove or change any restriction upon the business or businesses that the company may carry on;
- amalgamate with another company (other than for vertical or horizontal short-form amalgamations);
- be continued under the laws of another jurisdiction;
- sell, lease or exchange all or substantially all its property; or
- carry on a going-private transaction.

The CBCA contains a similar dissent remedy, provided however, that in addition to the foregoing, the CBCA expressly provides for dissent rights with respect to a squeeze-out transaction.

*Oppression Remedy*

Under both the CBCA and the OBCA, a shareholder, beneficial shareholder, former shareholder or beneficial shareholder, director, former director, officer or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, and in the case of offering corporation under the OBCA, the Ontario Securities Commission may apply to a court for an order to rectify the matters complained of where, in respect of a company or any of its affiliates, any act or omission of a company or its affiliates effects a result, the business or affairs of a company or its affiliates are or have been exercised in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of, any security holder, creditor, director or officer.

The OBCA allows a court to grant relief where a prejudicial effect to the shareholder is merely threatened, whereas the CBCA only allows a court to grant relief if the effect actually exists (that is, it must be more than merely threatened).

Under the CBCA, such remedy is also available to the CBCA Director appointed under Section 260 of the CBCA.

*Shareholder Derivative Actions*

A broad right to bring a derivative action is contained in each of the CBCA and the OBCA and this right extends to officers, former shareholders, directors or officers of a company or its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, both statutes permit derivative actions to be commenced in the name and on behalf of a company or any of its subsidiaries.

Under the CBCA and OBCA, a condition precedent to a complainant bringing a derivative action is that the complainant has given at least 14 days' notice to the directors of the corporation of the complainant's intention to make an application to the court to bring such a derivative action. However, under the OBCA, a complainant is not required to give notice to the directors of the corporation of the complainant's intention to make an application to the court to bring a derivative action if all of the directors of the corporation are defendants in the action.

Under the CBCA, the CBCA Director appointed under Section 260 of the CBCA may also commence a derivative action.

*Shareholder Proposals and Shareholder Requisitions*

Both statutes provide for shareholder proposals. Each statute contains certain requirements with respect to, among other things, the content, timing and delivery of proposals. Moreover, each statute includes provisions which allow a corporation to refuse to process a proposal in similar circumstances.

Under the CBCA, a shareholder entitled to vote at a meeting of shareholders may (i) submit notice of a proposal to the corporation, and (ii) discuss at the meeting any matter in respect of which such shareholder would have been entitled to submit a proposal. The registered or beneficial shareholder must either: (i) have owned for at least six months not less than 1% of the total number of voting shares or voting shares with a fair market value of at least $2,000, or (ii) have the support of persons who, in the aggregate, have owned for at least six months not less than 1% of the total number of voting shares or voting shares with a fair market value of at least $2,000.

Under the OBCA, proposals may be submitted by both registered and beneficial shareholders who are entitled to vote at a meeting of shareholders.

Both statutes provide that holders of not less than 5% of the outstanding voting shares may requisition a meeting of shareholders, and permit the requisitioning registered shareholder to call the meeting where the board of directors of the company does not do so within the 21 days following the company's receipt of the shareholder meeting requisition.

*Notice-and-Access*

Both statutes permit the use of the notice-and-access delivery system ("**Notice-and-Access**") under National Instrument 51-102 – *Continuous Disclosure Obligations and National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuer*. However, the CBCA currently requires companies to seek exemptive relief from the CBCA Director under Sections 151(1) and 156 of the CBCA, which exempt a company from the requirement to send a proxy circular to shareholders, duties related to intermediaries and the requirement to send annual financial statements to shareholders in order to use Notice-and-Access. Under the OBCA, companies are not required to obtain such exemptive relief in order to use Notice-and-Access.

*Place of Meeting*

Under the OBCA, subject to the articles of the corporation, and any unanimous shareholders agreement, a shareholders' meeting may be held in or outside Ontario (including outside Canada) as determined by the directors, or in the absence of such a determination, at the place where the registered office of the corporation is located.

Subject to certain exceptions, the CBCA provides that meetings of shareholders shall be held at the place within Canada provided in the by-laws or, in the absence of such provision, at the place within Canada that the directors determine.

Virtual or hybrid shareholder meetings, which are comprised of both an in-person and virtual element, are both permitted under the OBCA and CBCA, unless the articles or by-laws of a company state otherwise.

*Directors*

Under the CBCA, at least one-quarter of the directors must be resident Canadians, unless the corporation has less than four directors, in which case at least one director must be a resident Canadian. Subject to certain exceptions, an individual must be a Canadian citizen or permanent resident ordinarily resident in Canada to be considered a resident Canadian under the CBCA. Under the OBCA, there is no requirement that certain number or percentage of directors to be resident Canadians.

Under the OBCA, at least one-third of the members of the board of directors, in the case of an offering corporation (as defined in the OBCA), cannot be officers or employees of the company or its affiliates. Under the CBCA, the requirement is that at least two of the directors, in the case of a distributing corporation (as defined in the CBCA), cannot be officers or employees of the company or its affiliates.

## Dissent Rights

Company Shareholders who wish to dissent should take note that the procedures for dissenting to the Continuance Resolution requires strict compliance with the applicable dissent procedures. **The following is only a summary of the provisions of the CBCA regarding the rights of Dissenting Company**

**Shareholders. The statutory provisions dealing with the right of dissent are technical and complex. Company Shareholders are urged to review a complete copy of Section 190 of the CBCA, attached as Appendix D, and those Company Shareholders who wish to exercise Dissent Rights are also advised to seek legal advice, as failure to comply strictly with the provisions of the CBCA may result in the loss or unavailability of their Dissent Rights.**

Anyone who is a beneficial owner of Company Shares registered in the name of an Intermediary and who wishes to dissent should be aware that only Registered Company Shareholders as of the Record Date are entitled to exercise Dissent Rights. A Registered Company Shareholder who holds Company Shares as an Intermediary for one or more beneficial owners, one or more of whom wish to exercise Dissent Rights, must exercise such Dissent Rights on behalf of such holder(s). In such case, the notice should specify the number of Company Shares held by the Intermediary for such beneficial owner. A Dissenting Company Shareholder may dissent only with respect to all the Company Shares held on behalf of any one beneficial owner and registered in the name of the Dissenting Company Shareholder, and Dissent Rights must be exercised in respect of all, but not less than all, of the Company Shares owned or in respect of which a Dissenting Company Shareholder exercises direction or control.

Company Shareholders as of the Record Date may exercise Dissent Rights from the Continuance Resolution, provided that, notwithstanding Subsection 190(5) of the CBCA, the written objection to the Continuance Resolution must be sent to the Company by holders who wish to dissent and be received by the Company not later than 5:00 p.m. (Toronto time) on the date that is two (2) Business Days immediately prior to the Meeting (or any adjournment or postponement thereof).

As indicated in the Notice of Meeting, any Company Shareholder as of the Record Date is entitled to be paid the fair value of the Company Shares held by such holder in accordance with Section 190(3) of the CBCA, if such holder exercises Dissent Rights and the Continuance becomes effective.

In addition to other restrictions under Section 190 of the CBCA, none of the holders of the Company Options or Company Warrants will be entitled to exercise Dissent Rights.

A brief summary of the provisions of Sections 190 of the CBCA in respect of the Continuance is set out below. This summary is qualified in its entirety by the provisions of Section 190 of the CBCA, the full text of which is set forth in Appendix D.

Company Shareholders who exercise Dissent Rights: (a) shall be paid on an amount equal to such fair value by the Company; (b) shall be deemed to have transferred their Company Shares to the Company; and (c) are ultimately entitled to be paid fair value for such Company Shares, which fair value shall be the fair value of such shares as of the close of business on the last Business Day before the day on which the Continuance is approved by the Company Shareholders at the Meeting.

Section 190 of the CBCA provides that each Company Shareholder who duly exercises such holder's rights of dissent requires the Company to purchase the Company Shares held by such Company Shareholder at the fair value of such Company Shares.

The exercise of Dissent Rights does not deprive a Registered Company Shareholder of the right to vote at the Meeting. However, a Company Shareholder is not entitled to exercise Dissent Rights in respect of the Continuance Resolution if such holder votes any of the Company Shares beneficially held by such holder **FOR** the Continuance Resolution. The execution or exercise of a proxy against the Continuance Resolution does not constitute a written notice of dissent for purposes of the right to dissent under Section 190 of the CBCA. The CBCA does not provide, and the Company will not assume, that a proxy submitted instructing the proxy holder to vote against the Continuance Resolution, a vote against the Continuance Resolution or

an abstention constitutes a notice of dissent, but a Registered Company Shareholder need not vote his or her Company Shares against the Continuance Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxy holder to vote in favour of the Continuance Resolution does not constitute a notice of dissent. However, any proxy granted by a Registered Company Shareholder who intends to dissent, other than a proxy that instructs the proxy holder to vote against the Continuance Resolution, should be validly revoked in order to prevent the proxy holder from voting such Company Shares in favour of the Continuance Resolution and thereby causing the Registered Company Shareholder to forfeit his or her Dissent Rights.

A Dissenting Company Shareholder is required to send a written notice of dissent to the Continuance Resolution to the Company prior to the Meeting. **A vote against the Continuance Resolution or not voting on the Continuance Resolution does not constitute a written notice of dissent.** Within ten (10) days after the Continuance is approved by the Company Shareholders, the Company (or its successors, including the Buyer) must send to each Dissenting Company Shareholder a notice that the Continuance Resolution has been adopted, setting out the rights of the Dissenting Company Shareholder and the procedures to be followed on exercise of those rights. The Dissenting Company Shareholder is then required, within twenty (20) days after receipt of such notice (or if such Company Shareholder does not receive such notice, within twenty (20) days after learning of the adoption of the Continuance Resolution), to send to the Company a written notice (the "**Demand for Payment**") containing the Dissenting Company Shareholder's name and address, the number of Company Shares in respect of which the Dissenting Company Shareholder dissents and a demand for payment of the fair value of such Company Shares and, within one (1) month after sending the Demand for Payment, to send to the Company or the Transfer Agent the appropriate certificate(s) or DRS statement(s) representing the Company Shares in respect of which the Dissenting Company Shareholder has exercised Dissent Rights, whereupon the Dissenting Company Shareholder ceases to have any rights as a Company Shareholder other than the right to be paid the fair value of the Company Shares held by such Company Shareholder, except where (i) the Dissenting Company Shareholder withdraws such Company Shareholder's Demand for Payment before the Company (or its successors) makes an offer to the Dissenting Company Shareholder pursuant to the CBCA; (ii) the Company (or its successors, including the Buyer) fails to make an offer as hereinafter described and the Dissenting Company Shareholder withdraws such Company Shareholder's Demand for Payment; or (iii) the Continuance is abandoned; in which case such Company Shareholder's rights as a Company Shareholder are reinstated as of the date such Company Shareholder sent the Demand for Payment.

All notices to the Company of dissent in respect of the Continuance Resolution pursuant to Section 190 of the CBCA should be addressed to the attention of the Chief Executive Officer of the Company and be received at the address set out below not later than 5:00 p.m. (Toronto time) on the date that is two (2) Business Days immediately prior to the Meeting, or any date to which the Meeting may be postponed or adjourned:

Appili Therapeutics Inc.
77 King Street West, Suite 400
Toronto, Ontario M5K 0A1

**Strict Compliance with Dissent Provisions Required**

The foregoing summary does not purport to provide comprehensive statements of the procedures to be followed by a Dissenting Shareholder under Section 190 of the CBCA and reference should be made to the specific provisions of Section 190 of the CBCA. The CBCA requires strict adherence to the procedures regarding the exercise of rights established therein. The failure to adhere to such procedures may result in the loss of all rights of dissent. **Accordingly, each Company Shareholder who wishes to exercise Dissent**

**Rights should carefully consider and comply with the provisions of Section 190 of the CBCA and consult a legal advisor. A copy of Section 190 of the CBCA is set out in Appendix D.**

## Tax Matters

The following is, as of the date of this Circular a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to beneficial owners of Company Shares relating to the Continuance, and who, for the purposes of the Tax Act and at all relevant times: (i) hold their Company Shares as capital property; (ii) deal at arm's length with the Company; and (iii) are not "affiliated" with the Company within the meaning of the Tax Act (a "**Holder**").

The Continuance will not result in any material Canadian federal income tax considerations to a Holder.

*Resident Holders Dissenting of the Continuance*

The following portion of this summary applies to a Holder who, at all relevant times is or is deemed to be resident in Canada for purposes of the Tax Act (a "**Resident Holder**").

A Resident Holder who exercises Dissent Rights in respect of the Continuance and receives from the Company the fair value of such Resident Holder's Company Shares will be deemed to have received a dividend equal to the amount, if any, less the amount of any interest awarded by a court, by which the amount paid to such Resident Holder exceeds the aggregate paid-up capital (as determined for the purposes of the Tax Act) of such Resident Holder's Company Shares.

*Non-Resident Holders Dissenting of the Continuance*

The following portion of this summary applies to a Holder who at all relevant times, for the purposes of the Tax Act: (i) is not and is not deemed to be resident in Canada; and (ii) does not and will not use or hold, and is not and will not be deemed to use or hold, Company Shares in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is: (i) an insurer carrying on an insurance business in Canada and elsewhere; or (ii) an "authorized foreign bank" as defined in the Tax Act.

A Non-Resident Holder who exercises Dissent Rights in respect of the Continuance and receives from the Company the fair value of such Non-Resident Holder's Company Shares will be deemed to have received a dividend equal to the amount, if any, by which the amount paid to such Non-Resident Holder exceeds the aggregate paid-up capital (as determined for the purposes of the Tax Act) of such Resident Holder's Company Shares (less the amount of any interest awarded by a court). The amount of any dividend that is deemed to be paid or credited to a Non-Resident Holder in connection with the exercise of Dissent Rights will be subject to Canadian withholding tax at a rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

Any interest awarded by a court to a dissenting Non-Resident Holder will not be subject to Canadian withholding tax provided that the Non-Resident Holder deals at arm's-length (for the purposes of the Tax Act) with the Company.

## APPROVAL AUTHORIZING BOARD TO FIX NUMBER OF DIRECTORS

Subject to, and conditional on, completion of the Continuance, management of the Company is of the opinion that from a corporate governance perspective, and with a desire to maximize the effectiveness and

efficiency of the Company Board, the directors of the Company should have the discretion to set the size of the Company Board within the minimum and maximum number provided for in the Company's articles, subject to the limits described in the OBCA. From time to time, the Company Board may identify an individual who could make a valuable contribution to the Company as a director. It will be beneficial for the Company if the Company Board possesses the ability to appoint such an individual as a director between meetings of Company Shareholders without a vacant position needing to first arise. This will provide the Company Board with the appropriate expediency with which to enhance its composition if the opportunity arises.

Section 125(3) of the OBCA allows the directors of a corporation to, if authorized by special resolution, determine the number of directors on the board of directors if the articles provide for a minimum and maximum number. Once the special resolution in Section 125(3) of the OBCA is adopted by shareholders, pursuant to Section 124(2) of the OBCA, a board of directors of a corporation will have the ability to appoint one or more additional directors between annual meetings of shareholders, who will hold office for a term expiring not later than the close of the next annual meeting of shareholders. Section 124(2) of the OBCA further stipulates that the total number of directors that may be appointed between annual meetings of shareholders may not exceed one-third of the number of directors elected at the previous annual meeting of shareholders.

At the Meeting, Company Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, a special resolution to empower the directors to fix the number of directors to be elected within the minimum and maximum number of directors provided for in the articles of the Company following the Meeting (the "**Number of Directors Resolution**"), subject to the completion of the Continuance. A copy of the Number of Directors Resolution is set out in Appendix C.

In order to become effective, the Number of Directors Resolution must be approved by at least two-thirds ($66^{2/3}$%) of the votes cast at the Meeting by Company Shareholders present or represented by proxy at the Meeting and entitled to vote thereat on the Number of Directors Resolution.

Unless otherwise directed in properly completed forms of proxy, it is the intention of the individuals named in the enclosed form of proxy to vote **FOR** the Number of Directors Resolution. If you do not specify how you want your Company Shares to be voted at the Meeting, the persons named as proxyholders in the enclosed form of proxy will cast the votes represented by your proxy at the Meeting **FOR** the Number of Directors Resolution.

## ANNUAL BUSINESS

In addition to the Continuance Resolution and the Number of Directors Resolution being put to the Company Shareholders for approval at the Meeting, Company Shareholders are being asked to consider and approve the Annual Resolutions. The Annual Resolutions are described in Appendix E – *Annual Matters* of this Circular.

## OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notices of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Company Shares represented thereby in accordance with their best judgment on such matter.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting.

Notwithstanding the foregoing, the Company notes that BBSI (a company for which Dr. Armand Balboni and Brian Bloom, both directors of the Company, serve as directors) will receive a success fee in the amount of USD$396,916 in connection with the completion of the Arrangement for advisory services rendered in connection with the Arrangement. Although the Continuance will not trigger the payment of the aforementioned success fee, it is noted that as currently contemplated the Continuance is a condition precedent to the completion of the Arrangement.

## INDEBTEDNESS OF DIRECTORS AND OFFICERS

None of the Company's (or its subsidiaries') executive officers, directors or employees, or former executive officers, directors or employees, is as at the date hereof, indebted to the Company or its subsidiaries or any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or its subsidiaries.

None of the Company's (or its subsidiaries') executive officers or directors, or former executive officers and directors, nor any associate of such individuals, is as at the date hereof, or has been, during the financial year ended March 31, 2024, indebted to the Company or its subsidiaries or any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, no informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction or in any proposed transaction within the past three (3) years from the date hereof which has materially affected or would materially affect the Company. An "**informed person**" means (i) a director or executive office of a reporting issuer, (ii) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer, (iii) any person or company who beneficially owns, directly or indirectly, voting shares of a reporting issuer or who exercises control or direction over shares of the reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer and (iv) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

## APPROVAL

The contents of this Circular and the sending thereof to each director of Appili, each Company Shareholder entitled to notice of the Meeting to which this Circular relates and to the auditor of Appili has been approved by the Company Board.

**DATED** at Toronto, Ontario as of this 19th day of August, 2024.

**BY ORDER OF THE BOARD**

By: *(Signed) "Armand Balboni"*
Name: Armand Balboni
Title: Chair of the Board

## APPENDIX A GLOSSARY OF TERMS

*In this Circular, unless the subject matter or context is inconsistent therewith, the following terms have the meanings set forth below and grammatical variations thereof shall have the corresponding meanings.*

"**Aditxt**" means Aditxt, Inc., a corporation existing under the laws of the State of Delaware;

"**affiliate**" has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions* as in effect on the date of the Arrangement Agreement unless otherwise indicated;

"**Annual Resolutions**" means any annual matters to be considered by the Company Shareholders at the Meeting, including to: (i) receive the financial statements of the Company for its fiscal year ended March 31, 2024 and the report of the auditor thereon, (ii) vote to elect the directors of the Company for the ensuing year and (iii) vote to appoint PricewaterhouseCoopers LLP as the auditor of the Company and authorizing the board of directors of the Company to fix its remuneration and terms of engagement;

"**Arrangement**" has the meaning ascribed thereto under the heading "THE CONTINUANCE-*Background to the Continuance and Description of the Arrangement*";

"**Arrangement Agreement**" has the meaning ascribed thereto under the heading "THE CONTINUANCE-*Background to the Continuance and Description of the Arrangement*;

**"Arrangement Meeting"** has the meaning ascribed thereto under the heading "THE CONTINUANCE-*Background to the Continuance and Description of the Arrangement*;

**"Articles of Continuance"** has the meaning ascribed thereto under the heading "THE CONTINUANCE-*Background to the Continuance and Description of the Arrangement*;

"**Associate**" has the meaning ascribed thereto in the *Securities Act* (Ontario);

"**BBSI**" means Bloom Burton Securities Inc.;

"**Business Day**" means any day, other than a Saturday, a Sunday or any day on which major banks are closed for business in Halifax, Nova Scotia, Toronto, Ontario and New York, New York;

"**Buyer**" means Adivir, Inc., a corporation existing under the laws of the State of Delaware;

"**Canadian Securities Laws**" means the Securities Act and all other applicable securities laws, rules, regulations and published policies thereunder in a province or territory of Canada and the rules of the exchange applicable to companies listed thereon;

"**CBCA**" means the *Canada Business Corporations Act* and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

**"CBCA Director"** has the meaning ascribed thereto under the heading "THE CONTINUANCE-*Background to the Continuance and Description of the Arrangement*";

"**CDS**" means the Canadian Depository for Securities;

"**Circular**" means the Notice of Meeting and accompanying management information circular, including all schedules, appendices and exhibits hereto, to be sent to the Company Shareholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time;

"**Company**" or "**Appili**" means Appili Therapeutics Inc.;

"**Company Board**" or "**Board**" or "**Board of Directors**" means the board of directors of Appili as is constituted from time to time;

"**Company Optionholders**" means the registered or beneficial holders of Company Options;

"**Company Options**" means stock options to purchase Company Shares issued pursuant to the Stock Option Plan;

"**Company Shares**" means Class A common shares in the capital of the Company;

"**Company Shareholders**" means the registered and/or beneficial holders of Company Shares, as the context requires;

"**Company Special Committee**" means the special committee of the Company Board formed in relation to the proposal to effect the transactions contemplated by the Arrangement Agreement;

"**Company Warrants**" means the outstanding warrants of the Company to purchase Company Shares;

"**Computershare**" means Computershare Investor Services Inc.;

**"Continuance"** means the continuance of the Company from the federal laws of Canada under the CBCA to the laws of the Province of Ontario under the OBCA;

**"Continuance Resolution"** means the special resolution approving the Continuance to be considered at the Meeting, the full text of which is set forth in Appendix B to Circular;

"**Dissent Rights**" means the rights of dissent of the Company Shareholders in respect of the Continuance Resolution;

"**Dissenting Company Shareholder**" means a Company Shareholder who has validly exercised Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Shares in respect of which Dissent Rights are validly exercised by such Company Shareholder;

"**DRS**" means direct registration system;

"**EDGAR**" means the Electronic Data Gathering, Analysis, and Retrieval system;

"**forward-looking information**" has the meaning ascribed thereto under the heading "*CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION*";

"**Governmental Entity**" means: (a) any international, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign; (b) any subdivision or authority of any of the foregoing; (c) any quasi-governmental or private body exercising any regulatory,

expropriation or taxing authority under or for the account of any of the foregoing; or (d) any stock exchange and "Governmental Entities" means more than one Governmental Entity;

"**Holder**" has the meaning ascribed thereto under the heading "THE CONTINUANCE-*Tax Matters*";

"**IFRS**" means International Financial Reporting Standards, as issued by the International Accounting Standards Board, applicable as at the date on which the calculation is made or required to be made, applied on a consistent basis;

"**including**" means including without limitation, and "**include**" and "**includes**" each have a corresponding meaning;

"**Intermediary**" has the meaning ascribed thereto under the heading "*GENERAL PROXY INFORMATION - Non-Registered Company Shareholders*";

"**Law**" or "**Laws**" means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, by-law, code, rule, regulation, order, injunction, judgment, decree, ruling or similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended, unless expressly specified otherwise;

"**Meeting**" means the annual and special meeting of the Company Shareholders, including any adjournment or postponement thereof, to be called to consider the Continuance Resolution, Number of Directors Resolution and the Annual Resolutions;

"**NEO**" means Named Executive Officer;

**"NGC Committee"** means the Governance and Compensation Committee of the Board;

"**Non-Registered Company Shareholder**" has the meaning ascribed thereto under the heading "*GENERAL PROXY INFORMATION - Non-Registered Company Shareholders*";

"**Non-Resident Holder**" has the meaning ascribed thereto under the heading "THE CONTINUANCE-*Tax Matters*";

"**Notice of Meeting**" has the meaning ascribed thereto in the introductory paragraph of the Circular;

**"Number of Directors Resolution"** has the meaning ascribed thereto under the heading "*Approval Authorizing Board to Fix Number of Directors*";

**"OBCA"** means the *Business Corporations Act* (Ontario) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**officer**" has the meaning specified in the Securities Act;

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative or government (including any Governmental Entity), syndicate or other entity, whether or not having legal status;

"**Record Date**" means August 6, 2024;

"**Registered Company Shareholder**" means a registered holder of Company Shares who is in possession of a physical share certificate or who is entitled to receive a physical certificate and whose name and address are recorded in the Company's shareholders' register maintained by Computershare;

"**Resident Holders**" has the meaning ascribed thereto under the heading "THE CONTINUANCE-*Tax Matters*";

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Act**" means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Securities Authorities**" means the Nova Scotia Securities Commission and the applicable securities commissions or securities regulatory authority of a province or territory of Canada;

"**Securities Laws**" means (a) the Securities Act and any other applicable securities laws, securities commissions or securities regulatory authority of a province or territory of Canada, (b) the U.S. Securities Act and the U.S. Exchange Act, (c) U.S. state securities Laws, in each case, to the extent applicable;

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval+.;

**"Stock Option Plan**" means the stock option plan of the Company approved on September 22, 2022, as amended, restated and/or supplemented from time to time;

"**subsidiary**" has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions;*

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

"**Taxes**" means any and all domestic and foreign federal, state, provincial, municipal and local taxes, assessments, reassessments and other governmental charges, duties, impositions and liabilities of any kind imposed by any Governmental Entity, including tax instalment payments, unemployment insurance contributions and employment insurance contributions, Canada Pension Plan and provincial pension contributions (and similar foreign plans), worker's compensation and deductions at source, and including taxes based on or measured by gross receipts, income, profits, sales, capital, use and occupation, and including goods and services, value added, ad valorem, sales, use, capital, transfer, franchise, non-resident withholding, customs, payroll, recapture, employment, excise and property duties and taxes, together with all interest, penalties, fines and additions imposed with respect to such amounts;

"**Third Amendment**" has the meaning ascribed thereto under the heading "THE CONTINUANCE-*Background to the Continuance and Description of the Arrangement*;

"**Transfer Agent**" means Computershare Investor Services Inc.;

"**TSX**" means the Toronto Stock Exchange;

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder; and

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

**APPENDIX B**
**CONTINUANCE RESOLUTION**

The text of the Continuance Resolution which the Company Shareholders will be asked to pass at the Meeting is as follows:

**CONTINUANCE RESOLUTION**

BE IT RESOLVED THAT:

1. Appili Therapeutics Inc. (the "**Company**") is authorized pursuant to Section 188 of the *Canada Business Corporations Act* (the "**CBCA**") and pursuant to Section 180 of the *Business Corporations Act* (Ontario) (the "**OBCA**"), to make application to the Ministry of Public and Business Service Delivery (the "**Ministry**") for a Certificate of Continuance under the OBCA as if it had been incorporated under the laws of the Province of Ontario (the "**Certificate of Continuance**").

2. Subject to the issuance of the Certificate of Continuance, the Company shall adopt Articles of Continuance, in the form attached hereto as Exhibit "I" with such amendments, deletions or alterations as may be considered necessary or advisable by any officer or director of the Company, in substitution for the existing Articles of the Company to be effective upon acceptance by the Ministry.

3. Subject to the issuance of the Certificate of Continuance, the Company is authorized to approve and adopt the by-laws in the form attached hereto as Exhibit "II".

4. The Company is authorized to make application to the Director appointed under the CBCA for a Letter of Satisfaction with respect to such continuance.

5. Any officer or director of the Company is authorized and directed to execute, under the corporate seal or otherwise, and to deliver all documents and to do all things necessary or desirable to effect the foregoing, including the execution and delivery to the Ministry of Articles of Continuance for such purposes.

6. The directors of the Company may abandon the application to continue under the OBCA without further approval of the shareholders of the Company.

Exhibit “I”

***Articles of Continuance***

(See attached.)

Ontario

Ministry of Public
and Business Service Delivery

# Articles of Continuance

*Business Corporations Act*

**For questions or more information to complete this form, please refer to the instruction page.**

Fields marked with an asterisk (*) are mandatory.

## 1. Corporation Information

Corporation Name *
Appili Therapeutics Inc.

Has the corporation been assigned an Ontario Corporation Number (OCN) ? * ☑ Yes ☐ No

| Ontario Corporation Number (OCN) * | Company Key * |
|---|---|
| 5016368 | 000000000 |

## 2. Contact Information

Please provide the following information for the person we should contact regarding this filing. This person will receive official documents or notices and correspondence related to this filing. By proceeding with this filing, you are confirming that you have been duly authorized to do so.

| First Name * | Middle Name | Last Name * |
|---|---|---|
| Teresa | | Tu |

| Telephone Country Code | Telephone Number * | Extension |
|---|---|---|
| 1 | 416-862-3447 | |

Email Address *
teresa.tu@dentons.com

## 3. Current Details

☐ Check this box if you are a social company under the *Corporations Act* (CA)

Please provide the name of the jurisdiction where the corporation is currently incorporated or continued and the original date of incorporation or amalgamation of the corporation.

Current Corporation Name *
Appili Therapeutics Inc.

Governing Jurisdiction *
Canada

Province *
Federal

Original Date of Incorporation/Amalgamation *
November 15, 2018

The following supporting documents are required. Please attach these documents with your application:

☑ Incorporating documents and all amendments, and a copy of continuation documents and amendments if applicable, certified by an officer of the appropriate jurisdiction *

☑ Letter of Satisfaction/Authorization to Continue issued by the proper officer of the jurisdiction the corporation is leaving *

## 4. Corporation Name

Every corporation must have a name. You can either propose a name for the corporation or request a number name. If you propose a name for the corporation, you need a Nuans report for the proposed name.

  

Will this corporation have a number name ? * ☐ Yes ☑ No

The corporation will have: *

☑ an English name (example: "Green Institute Inc.")

☐ a French name (example: "Institut Green Inc.")

☐ a combination of English and French name (example: "Institut Green Institute Inc.")

☐ an English and French name that are equivalent but used separately (example: "Green Institute Inc./Institut Green Inc.")

**Nuans Report**

New Corporation Name (Proposed) *
Appili Therapeutics Inc.

| Nuans Report Reference Number * | Nuans Report Date * |
|---|---|
| 122297425 | August 7, 2024 |

☐ Select this if you have a Legal Opinion for an identical name

## 5. General Details

| Requested Date for Continuance * | Primary Activity Code * |
|---|---|
| | 541710 |

Official Email Address *
paralegals.corporateservices.toronto@dentons.com

An official email address is required for administrative purposes and must be kept current. All official documents or notices and correspondence to the corporation will be sent to this email address.

## 6. Address

Every corporation is required to have a registered office address in Ontario. This address must be set out in full. A post office box alone is not an acceptable address.

**Registered Office Address ***

☑ Standard Address ☐ Lot/Concession Address

| Street Number * | Street Name * | Unit Number |
|---|---|---|
| 77 | King Street West, Toronto-Dominion Centre | 400 |

| City/Town * | Province | Postal Code * |
|---|---|---|
| Toronto | Ontario | M5K 0A1 |

Country
Canada

## 7. Director(s)

Please specify the number of directors for your Corporation *

☐ Fixed Number ☑ Minimum/Maximum

| Minimum Number of Directors * | Maximum Number of Directors * |
|---|---|
| 1 | 10 |

**Director 1**

| First Name * | Middle Name | Last Name * |
|---|---|---|
| Prakash | | Gowd |

Email Address

Is this director a Resident Canadian? * ☑ Yes ☐ No

Address for Service * ☑ Canada ☐ U.S.A. ☐ International

| Street Number * | Street Name * | Unit Number |
|---|---|---|
| 77 | King Street West, Toronto-Dominion Centre | 400 |

| City/Town * | Province * | Postal Code * |
|---|---|---|
| Toronto | Ontario | M5K 0A1 |

Country
Canada

**Director 2**

| First Name * | Middle Name | Last Name * |
|---|---|---|
| Juergen | | Froehlich |

Email Address

Is this director a Resident Canadian? * ☐ Yes ☑ No

Address for Service * ☑ Canada ☐ U.S.A. ☐ International

| Street Number * | Street Name * | Unit Number |
|---|---|---|
| 77 | King Street West, Toronto-Dominion Centre | 400 |

| City/Town * | Province * | Postal Code * |
|---|---|---|
| Toronto | Ontario | M5K 0A1 |

Country
Canada

**Director 3**

| First Name * | Middle Name | Last Name * |
|---|---|---|
| Brian | | Bloom |

Email Address

Is this director a Resident Canadian? * ☑ Yes ☐ No

Address for Service * ☑ Canada ☐ U.S.A. ☐ International

| Street Number * | Street Name * | Unit Number |
|---|---|---|
| 77 | King Street West, Toronto-Dominion Centre | 400 |

| City/Town * | Province * | Postal Code * |
|---|---|---|
| Toronto | Ontario | M5K 0A1 |

Country
Canada

**Director 4**

| First Name * | Middle Name | Last Name * |
|---|---|---|
| Theresa | | Matkovits |

Email Address

Is this director a Resident Canadian? * ☐ Yes ☑ No

Address for Service * ☑ Canada ☐ U.S.A. ☐ International

| Street Number * | Street Name * | Unit Number |
|---|---|---|
| 77 | King Street West, Toronto-Dominion Centre | 400 |

| City/Town * | Province * | Postal Code * |
|---|---|---|
| Toronto | Ontario | M5K 0A1 |

Country
Canada

**Director 5**

| First Name * | Middle Name | Last Name * |
|---|---|---|
| Donald | | Cilla |

Email Address

Is this director a Resident Canadian? * ☐ Yes ☑ No

Address for Service * ☑ Canada ☐ U.S.A. ☐ International

| Street Number * | Street Name * | Unit Number |
|---|---|---|
| 77 | King Street West, Toronto-Dominion Centre | 400 |

| City/Town * | Province * | Postal Code * |
|---|---|---|
| Toronto | Ontario | M5K 0A1 |

Country
Canada

**Director 6**

| First Name * | Middle Name | Last Name * |
|---|---|---|
| Armand | | Balboni |

Email Address

Is this director a Resident Canadian? * ☐ Yes ☑ No

Address for Service * ☑ Canada ☐ U.S.A. ☐ International

| Street Number * | Street Name * | Unit Number |
|---|---|---|
| 77 | King Street West, Toronto-Dominion Centre | 400 |

| City/Town * | Province * | Postal Code * |
|---|---|---|
| Toronto | Ontario | M5K 0A1 |

Country
Canada

## 8. Shares and Provisions (Maximum is 900,000 characters per text box. To activate the toolbar press “Ctrl + E”)

Every corporation must be authorized to issue at least one class of shares. You must describe the classes of shares of the corporation and the maximum number of shares the corporation is authorized to issue for each class. If the corporation has more than one class of shares, you must specify the rights, privileges and conditions for each class.

**Description of Classes of Shares**

The classes and any maximum number of shares that the corporation is authorized to issue:

Enter the Text *
An unlimited number of Class A Common Shares;
An unlimited number of Class B Non-Voting Common Shares; and
An unlimited number of Class A Preference Shares.

**Rights, Privileges, Restrictions and Conditions**

Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors' authority with respect to any class of shares which may be issued in series. If there is only one class of shares, enter “Not Applicable”:

Enter the Text *

**CLASS A COMMON SHARES**

The Class A Common Shares, as a class, shall carry and be subject to the following rights, privileges, restrictions and conditions:

1. Subject to the rights of the holders of the Class A Preference Shares, the holders of the Class A Common Shares (the “Class A Shares”) shall be entitled to receive equally with the Class B Non-Voting Common Shares (the “Class B Shares”), as and when properly declared by the board of directors of the Corporation, dividends on the Class A Shares at any time outstanding which the directors may determine to declare and pay in any fiscal year of the Corporation.

2. Subject to the rights of the holders of the Class A Preference Shares, in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Class A Shares shall be entitled to receive equally with the Class B Shares the remaining property and assets of the Corporation.

3. At all meetings of the shareholders, the holders of the Class A Shares shall be entitled to one vote for each Class A Share held by them.

4. Any amendment to the articles of the Corporation to delete or vary any right, privilege, restriction or condition attaching to the Class A Shares or to create shares ranking in priority to or on a parity with the Class A Shares, in addition to the authorization by special resolution, shall be authorized by at least two-thirds (2/3) of the votes cast at a meeting of the holders of the Class A Shares duly called for that purpose.

**CLASS B NON-VOTING COMMON SHARES**

The Class B Shares, as a class, shall carry and be subject to the following rights, privileges, restrictions and conditions:

1. Subject to the rights of the holders of the Class A Preference Shares, the holders of the Class B Shares shall be entitled to receive equally with the Class A Shares, as and when properly declared by the board of directors of the Corporation, dividends on the Class B Shares at any time outstanding which the directors may determine to declare and pay in any fiscal year of the Corporation.

2. Subject to the rights of the holders of the Class A Preference Shares, in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Class B Shares shall be entitled to receive equally with the Class A Shares the remaining property and assets of the Corporation.

3. At all meetings of the shareholders, the holders of the Class B Shares shall not be entitled to vote at such meetings.

4. Any amendment to the articles of the Corporation to delete or vary any right, privilege, restriction or condition attaching to the Class B Shares or to create shares ranking in priority to or on a parity with the Class B Shares, in addition to the authorization by special resolution, shall be authorized by at least two-thirds (2/3) of the votes cast at a meeting of the holders of the Class A Shares duly called for that purpose.

**CLASS A PREFERENCE SHARES**

The Class A Preference Shares, as a class, shall carry and be subject to rights, privileges, restrictions and conditions.

**Directors' Authority to Issue in One or More Series**

The Class A Preference Shares may include one or more series of shares and, subject to the provisions of the *Business Corporations Act (Ontario)*, the directors may, by resolution, if none of the shares of any particular series are issued, alter the Articles of Continuance of the Corporation to:

1. determine the maximum number of shares of that series that the Corporation is authorized to issue, determine that there is no such maximum number, or alter any such determination;

2. create an identifying name by which the share of that series may be identified, or alter any such identifying name; and

3. attach special rights or restrictions to the shares of that series, including, but without limiting or restricting the generality of the foregoing, the rate or amount of dividends (whether cumulative, non-cumulative or partially cumulative), the dates and places of payment thereof, the consideration for, and the terms and conditions of, any purchase for cancellation or redemption thereof (including redemption after a fixed term or at a premium), conversion or exchange rights into other shares, bonds, debentures, securities or otherwise, the terms and conditions of any share purchase plan or sinking fund, restrictions respecting payment of dividends on, or the repayment of capital in respect of, any other shares of the Corporation and voting rights and restrictions; or alter any such special rights or restrictions.

**Restrictions on Share Transfers**

The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows. If none, enter “None”:

Enter the Text *
None.

**Restrictions on Business or Powers**

Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. If none, enter “None”:

Enter the Text *
None.

**Other Provisions, if any**

Enter other provisions, or if no other provisions enter “None”:

Enter the Text *
None.

## 9. Required Statements

### Required Statements

☑ The corporation is to be continued under the *Business Corporations Act* to the same extent as if it had been incorporated under this Act. *

☑ The corporation has complied with subsection 180(3) of the *Business Corporations Act*. *

**Authorization Date**

☑ The continuation of the corporation under the laws of the Province of Ontario has been properly authorized under the laws of the jurisdiction currently governing the corporation, on the following date: *

Authorization Date *

## 10. Authorization

☑ * I, Teresa Tu

confirm that this form has been signed by the required person.

**Caution -** The Act sets out penalties, including fines, for submitting false or misleading information.

**Required Signature**

| Name | Position | Signature |
|---|---|---|
| Donald Cilla | President | |

Exhibit “II”

***By-Laws***

(See attached.)

**APPILI THERAPEUTICS INC.**

**BY-LAW NO. 1**

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**APPILI THERAPEUTICS INC.**
(the "**Corporation**")

**BY-LAW NO. 1**

A by-law relating generally to the transaction of the business and affairs of the Corporation.

## ARTICLE 1
## INTERPRETATION

### 1.1 Interpretation

In this by-law:

(a) "**Act**" means the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16, and the regulations made thereunder, each as amended or re-enacted from time to time;

(b) "**applicable securities laws**" means the applicable securities legislation in each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, statements, bulletins and notices of the securities commission and similar regulatory authority of each province and territory in Canada;

(c) "**board**" means the board of directors of the Corporation;

(d) "**by-law**" means any by-law of the Corporation in effect from time to time;

(e) "**meeting of shareholders**" means an annual or special meeting of shareholders of the Corporation;

(f) "**STA**" means the *Securities Transfer Act, 2006* (Ontario), S.O. 2006, c. 8, as amended or re-enacted from time to time;

(g) unless otherwise specified, all words and expressions contained in this by-law and that are defined in the Act have the meanings given to them in the Act;

(h) any reference to gender includes all genders and words importing the singular number include the plural and vice versa; and

(i) the inclusion of headings and a table of contents are provided for convenience only and do not affect the construction or interpretation of this by-law.

### 1.2 Unanimous Shareholder Agreement

If any provision in this by-law (or any other by-law) conflicts with any provision in a unanimous shareholder agreement, the provision in the unanimous shareholder agreement will govern to the extent permitted by the Act.

### 1.3 Conflicts with the Act

If any provision in this by-law (or any other by-law) contravenes any provision in the Act, the provision in the Act will govern.

## ARTICLE 2
## BUSINESS OF THE CORPORATION

### 2.1 Registered Office

The Corporation must at all times have a registered office in Ontario. Unless changed in accordance with the Act, the registered office will be at the location specified in the articles.

### 2.2 Seal

The Corporation need not have a corporate seal, but any corporate seal adopted for the Corporation must be approved and may be changed by the board.

### 2.3 Financial Year

The financial year of the Corporation will be as determined by the board from time to time.

### 2.4 Banking Arrangements

Banking transactions will be made with the bank(s) or other financial institution(s) approved by the board from time to time, and banking transactions will be made on the Corporation's behalf by the director(s), officer(s) or other person(s) designated, directed or authorized by the board from time to time and to the extent so designated, directed or authorized.

### 2.5 Execution of Contracts, Documents and Instruments in Writing by the Corporation

Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by any one officer or director of the Corporation. If one person is the only director and officer of the Corporation, that person may sign contracts, documents or instruments in writing on behalf of the Corporation. In addition, the board may from time to time authorize any officer or officers of the Corporation, any director or directors of the Corporation, or any other person or persons, either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing and the manner in which those contracts, documents or instruments in writing may or will be signed.

### 2.6 Execution of Documents in Counterparts or by Facsimile Signature

Except as otherwise required by law:

(a) any articles, notice, resolution, requisition, statement or other document required or permitted to be executed by more than one person for the purposes of the Act may be executed in several documents of like form each of which is executed by one or more of those persons, and those documents, when duly executed by all persons required or permitted, as the case may be, to do so, will be deemed to constitute one document for the purposes of the Act;

(b) the Corporation may accept delivery of any executed document, which is required or permitted to be executed by one or more persons for the purposes of the Act, by facsimile or by electronic transmission; and

(c) any document required or permitted to be executed by one or more persons for the purposes of the Act may be executed by means of electronic signature, and the Corporation may accept delivery of any document so executed.

**2.7 Divisions**

The board may from time to time cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions, further divide those divisions into sub-units, or consolidate the business and operations of divisions or sub-units.

**2.8 Voting Rights in Other Bodies Corporate**

Shares or other securities carrying voting rights of any body corporate or other entity held by the Corporation may be voted at any and all meetings of the holders of those shares or other securities in the manner and by the person(s) approved by the board from time to time. Persons authorized under paragraph 2.5 may also, for and on behalf of the Corporation and without the necessity of a resolution or other action by the board, execute and deliver proxies to vote any of those shares or other securities or arrange for the issue of security certificates or other evidence of the right to vote those shares or other securities.

## ARTICLE 3
## BORROWING

**3.1 Borrowing**

Without limiting the powers of the board as provided in the Act, unless the articles, by-laws or any unanimous shareholder agreement otherwise provide, the board may from time to time on behalf of the Corporation, without authorization of the shareholders:

(a) borrow money upon the credit of the Corporation;

(b) issue, reissue, sell or pledge debt obligations of the Corporation;

(c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

**3.2 Delegation of Borrowing Powers**

Unless the articles, by-laws or any unanimous shareholder agreement otherwise provide, the board may by resolution delegate any or all of the powers referred to in paragraph 3.1 to a director, a committee of the board or an officer of the Corporation.

## ARTICLE 4
## DIRECTORS

### 4.1 Powers and Duties of Directors

Subject to any unanimous shareholder agreement, the directors must manage or supervise the management of the business and affairs of the Corporation. Every director of the Corporation in exercising his or her powers and discharging his or her duties to the Corporation must act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director of the Corporation must comply with the Act, the articles, the by-laws and any unanimous shareholder agreement.

### 4.2 Number of Directors

If the articles set out a fixed number of directors, the number of directors of the Corporation and the number of directors to be elected at an annual meeting of shareholders must be the number of directors set out in the articles. Where a minimum and maximum number of directors is provided for in the articles, the number of directors of the Corporation and the number of directors to be elected at an annual meeting of the shareholders must be that number as is determined from time to time by special resolution or, if a special resolution empowers the board to determine the number, by resolution of the board. Where no such resolution has been passed, the number of directors of the Corporation must be the number of directors named in the articles. The board must consist of at least one individual, but if the Corporation is an offering corporation (as defined in the Act), the board must consist of not fewer than three individuals.

### 4.3 Qualifications

If the Corporation is an offering corporation, at least one-third of the directors must not be officers or employees of the Corporation or of any affiliate of the Corporation. No person may be a director if that person is disqualified from becoming a director under the Act. Unless the articles otherwise provide, a director is not required to hold shares issued by the Corporation.

### 4.4 Election and Term

Subject to the Act, the shareholders of the Corporation must elect, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his or her election. A director who ceases to hold office upon the expiry of his or her term but who remains qualified to serve as a director is eligible for re-election. If directors are not elected at a meeting of shareholders at which an election of directors is required, the incumbent directors continue in office until their successors are elected.

### 4.5 Ceasing to Hold Office

A director ceases to hold office at the earliest of (i) his or her death, (ii) his or her removal from office by the shareholders of the Corporation in accordance with paragraph 4.6, (iii) his or her becoming disqualified for election as a director, (iv) his or her resignation, which resignation is effective when his or her written resignation is sent to the Corporation or, if a later time is specified in the resignation, at the later time, (v) the expiry of his or her term, if he or she is elected for an expressly stated term, or (vi) the close of the first

annual meeting of shareholders following his or her election, if he or she is not elected for an expressly stated term.

**4.6 Removal of Directors**

Subject to the Act, the shareholders of the Corporation may by ordinary resolution at a meeting of shareholders remove any director or directors from office, and the vacancy or vacancies created by the removal of a director may be filled at that meeting, failing which the vacancy or vacancies may be filled by the board in accordance with the Act.

**4.7 Vacancies**

4.7.1 Subject to the Act, a quorum of directors may fill a vacancy among the directors, except a vacancy resulting from: (i) an increase in the number of directors otherwise than in accordance with paragraph 4.7.2, or in the maximum number of directors, as the case may be, or (ii) a failure to elect the number of directors required to be elected at any meeting of shareholders.

4.7.2 Where a minimum and maximum number of directors is provided for in the articles, if a special resolution passed under paragraph 4.2 empowers the board to determine the number of directors, the directors may not, between meetings of shareholders, appoint an additional director if, after that appointment, the total number of directors would be greater than one and one-third times the number of directors required to have been elected at the last annual meeting of shareholders.

4.7.3 If there is not a quorum of directors, or if there has been a failure to elect the number of directors required by the articles or paragraph 4.2, the directors then in office must forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

4.7.4 A director appointed or elected to fill a vacancy holds office for the unexpired term of the director's predecessor.

**4.8 Remuneration of Directors**

Subject to the articles and any unanimous shareholder agreement, the board may fix the remuneration of the directors of the Corporation.

## ARTICLE 5
## MEETINGS OF DIRECTORS

**5.1 Transaction of Business**

The powers of the board may be exercised at a meeting at which a quorum is present or by a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where the Corporation has only one director, that director may constitute a meeting.

### 5.2 Quorum

Subject to the articles, a majority of the number of directors determined in accordance with paragraph 4.2 constitutes a quorum for the transaction of business at any meeting of the board and, notwithstanding any vacancies on the board, a quorum of directors may exercise all the powers of the board. Where the Corporation has fewer than three directors, all directors must be present at any meeting of the board to constitute a quorum.

### 5.3 Place of Meetings

Unless the articles otherwise provide, meetings of the board may be held at any place.

### 5.4 Participation in Meeting by Electronic Means

If all the directors of the Corporation present at or participating in the meeting consent, a meeting of the board may be held by means of telephone, electronic or other communication facilities that permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in that meeting by those means is deemed to be present at that meeting.

### 5.5 Calling of Meetings

Meetings of the board may be called at any time by the Chair of the board (if any), the President (if the President is a director), a Vice-President who is a director, or any two directors.

### 5.6 Notice of Meetings

Subject to paragraph 5.7, notice of the time and place of any meeting of the board must be sent to every director not less than 48 hours before the time when the meeting is to be held, but notice of an adjourned meeting need not be given if the time and place of the adjourned meeting is announced at the original meeting. A notice of a meeting of the board need not specify the purpose of or the business to be transacted at the meeting unless the Act requires that purpose or business or the general nature of the business to be specified. Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which that board is elected.

### 5.7 Waiver of Notice

A director may in any manner and at any time waive notice of a meeting of the board. Attendance of a director at a meeting of the board is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

### 5.8 Omission of Notice

The accidental omission to give notice of any meeting of the board or any irregularity in the notice of any meeting or the non-receipt of any notice by any director will not invalidate any resolution passed or any proceeding taken at that meeting.

### 5.9 Voting at Meetings

Questions arising at any meeting of the board will be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting will not be entitled to a second or casting vote.

### 5.10 Chair and Secretary

The Chair of the board (if any) will, when present, preside as chair at meetings of the board. If the Chair of the board is absent or unable or unwilling to preside as chair, the Vice-Chair of the board (if any) will, when present, preside as chair for that meeting. If the Vice-Chair of the board is absent or unable or unwilling to preside as chair, the President (if the President is a director) will, when present, preside as chair for that meeting. If none of these officers is present or able or willing to preside as chair, the directors present will choose one from among them to preside as chair for that meeting. The Secretary of the Corporation (if any) will, when present, act as secretary at meetings of the board. If the Secretary is absent or unable or unwilling to act as secretary, the chair of the meeting will appoint a person who need not be a director to act as secretary for that meeting.

### 5.11 Adjournment

The chair of a meeting of the board may, with the consent of the meeting, adjourn the meeting to a fixed time and place. If there is a quorum at the adjourned meeting, the meeting will be considered duly constituted and the board may deliberate and transact business in accordance with the procedures established at the original meeting. The directors constituting a quorum at the original meeting need not constitute the quorum at the adjourned meeting. If there is no quorum at the adjourned meeting, the meeting will be deemed to have ended at the original meeting at which the chair declared the adjournment.

### 5.12 Conflicts of Interest

A director of the Corporation who is a party to, or who is a director or an officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation must disclose to the Corporation the nature and extent of that interest at the time and in the manner provided by the Act. Such a director must not attend any part of a meeting of the board during which the contract or transaction is discussed or vote on any resolution to approve the contract or transaction except in accordance with the Act. If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present at the meeting, the remaining directors will be deemed to constitute a quorum for the purposes of voting on the resolution.

### 5.13 Written Resolution In Lieu of Meeting

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of the board, is as valid as if it had been passed at a meeting of the board.

## ARTICLE 6
## COMMITTEES OF THE BOARD

### 6.1 Committees of Directors

Subject to the articles, the board may appoint from their number a managing director or one or more committees of directors, however designated, and delegate to the managing director or those committees

any powers of the board except those that pertain to matters that, under the Act, a managing director or committee of the board has no authority to exercise.

**6.2 Transaction of Business**

The powers of a committee of the board may be exercised at a meeting at which a quorum is present or by a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the committee. Meetings of committees of the board may be held at any place within or outside Ontario.

**6.3 Meetings by Electronic Means**

The provisions of paragraph 5.4 apply to meetings of committees of the board.

**6.4 Procedures**

Unless otherwise determined by the board, each committee of the board has the power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.

## ARTICLE 7
## OFFICERS

**7.1 Designation and Appointment**

Subject to the articles and any unanimous shareholder agreement, the board may designate the offices of the Corporation, appoint officers, specify their duties and, subject to the Act, delegate to them powers to manage the business and affairs of the Corporation. Subject to the articles and any unanimous shareholder agreement, a director may be appointed to any office of the Corporation and two or more offices of the Corporation may be held by the same person.

**7.2 Powers and Duties of Officers**

Every officer of the Corporation must:

(a) perform all powers and duties incident to his or her respective office and such other powers and duties respectively as may from time to time be assigned to him or her by the board;

(b) in exercising his or her powers and discharging his or her duties to the Corporation, act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and

(c) comply with the Act, the articles, the by-laws and any unanimous shareholder agreement.

**7.3 Term of Office**

An officer ceases to hold office at the earliest of (i) his or her death, (ii) his or her removal from office by the board, (iii) his or her ceasing to be a director if being a director is a necessary qualification of that officer's appointment, (iv) his or her resignation, which resignation is effective when his or her written resignation is sent to the Corporation or, if a later time is specified in that resignation, at the later time, (v) the appointment

of his or her successor, or (vi) the close of the first meeting following his or her appointment at which the board annually appoints the officers of the Corporation.

**7.4 Vacancies**

If the office of any officer of the Corporation becomes vacant for any reason, the board may appoint a person to fill that vacancy.

**7.5 Remuneration**

Subject to the articles and any unanimous shareholder agreement, the board may fix the remuneration of the officers of the Corporation.

**7.6 Conflicts of Interest**

An officer of the Corporation who is a party to, or who is a director or an officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation, must disclose to the Corporation the nature and extent of that interest at the time and in the manner provided by the Act.

**7.7 Agents and Attorneys**

Subject to the Act, the Corporation may from time to time appoint agents or attorneys for the Corporation in or outside Canada, with such powers (including the power to sub-delegate) as may be thought fit.

**7.8 Divisional Officers**

Where the business and operations of the Corporation or any part thereof are divided into one or more divisions or sub-units, the board may designate and appoint divisional officers to those divisions or sub-units and determine their powers and duties.

## ARTICLE 8
## PROTECTION OF DIRECTORS AND OFFICERS

**8.1 Indemnity**

8.1.1 Subject to the Act, the Corporation will indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

8.1.2 The Corporation must not indemnify an individual under paragraph 8.1.1 unless the individual:

(i) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the

individual acted as a director or officer or in a similar capacity at the Corporation's request; and

(ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful.

8.1.3 The Corporation will also indemnify an individual referred to in paragraph 8.1.1 in such other circumstances as the Act permits or requires. Nothing in this by-law limits the right of any individual entitled to indemnity to claim indemnity apart from the provisions of this by-law.

**8.2 Insurance**

The Corporation may purchase and maintain insurance for the benefit of an individual referred to in paragraph 8.1.1 against any liability incurred by that individual, (i) in the individual's capacity as a director or officer of the Corporation, or (ii) in the individual's capacity as a director or officer, or a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

## ARTICLE 9
## MEETINGS OF SHAREHOLDERS

**9.1 Annual Meetings**

Subject to the Act, the board must call an annual meeting of shareholders not later than eighteen months after the Corporation comes into existence and subsequently not later than fifteen months after holding the last preceding annual meeting, for the purpose of placing before the annual meeting the financial statements, reports and any further information required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and transacting any other business that may be properly brought before the meeting.

**9.2 Special Meetings**

Subject to the Act, the board may at any time call a special meeting of shareholders, and a special meeting of shareholders may be held in conjunction with an annual meeting of shareholders.

**9.3 Place of Meetings**

Subject to the articles and any unanimous shareholder agreement, a meeting of shareholders will be held at such place in or outside Ontario as the board determines or, in the absence of such a determination, at the place where the registered office of the Corporation is located. A meeting of shareholders held under paragraph 9.6 will be deemed to be held at the place where the registered office of the Corporation is located.

**9.4 Quorum**

Subject to the Act and the articles, a quorum at any meeting of shareholders will be two persons present in person and holding or representing by proxy not less than 5% of the votes attached to all shares entitled to be voted at the meeting. If the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting. No business may be

transacted at any meeting of shareholders unless a quorum is present at the time of the transaction of the business.

**9.5 Written Resolution in Lieu of Meeting**

9.5.1 If the Corporation is an offering corporation, a resolution in writing signed by all the shareholders of the Corporation or their attorney authorized in writing entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of shareholders.

9.5.2 If the Corporation is not an offering corporation:

(i) an ordinary resolution in writing signed by the holders of at least a majority of the shares or their attorney authorized in writing entitled to vote on that resolution at a meeting of the shareholders is as valid as if it had been passed by ordinary resolution at a meeting of the shareholders; and

(ii) a special resolution in writing signed by all of the shareholders of the Corporation or their attorney authorized in writing entitled to vote on that special resolution at a meeting of shareholders is as valid as if it had been passed by special resolution at a meeting of shareholders.

9.5.3 Within 10 business days after a resolution referred to in paragraph 9.5.2(i) is signed by the holders of at least a majority of the shares or their attorney authorized in writing entitled to vote on that resolution at a meeting of the shareholders, the Corporation must give written notice of the resolution to the shareholders entitled to vote on the resolution who did not sign it, which notice must include:

(i) the text of the resolution; and

(ii) a statement that contains a description of and the reasons for the business dealt with by the resolution.

9.5.4 If the articles or a unanimous shareholder agreement require greater than a simple majority of votes of shareholders to pass an ordinary resolution, the number specified in the articles or the unanimous shareholder agreement is the minimum number of shareholders or their attorney authorized in writing that are required to sign the resolution.

**9.6 Meetings Held by Electronic Means**

Subject to the articles, a meeting of shareholders may be held by telephonic or electronic means and a shareholder of the Corporation who, through those means, votes at the meeting or establishes a communications link to the meeting will be deemed for the purposes of the Act to be present at the meeting.

**9.7 Notice of Meetings**

Subject to paragraph 9.8, notice of the time and place of any meeting of shareholders must be sent to each shareholder of the Corporation entitled to vote at the meeting, to each director and to the auditor of the Corporation as follows: if the Corporation is an offering corporation, not less than twenty-one days or, if the Corporation is not an offering corporation, not less than ten days, but, in either case, not more than fifty

days, before the meeting. Notice of a meeting of shareholders at which special business (as defined in the Act) is to be transacted must state, or be accompanied by a statement of, the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and the text of any special resolution or by-law to be submitted to the meeting.

**9.8 Waiver of Notice**

A shareholder of the Corporation and any other person entitled to attend a meeting of shareholders may in any manner and at any time waive notice of a meeting of shareholders, and attendance of any such person at a meeting of shareholders is a waiver of notice of the meeting, except where that person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**9.9 Record Date for Notice**

For the purpose of determining shareholders entitled to receive notice of a meeting of shareholders, the board may fix in advance, as the record date for that determination, a date that is not less than 30 days and not more than 60 days before the date of the meeting or that is within such other period as may be prescribed by the Act.

**9.10 List of Shareholders Entitled to Receive Notice**

9.10.1 For every meeting of shareholders, the Corporation must prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder.

9.10.2 If a record date is fixed under paragraph 9.9, the shareholders listed will be those whose names are set out in the securities register of the Corporation at the close of business on that record date and the list must be prepared not later than ten days after that record date.

9.10.3 If no record date is fixed, the shareholders listed will be those whose names are set out in the securities register of the Corporation at the close of business on the day immediately preceding the day on which notice of the meeting is given and the list must be prepared on that date. However, where no notice of the meeting is given, the shareholders listed will be those whose names are set out in the securities register of the Corporation on the day on which the meeting is held and the list must be prepared on that date.

9.10.4 The list of shareholders must be made available for examination by any shareholder of the Corporation during usual business hours at the registered office of the Corporation or at the place where its central securities register is maintained and at the meeting of shareholders for which the list was prepared.

**9.11 Shareholders Entitled to Vote**

A shareholder of the Corporation whose name appears on a list prepared under paragraph 9.10 is entitled to vote the shares shown opposite the shareholder’s name at the meeting of shareholders to which the list relates.

**9.12 Persons Entitled to Attend**

The only persons entitled to attend a meeting of shareholders are those entitled to vote at that meeting, the directors and the auditor of the Corporation and others who, although not entitled to vote, are entitled or required under the Act, the articles or the by-laws to be present at the meeting. Any other person may be admitted only with the consent of the chair of the meeting.

**9.13 Omission of Notice**

The accidental omission to give notice of any meeting of shareholders or any irregularity in the notice of any meeting or the non-receipt of any notice by any shareholder or director or the auditor of the Corporation will not invalidate any resolution passed or any proceeding taken at that meeting.

**9.14 Chair, Secretary and Scrutineers**

9.14.1 Subject to the Act, the articles and any unanimous shareholder agreement, the Chair of the board (if any) will, when present, preside as chair at meetings of shareholders. If the Chair of the board is absent or unable or unwilling to preside as chair, the Vice-Chair of the board (if any) will, when present, preside as chair for that meeting. If the Vice-Chair of the board is absent or unable or unwilling to preside as chair, the President will, when present, preside as chair for that meeting. Subject to the Act, the articles and any unanimous shareholder agreement, if none of these officers is present within 15 minutes after the time appointed for holding the meeting, or if none of these officers is able or willing to preside as chair, the persons present and entitled to vote at the meeting will choose a director present at the meeting to be the chair for that meeting, and if no director is present or if all the directors present decline to take the chair, then the persons present and entitled to vote will choose one of their number to be the chair for that meeting.

9.14.2 The Secretary of the Corporation (if any) will, when present, act as secretary at meetings of shareholders, but if the Secretary is not present at a meeting, the chair of the meeting will appoint a person who need not be a shareholder to act as secretary at that meeting.

9.14.3 One or more scrutineers, who need not be shareholders of the Corporation, may be appointed by ordinary resolution or by the chair of the meeting.

**9.15 Proxies and Representatives**

Every shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders, as the shareholder's nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy. Subject to the Act, a proxy must be signed (i) in writing or by electronic signature by the shareholder or an attorney who is authorized by a document that is signed in writing or by electronic signature or, (ii) if the shareholder is a body corporate, by an officer or attorney of the body corporate duly authorized. If the Corporation is an offering corporation, a proxy appointing a proxyholder ceases to be valid one year from its date. A form of proxy must comply with the regulations under the Act.

**9.16 Voting at Meetings**

9.16.1 Voting at a meeting of shareholders will be by show of hands, except where a ballot is demanded by a shareholder or proxyholder entitled to vote at the meeting or applicable

law requires a ballot to be taken on a particular matter. A shareholder or proxyholder may demand a ballot either before or after any vote by show of hands. A demand for a ballot may be withdrawn.

9.16.2 On a show of hands, every person who is present and entitled to vote at the meeting will have one vote. Subject to the Act, if a ballot is taken on a question, every person who is present and entitled to vote at the meeting will, unless the articles otherwise provide, have one vote for each share which that person is entitled to vote at the meeting on the question.

9.16.3 If at any meeting a ballot is demanded on the election of a chair or on the question of adjournment, it will be taken immediately without adjournment. If at any meeting a ballot is demanded or required on any other question, including the election of directors, the vote will be taken by ballot in the manner and at the time (at once, later in the meeting or after adjournment) as the chair of the meeting directs. The result of a ballot on a question will be the decision of the shareholders on that question.

9.16.4 Unless a ballot is demanded, an entry in the minutes of a meeting of shareholders to the effect that the chair declared a motion to be carried is admissible in evidence as proof of the fact, in the absence of evidence to the contrary, without proof of the number or proportion of the votes recorded in favour of or against the motion.

9.16.5 Subject to the Act, the articles and any unanimous shareholder agreement, every question at any meeting of shareholders will be determined by a majority of the votes cast on the question. In case of an equality of votes, either on a show of hands or on a ballot, the chair of the meeting will not be entitled to a second or casting vote.

**9.17 Joint Shareholders**

Where two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares, but if two or more of those persons are present, in person or by proxy, they must vote as one on the shares jointly held by them.

**9.18 Adjournment**

The chair of a meeting of shareholders may, with the consent of the meeting, adjourn the meeting to a fixed time and place. If a meeting is adjourned for less than 30 days, it is not necessary to give notice of the adjourned meeting other than by announcement at the earliest meeting that is adjourned. Subject to the Act, if a meeting is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting must be given as for an original meeting. If a meeting is adjourned and no notice is required, any business that may have been brought before or dealt with at the original meeting in accordance with the notice calling that meeting may be brought before or dealt with at the adjourned meeting. Any adjourned meeting will be duly constituted if held in accordance with the terms of the adjournment and a quorum is present at that meeting. The persons constituting a quorum at the original meeting need not constitute the quorum at the adjourned meeting. If there is no quorum at the adjourned meeting, the original meeting will be deemed to have ended immediately after its adjournment.

**9.19 One Shareholder**

If the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

## ARTICLE 10
## SECURITIES

### 10.1 Issuance

Subject to the Act, the articles and any unanimous shareholder agreement, shares in the capital of the Corporation may be issued at such time and to such persons and for such consideration as the board may determine. No share may be issued until the consideration for the share is fully paid as provided for in the Act.

### 10.2 Commissions

The board may authorize the Corporation to pay a reasonable commission to any person in consideration of the person's purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

### 10.3 Lien on Shares

The Corporation has a lien on shares registered in the name of a shareholder or the shareholder's legal representative for a debt of that shareholder to the Corporation, but not on any class or series of shares listed and posted for trading on a stock exchange in or outside Canada. Subject to the articles and any unanimous shareholder agreement, the Corporation may enforce the lien by selling the shares affected by it or by any other means permitted by law.

### 10.4 Securities Register

The Corporation must prepare and maintain, at its registered office or at any other place in Ontario designated by the board, a securities register in which it records the securities issued by it in registered form, showing with respect to each class or series of securities the information required by the Act. Branch registers, if any, may be kept at such offices of the Corporation or other places, either within or outside Ontario, designated by the board.

### 10.5 Register of Transfers

The Corporation must cause to be kept, at its registered office or at any other place in Ontario designated by the board, a register of transfers in which all transfers of securities issued by the Corporation in registered form and the date and other particulars of each transfer as required by the Act will be set out. Branch registers of transfers, if any, may be kept at such offices of the Corporation or other places, either within or outside Ontario, designated by the board.

### 10.6 Registrar and Transfer Agent

For each class of securities and warrants issued by it, the Corporation may appoint, (i) a trustee, transfer agent or other agent to keep the securities register and the register of transfers and one or more persons or agents to keep branch registers; and (ii) a registrar, trustee or agent to maintain a record of issued security certificates and warrants, and, subject to the Act, one person may be appointed for the purposes of both clauses (i) and (ii) in respect of all securities and warrants of the Corporation or any class or classes thereof.

### 10.7 Effect of Registration

Subject to the Act, the Corporation may treat the registered owner of a security as the person exclusively entitled to vote, to receive notices, to receive any interest, dividend or other payments in respect of the security, and otherwise to exercise all the rights and powers of a holder of the security.

### 10.8 Certificated and Uncertificated Securities

A security issued by the Corporation may be represented by a security certificate or may be an uncertificated security. Unless otherwise provided by the articles, the board may provide by resolution that any or all classes and series of the Corporation's shares or other securities will be uncertificated securities, but no such resolution will apply to securities represented by a certificate until that certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of an uncertificated security, the Corporation must send to the registered owner of the uncertificated security a written notice containing the information required to be stated on a share certificate in accordance with the Act. The Corporation may charge a fee, not exceeding the amount prescribed by the Act, for a security certificate issued in respect of a transfer. Security certificates issued by the Corporation will be in such form as the board may from time to time approve and must be signed by at least one of the following persons:

(a) a director or officer of the Corporation;

(b) a registrar, transfer agent or branch transfer agent of the Corporation, or an individual on their behalf; and

(c) a trustee who certifies it in accordance with a trust indenture.

### 10.9 Replacement of Certificates

Subject to the Act and the STA, the Corporation must issue a new security certificate in lieu of a security certificate claimed by its owner to have been lost, destroyed or wrongfully taken, on payment of a fee, not exceeding any amount prescribed by the Act, on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case, and upon satisfaction of any other reasonable requirements determined by the board. However, the Corporation will not be required to issue a new security certificate in lieu of a security certificate that has been lost, apparently destroyed or wrongfully taken if (i) the owner fails to give notice to the Corporation of that fact within a reasonable time after the owner has notice of it; and (ii) the Corporation registers a transfer of the security before receiving a notice of the loss, apparent destruction or wrongful taking of the security certificate.

### 10.10 Joint Holders of Securities

If the Corporation issues a security certificate in respect of securities, it will not be required to issue more than one security certificate in respect of securities held jointly by several persons, and delivery to one of several joint holders is sufficient delivery to all. Where a security of the Corporation is issued to several persons as joint holders, upon satisfactory proof of the death of one joint holder, the Corporation may treat the surviving joint holders as owner of the security.

## ARTICLE 11
## DIVIDENDS

### 11.1 Dividends

Subject to the Act, the articles and any unanimous shareholder agreement, the board may from time to time declare and the Corporation may pay dividends to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation.

### 11.2 Record Date for Dividends

For the purpose of determining shareholders entitled to receive payment of a dividend, the board may fix in advance, as the record date for that determination, a date that is not more than 50 days before the date for the payment of the dividend. If no record date is so fixed, the record date for the determination of shareholders entitled to receive payment of a dividend will be at the close of business on the day on which the resolution relating to that dividend is passed by the board.

### 11.3 Dividend Cheques

A dividend payable in cash may be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to that registered holder at the holder's recorded address, unless that holder otherwise directs. In the case of joint holders, the cheque will, unless such joint holders otherwise direct, be made payable to the order of all of those joint holders and mailed to them at their recorded address.

## ARTICLE 12
## NOTICES

### 12.1 Method of Giving Notices

12.1.1 Any notice or document required by the Act, the articles or the by-laws to be sent to a shareholder or director may be sent by prepaid mail, delivered personally or, subject to paragraph 12.2, sent by electronic means, as follows:

(i) to a shareholder at the shareholder's latest address as shown in the records of the Corporation or its transfer agent; and

(ii) to a director at the director's latest address as shown in the records of the Corporation or in the most recent notice filed under the *Corporations Information Act* (Ontario), whichever is the more current.

12.1.2 A notice or document sent by prepaid mail to a shareholder in accordance with clause 12.1.1(i) or to a director in accordance with clause 12.1.1(ii) is deemed to be received by the addressee on the fifth day after mailing.

**12.2 Sending Notices by Electronic Means**

A notice or document required or permitted to be sent by the Act to a shareholder or director of the Corporation may be sent by electronic means in accordance with the *Electronic Commerce Act, 2000* (Ontario) or as otherwise permitted by law.

**12.3 Notice to Joint Shareholders**

If two or more persons are registered as joint holders of any share of the Corporation, any notice may be addressed to all of those joint holders, but notice addressed to one of them will be sufficient notice to all of them.

**12.4 Persons Entitled by Death or Operation of Law**

Subject to the Act, every person who by operation of law, transfer, death of a shareholder or any other means becomes entitled to any securities of the Corporation will be bound by every notice in respect of those securities that, prior to that person's name and address being entered in the records of the Corporation, has been duly given to the registered holder of those securities.

**12.5 Undelivered Notices**

If any notice or document sent to a shareholder under clause 12.1.1(i) is returned on three consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notices or documents to the shareholder until the shareholder informs the Corporation in writing of the shareholder's new address.

**12.6 Waiver of Notice**

Where a notice or document is required to be sent, the notice may be waived or the time for the sending of the notice or document may be waived or abridged at any time with the consent in writing of the person entitled thereto, which consent may be sent by electronic means in accordance with the *Electronic Commerce Act, 2000* (Ontario) or as otherwise permitted by law.

## ARTICLE 13
## ADVANCE NOTICE OF NOMINATION OF DIRECTORS

**13.1 Nomination Procedures**

Subject to the Act, the articles and applicable securities laws, only persons who are nominated in accordance with the procedures set out in this section shall be eligible for the election as directors of the Corporation. Nominations of an individual for election to the board may only be made at any annual meeting of shareholders, or at a special meeting of shareholders if one of the purposes for which such meeting was called is the election of directors of the Corporation, as follows:

(a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of shareholders meeting by one or more shareholders made in accordance with the Act; or

(c) nominating shareholder who, who, (A) at the close of business on the date of the giving of the notice provided for below in this section and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting, and (B) complies with the notice procedures set forth below in this section.

**13.2 Timely Notice**

In addition to any other applicable requirements, for a nomination to be made by a nominating shareholder, the nominating shareholder must have given timely notice thereof in proper written form to the chief executive officer of the Corporation at the registered office of the Corporation in accordance with this section.

To be timely, a nominating shareholder's notice to the chief executive officer of the Corporation must be made:

(a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that if the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the initial public announcement of the date of the annual meeting of shareholders was made, notice by the nominating shareholder may be made not later than the close of business of the 10th day following such public announcement;

(b) in the case of a special meeting of shareholders that is not also an annual meeting but is called for the purpose of electing directors of the Corporation (whether or not called for other purposes), not later than the close of business on the 15$^{th}$ day following the day on which the initial public announcement of the special meeting of shareholders was made; and

(c) notwithstanding the foregoing clause 3(a) and 3(b), in the case of an annual or special meeting of shareholders where "notice-and-access" is used for the delivery of proxy-related materials and the initial public announcement is not less than 50 days before the date of the meeting, not less than 40 days prior to the date of the meeting.

**13.3 Form and Update of Notice**

To be in proper written form, a nominating shareholder's notice to the chief executive officer of the Corporation must set forth:

(a) as to each individual whom the nominating shareholder proposes to nominate for election as a director

(i) his or her name, age, business address and residence address;

(ii) his or her principal occupation or employment for the past five years;

(iii) the class or series and number of shares in the capital of the Corporation which are owned beneficially, or which are controlled or over which direction is exercised, directly or indirectly, or of record by him or her, as of the record date for the meeting

of shareholders (if such date shall then have been made publicly available by the Corporation and shall have occurred) and as of the date of such notice;

(iv) a statement as to whether he or she would be "independent" of the Corporation (within the meaning of Sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as director of the Corporation at such meeting and the reasons and basis for such determination; and

(v) any other information relating to him or her that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws; and

(b) as to the nominating shareholder giving the notice:

(i) the name and address of the nominating shareholder;

(ii) the class or series and number of shares in the capital of the Corporation which are owned beneficially, or which are controlled or over which direction is exercised, directly or indirectly, or of record by the nominating shareholder or its joint actors as of the record date for the meeting of shareholders (if such date shall then have been made publicly available by the Corporation and shall have occurred) and as of the date of such notice;

(iii) full particular of any proxy, contract, arrangement, understanding or relationship pursuant to which such nominating shareholder or any joint actor has the right to vote any shares in the capital of the Corporation;

(iv) full particulars of any derivatives, hedges or other economic or voting interests relating to the nominating shareholder's interest in the securities of the Corporation; and

(v) any other information relating to such nominating shareholder or its joint actors that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws.

In addition, to be considered timely and in proper written form, a nominating shareholder's notice shall be promptly updated and supplemented, if necessary, so that information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

**13.4 Eligibility for Nomination**

No individual shall be eligible for election as a director of the Corporation unless nominated in accordance with Article 13 provided, however, that nothing in this section shall be deemed to preclude discussions by a shareholder of the Corporation (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the chairman of the meeting. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions

and, if any proposed nomination is not determined to be in compliance with such foregoing provisions, such defective nomination shall be disregarded.

### 13.5 Delivery of Notice

Notwithstanding any other provision of the by-laws, notice given to the chief executive officer of the Corporation pursuant to this section may only be given by personal delivery, by email (at such email address as may be stipulated from time to time by the chief executive officer of the Corporation for this notice) or by facsimile transmission, and shall be deemed to have been given and made only at the time it is served by personal delivery to the chief executive officer at the address of the registered office of the Corporation, or by email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) provided, that if such delivery, electronic communication or transmission is made on a day which is not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery, electronic communication or transmission shall be deemed to have been made on the subsequent day that is a business day.

### 13.6 Discretion to Waive by the Board

Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this section.

## ARTICLE 14
## ENACTMENT, AMENDMENT AND REPEAL OF BY-LAWS

### 14.1 Approval and Confirmation

Unless the articles, by-laws or any unanimous shareholder agreement otherwise provide, the board may, by resolution, make, amend or repeal any by-laws. Where the board so makes, amends or repeals a by-law, the board must submit the by-law, amendment or repeal to the shareholders at the next meeting of shareholders, and the shareholders may, by ordinary resolution, confirm, reject or amend that by-law, amendment or repeal.

### 14.2 Effective Date

Subject to this Article 14, any by-law, amendment or repeal of a by-law is effective from the date of the resolution of the board and remains in force until it is confirmed, confirmed as amended or rejected by the shareholders at the next meeting of shareholders. If a by-law, amendment or repeal is rejected by the shareholders, or if the board does not submit it to the shareholders as required by the Act, the by-law, amendment or repeal ceases to be effective on the date of that rejection or on the date of the meeting of shareholders at which it should have been submitted, as the case may be, and no subsequent resolution of the board to make, amend or repeal a by-law having substantially the same purpose or effect is effective until it is confirmed or confirmed as amended by the shareholders.

***[Signature page follows]***

**MADE** by the board on _____, 2024.

| | |
|---|---|
| **Donald Cilla - President** | **Kenneth Howling – Acting Chief Financial Officer** |

**APPENDIX C**
**NUMBER OF DIRECTORS RESOLUTION**

The text of the Number of Directors Resolution which the Company Shareholders will be asked to pass at the Meeting is as follows:

**NUMBER OF DIRECTORS RESOLUTION**

BE IT RESOLVED THAT:

1. Upon Appili Therapeutics Inc. (the "**Company**") becoming subject to the *Business Corporations Act* (Ontario), in accordance with section 125(3) of the *Business Corporations Act* (Ontario), the directors of the Company shall be empowered and authorized to determine the number of directors of the Company to be elected at annual meetings of shareholders of the Company within the minimum and maximum numbers provided for in the Articles of the Company, provided that the number of directors so set between meetings of shareholders of the Company may not exceed one and one-third of the number of directors elected at the previous annual meeting of shareholders of the Company.

2. Any one (1) director or officer of the Corporation is hereby authorized to take all such acts and proceedings and to execute and deliver all such applications, authorizations, certificates, documents and instruments, as in their opinion may be reasonably necessary or desirable for the implementation of this resolution.

**APPENDIX D**
**SECTION 190 OF THE CBCA**

**Right to dissent**

**190 (1)** Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

**(a)** amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

**(b)** amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

**(c)** amalgamate otherwise than under section 184;

**(d)** be continued under section 188;

**(e)** sell, lease or exchange all or substantially all its property under subsection 189(3); or

**(f)** carry out a going-private transaction or a squeeze-out transaction.

**Further right**

**(2)** A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

**If one class of shares**

**(2.1)** The right to dissent described in subsection (2) applies even if there is only one class of shares.

**Payment for shares**

**(3)** In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

**No partial dissent**

**(4)** A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

**Objection**

**(5)** A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

**Notice of resolution**

**(6)** The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

**Demand for payment**

**(7)** A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

**(a)** the shareholder's name and address;

**(b)** the number and class of shares in respect of which the shareholder dissents; and

**(c)** a demand for payment of the fair value of such shares.

**Share certificate**

**(8)** A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

**Forfeiture**

**(9)** A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

**Endorsing certificate**

**(10)** A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

**Suspension of rights**

**(11)** On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

**(a)** the shareholder withdraws that notice before the corporation makes an offer under subsection (12),

**(b)** the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or

**(c)** the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

**Offer to pay**

**(12)** A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

> **(a)** a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
>
> **(b)** if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

**Same terms**

**(13)** Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

**Payment**

**(14)** Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

**Corporation may apply to court**

**(15)** Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

**Shareholder application to court**

**(16)** If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

**Venue**

**(17)** An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

**No security for costs**

**(18)** A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

**Parties**

**(19)** On an application to a court under subsection (15) or (16),

**(a)** all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

**(b)** the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

**Powers of court**

**(20)** On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

**Appraisers**

**(21)** A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

**Final order**

**(22)** The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

**Interest**

**(23)** A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

**Notice that subsection (26) applies**

**(24)** If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

**Effect where subsection (26) applies**

**(25)** If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

**(a)** withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

**(b)** retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

**Limitation**

**(26)** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

**(a)** the corporation is or would after the payment be unable to pay its liabilities as they become due; or

**(b)** the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

**APPENDIX E**
**ANNUAL MATTERS**

In addition to the Continuance Resolution and the Number of Directors Resolution being put to the Company Shareholders for approval at the Meeting, the Company Shareholders are being asked to consider the Annual Resolutions.

**Completion of the Continuance or approval of the Continuance Resolution or the Number of Directors Resolution is not conditional upon the approval of any of the Annual Resolutions that the Company Shareholders are being asked to consider. Management of the Company and the Company Board recommend that the Company Shareholders vote FOR each of the Continuance Resolution (the full text of which is set out in Appendix B to this Circular), the Number of Directors Resolution (the full text of which is set out in Appendix C to this Circular) and, where applicable, the Annual Resolutions (as described in this Appendix E).**

## ANNUAL MATTERS TO ACTED UPON AT THE MEETING

### Presentation of the Financial Statements

The financial statements of the Company for its fiscal year ended March 31, 2024 and the auditor's report thereon, will be presented to the Company Shareholders at the Meeting, but no vote with respect thereto is required or proposed to be taken.

### Election of Director

#### *Background*

The Company has previously fixed the number of directors at six (6) directors and has nominated six (6) persons for election as directors at the Meeting. Each nominee for election as a director is currently a director of the Company. The present term of office of each current director of the Company will expire at the Meeting and each director elected at the Meeting will hold office until the next annual meeting of Company Shareholders or until his or her successor is duly elected or appointed, unless he or she resigns, is removed or becomes disqualified in accordance with the Company's governing legislation.

#### *Advance Notice Provisions*

The by-laws of the Company include advance notice provisions for the election of directors of the Company at specified meetings of the Company Shareholders (the "**Advance Notice Provisions**"). The Advance Notice Provisions require advance notice by any Company Shareholder who intends to nominate any person for election as a director of the Company. Among other things, the Advance Notice Provisions set a deadline by which such Company Shareholders must notify the Chief Executive Officer of the Company in writing of an intention to nominate a director prior to any meeting of Company Shareholders at which directors are to be elected and set forth the information that the Company Shareholder must include in the notice for it to be valid.

In the case of an annual meeting of Company Shareholders, notice to the Chief Executive Officer of the Company must be made not less than thirty (30) days prior to the date of the annual meeting; provided, however, that if the annual meeting is to be held on a date that is less than fifty (50) days after the date on which the initial public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of Company Shareholders that is not also an annual meeting but is called for the purpose of electing directors of the Company (whether or not called for other purposes), notice to the Chief Executive Officer of the Company must be made not later than the close of business on the 15th day following the day on which the initial public announcement of the special meeting of Company Shareholders was made.

Notwithstanding the above, in the case of an annual or special meeting of Company Shareholders where "notice-and-access" is used for the delivery of proxy-related materials and the initial public announcement is not less than fifty (50) days before the date of the meeting, notice to the Chief Executive Officer of the Company must be made not less than forty (40) days prior to the date of the meeting.

***Director Nominees***

Company Shareholders can vote for or against the election of each director on an individual basis. The election of directors at the Meeting is governed by the majority voting requirements under the CBCA. Pursuant to these requirements, in an uncontested election of directors, a nominee must receive a majority of the votes cast for his or her election in order to be elected as a director. Subject to the CBCA, if a nominee does not receive a majority of the votes cast for his or her election, he or she will not be elected to the Company Board and the Company Board position will remain open except in limited circumstances. However, if the nominee is an incumbent director, he or she may continue in office for 90 days following the vote or until the day a successor is appointed or elected, whichever is earlier.

The following table sets out the names and places of residence of all persons proposed to be nominated for election as directors of the Company, the positions they hold with the Company, their principal occupations, the year such persons began to serve as directors of the Company and the number of Company Shares over which they beneficially own, control or direct, directly or indirectly.

**Unless authority to vote is directed to vote against a particular nominee, the persons named in the accompanying form of proxy intend to vote IN FAVOUR of the election of each of the six (6) nominees whose names are set forth hereafter**. Management does not contemplate that any of the nominees named below 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 form of proxy reserve the right to vote for another nominee in their discretion.

| Name of Proposed Nominee, State/Province and Country of Residence | Position(s) Held with the Company | Principal Occupation(s) | Date First Elected a Director of the Company | Number of Company Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly[(1)] |
|---|---|---|---|---|
| Armand Balboni<br>(Virginia, USA) | Chair of the Board and Director | LT. Colonel, faculty member and Director of the Life Sciences Research Center at United States Air Force Academy | February 2019 | Nil |
| Don Cilla<br>(Maryland, USA) | Chief Executive Officer ("**CEO**"), President and Director | President and CEO of the Company | November 2022 | 75,000 |

| Name of Proposed Nominee, State/Province and Country of Residence | Position(s) Held with the Company | Principal Occupation(s) | Date First Elected a Director of the Company | Number of Company Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly[(1)] |
|---|---|---|---|---|
| Brian Bloom<br>(Ontario, Canada) | Director | CEO and Chair of Bloom Burton | May 2015 | 14,358,611 [(4)] |
| Theresa Matkovits[(2)(3)]<br>(New Jersey, USA) | Director | Chief Development Officer of Matinas BioPharma Holdings, Inc. | October 2018 | Nil |
| Juergen Froehlich[(2)(3)]<br>(Massachusetts, USA) | Director | Chief Medical Officer of Arcturus Therapeutics Holdings Inc. | January 2020 | Nil |
| Prakash Gowd[(2)(3)]<br>(Ontario, Canada) | Director | Vice President of Toronto Innovation Acceleration Partners | November 2023 | Nil |

Notes:
(1) The information as to the number of Company Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Company, has been obtained from the System for Electronic Disclosure by Insiders.
(2) Member of the Nominating, Governance and Compensation Committee of the Board (the "**NGC Committee**").
(3) Member of the Audit Committee of the Board (the "**Audit Committee**").
(4) Mr. Bloom is the Chair and CEO of Bloom Burton. Mr. Bloom beneficially owns, or control or directs, indirectly through Bloom Burton, 14,358,611 Company Shares. See "*Voting Securities and Principal Holders Thereof*"

## *Biographies*

*Armand Balboni, Chair*

Armand Balboni career includes medical research and drug development experience in civilian, academic and military organizations, most recently as a partner at Bloom Burton & Co. where he was the firm's senior advisor for regulatory and medical affairs. As an active-duty military officer, Dr. Balboni served as a staff officer at the U.S. Army Research Institute of Infectious Diseases. He completed a military staff fellowship at the U.S. Food and Drug Administration and went on to serve as the deputy director of clinical and regulatory affairs for the U.S. Army. Armand completed his doctoral work in the MD/PhD program at the Icahn School of Medicine at Mount Sinai and earned his law degree at Brooklyn Law School.

*Don Cilla, Chief Executive Officer, President and Director*

Dr. Cilla has over 35 years of experience in the pharmaceutical industry, with extensive clinical and regulatory expertise that includes direct involvement with developing products, including Lipitor™ and Difcid™. His career includes positions in key leadership, scientific, and program management roles in research and development in pharmaceutical, biotech, and generic drug companies, including Takeda (Shire Pharmaceuticals) and AstraZeneca (MedImmune). In prior roles, Dr. Cilla led and/or participated in the global development of more than 40 products, with six products having made it through regulatory approval to be commercialized. He also has held multiple consulting roles, outsourcing his drug development expertise to help build and lead teams for companies in need of functional area expertise. Dr. Cilla earned his Doctor of Pharmacy from the University of Michigan and an MBA from the University of Phoenix.

*Brian Bloom, Director*

Brian Bloom is a co-founder of healthcare investment banking firm Bloom Burton & Co. and serves as the firm's Chairman and Chief Executive Officer. Brian serves on the Board of Directors of Satellos Bioscience and Appili Therapeutics. Brian was formerly the Chairman of the Board of Grey Wolf Animal Health and Triumvira Immunologics, a member of the Life Sciences Advisory Board at the National Research Council of Canada, the Dean's Advisory Board at McMaster University and on the Board of Directors of BIOTECanada, the Baycrest Foundation and Qing Bile Therapeutics.

Before co-founding Bloom Burton in 2008, Brian spent six years at an independent investment dealer in the healthcare and biotechnology institutional sales and equity research groups. Brian started his career at New York-based investment banking firms SCO Financial Group and Molecular Securities. Brian received an Honours Bachelor of Science in Biochemistry from McMaster University and subsequently studied at the Mount Sinai Graduate School for Biological Sciences of New York University, with a focus in molecular endocrinology and biophysics. Brian is the proud recipient of the McMaster University 2017 Distinguished Alumni Award in Science and the co-recipient of the 2023 Life Sciences Ontario Community Service Award. In 2023, Bloom Burton celebrated its 15-year anniversary with an Ecosystem Builder Award from BIOTECanada.

*Theresa Matkovits, Director*

Dr. Theresa Matkovits has more than 20 years of experience as a leader in global drug development and commercialization, with extensive expertise in infectious disease. She currently serves as the Chief Development Officer at Matinas Biopharma where she serves as an Executive Leadership Team member, joining the company in October 2018. Dr. Matkovits is responsible for leading the Global Development efforts of the company's development pipeline products, including their Infectious Disease products. Prior to this role, she was the Chief Operating Officer at ContraVir (NASDAQ: CTRV) now Hepion, where she led global development of the company's clinical-stage antiviral portfolio. She also served as ContraVir's Executive Vice President, Head of Drug Development, where she was responsible for leading all global drug development functional areas for the company's infectious disease programs. Dr. Matkovits' career also includes steering the clinical development and approval efforts for Natpara® at NPS Pharmaceuticals; serving as a Vice President and Innovation Leader at The Medicines Company (NASDAQ: MDCO), where she managed global development and commercialization efforts for the Company's infectious disease franchise; and several leadership positions at Novartis in its U.S. Medical and Drug Regulatory Affairs and Global Development Divisions. Dr. Matkovits is a member of the Board of Directors for BioSurplus and Chairperson of Good Cap Pharmaceuticals, and previous director of Aradigm Corporation (NASDAQ: ARDM). Dr. Matkovits earned her PhD in Biochemistry and Molecular Biology from the University of Medicine and Dentistry of New Jersey – New Jersey Medical School.

*Juergen Froehlich, Director*

Dr. Juergen Froehlich's career spans multiple decades and covers a broad range of drug development successes. It includes strategic planning and execution of all phases of drug development and regulatory interactions across therapeutic areas such as cystic fibrosis, bronchiectasis, and hepatitis C. He has worked with biologics, peptides, small molecules and RNA therapeutics at companies including Boehringer Ingelheim, Genentech, Quintiles, Bristol-Myers-Squibb, Ipsen, Vertex, and Aradigm. Dr. Froehlich was instrumental in obtaining successful marketing authorizations worldwide, including in the U.S., Canada, and the E.U. As Chief Medical Officer and Head of Regulatory Affairs of Aradigm Corporation, he initiated, oversaw, and completed a Phase 3 trial program with a liposomal formulation of ciprofloxacin for inhalation in patients with non-cystic fibrosis bronchiectasis (NCFBE) and chronic Pseudomonas aeruginosa lung infections, which resulted in a New Drug Application (NDA) and Marketing Authorization

Application (MAA) submission. He was an invited panel member at a U.S. Food and Drug Administration (FDA) workshop in 2018 for inhaled antibiotics in cystic fibrosis and NCFBE.

*Prakash Gowd, Director*

An accomplished healthcare executive, Mr. Gowd brings over 25 years of extensive experience in biopharma, capital markets, and entrepreneurship, including leadership roles in startups, publicly-traded and private companies. He currently serves as Vice President at TIAP, a not-for-profit organization that identifies, funds, and accelerates transformative, member-sourced, early-stage medical innovation into successful Canadian companies. Before joining TIAP, Mr. Gowd was Chief Operating Officer and Head of Corporate Development at a mental health and psychedelic medicine company where he played pivotal roles in building a network of clinics, bringing the company public, optimizing value of the U.S. operations, executing acquisitions, and managing the sale of the business. Previously, as co-founder of a genetic testing company in medical cannabis, he worked collaboratively to assemble the team, develop and market the test, and eventually sell the company. He is also a seasoned capital markets professional, having served in senior equity research and investment banking roles at CIBC World Markets, National Bank Financial, and Canaccord Capital. The foundation of his career was built in commercial operations and new product development in the pharmaceutical industry. Mr. Gowd served as Audit Chair and Director at FendX Technologies and at Isotechnika Pharma, the predecessor company to Aurinia Pharmaceuticals. He holds an MBA from McGill University, undergraduate degrees in Pharmacy and Zoology from the University of British Columbia, and a Chartered Director designation.

***Corporate Cease Trade Orders, Bankruptcies, Penalties and Sanctions***

No proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, Chief Executive Officer or Chief Financial Officer of any company (including Appili), that was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days:

- that was issued while the proposed director was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer, or
- that was issued after the proposed director ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

Except as disclosed herein, no proposed director of Appili:

- is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including Appili) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- 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 the proposed director.

Dr. Froehlich was the Chief Medical Officer and Dr. Matkovits was a director of Aradigm until February 2019. In February 2019, Aradigm filed for protection under Chapter 11 of the U.S. Bankruptcy Code in Alameda County Court District to facilitate the sale of its assets.

Mr. Howling was previously an officer of Biovail Corporation ("**Biovail**") a specialty pharmaceutical company, engaged in the formulation, clinical testing, registration, manufacture and commercialization of pharmaceutical products. In March 2008, the Ontario Securities Commission (the "**OSC**") alleged certain public disclosures made by Biovail were misleading or untrue in a material respect and in contravention of the Securities Act (Ontario). A number of officers of Biovail, including Mr. Howling, were involved to various degrees in these disclosures. In January 2009, the OSC sought and obtained enforcement penalties against the officers involved, including Mr. Howling who was responsible for investor relations at the time. Mr. Howling agreed to a settlement with the OSC which resulted in a reprimand for Mr. Howling, an order to pay $20,000 in respect of the costs of the investigation, and a prohibition against Mr. Howling being or becoming an officer or director of a public company for two years. A complaint was also filed by the United States Securities and Exchange Commission and a settlement was reached in which Mr. Howling was permanently restrained and enjoined from violating Section 10(b) of the Securities and Exchange Act of 1934 and ordered to pay a civil penalty in the amount of US$50,000.

Other than as disclosed, no director or executive officer of Appili, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## Appointment of Auditor

At the Meeting, the Company Shareholders will be asked to approve a resolution to appoint PricewaterhouseCoopers LLP, chartered professional accountants, as auditor of the Company until the close of the next annual meeting of the Company Shareholders and to authorize the Company Board to fix their remuneration and terms of engagement. PricewaterhouseCoopers LLP was first appointed auditor of the Company on September 7, 2017.

**In the absence of a contrary specification made in the Instrument of Proxy, the persons named in the accompanying Instrument of Proxy intend to vote IN FAVOUR of appointing PricewaterhouseCoopers LLP, chartered professional accountants, as auditor of the Company and to authorize the Board to fix their remuneration and terms of engagement**.

## DIRECTOR COMPENSATION

Pursuant to the Company's compensation plan, independent directors received cash payments and Company Options as per the schedule below. The NGC Committee set the compensation for independent directors in respect of the fiscal year ended March 31, 2024, as further set out below:

| Position | Compensation |
|---|---|
| Chair of the Board | CAD $33,000/year[(1)] |
| Lead Director | CAD $33,000/year |

| Position | Compensation |
|---|---|
| All Directors | CAD $52,000/year |
| Chair of Audit Committee | CAD $17,000/year,[1] |
| Chair of NGC Committee | CAD $17,000/year[1][2] |
| All other Members of the Audit Committee | CAD $7,000/year[1] |
| All other Members of the NGC Committee | CAD $7,000/year[1][3] |

Note:
(1) In addition to compensation received as a director of the Company.
(2) Increased from $12,000 to $17,000 on November 13, 2023 following the NGC Committee taking on a governance function.
(3) Increased from $5,000 to $7,000 on November 13, 2023 following the NGC Committee taking on a governance function.

Except as disclosed herein, directors who are officers, employees, or consultants of the Company did not receive any compensation under the terms of the Company's compensation plan for acting as directors during the fiscal year ended March 31, 2024.

Annually, the NGC Committee reviews the compensation paid to Appili's directors to ensure that the Company's approach to Company Board compensation is competitive and reflects best practices considering current governance trends.

***Director Compensation Table***

The following table sets forth information concerning the total compensation in respect of the directors of the Company (other than for Don Cilla, a director who is also a Named Executive Officer for whom information is shown on the comparable table for the NEOs set out in the "Summary Compensation Table") during the financial year ended March 31, 2024:

| Name | Fees Earned ($) | Share-Based Awards ($) | Option-Based Awards[1][2] ($) | Non-Equity Incentive Plan Compensation ($) | Pension Value ($) | All Other Compensation ($) | Total ($) |
|---|---|---|---|---|---|---|---|
| Armand Balboni | - | - | 39,000 | - | - | - | 39,000 |
| Brian Bloom | 57,500 | - | 5,600 | - | - | - | 63,100 |
| Theresa Matkovits | 109,000 | - | 22,600 | - | - | - | 131,600 |
| Juergen Froehlich | 66,000 | - | 18,100 | - | - | - | 84,100 |
| Prakash Gowd[3] | 25,333 | - | 4,900 | - | - | - | 30,233 |
| Rochelle Stenzler[4] | 38,000 | - | 14,600 | - | - | - | 52,600 |

Note:

(1) 2,497,500 Options vested on May 15, 2023 grant date, and 140,000 Options vested on November 15, 2023 grant date.

(2) The fair value of the Options is obtained by multiplying the number of Options granted by their value established according to the Black Scholes model. This value is the same as the fair book value established in accordance with International Financial Reporting Standards and accounting for the following assumptions:

| | $0.04 exercise price grant |
|---|---|
| Risk free rate: | 3.80% |
| Dividend yield: | 0% |
| Volatility: | 120% |
| Expected lifetime: | 10 years |
| Fair value per Option: | $0.04 |

(3) Prakash Gowd was appointed as a director of the Company on November 13, 2023.

(4) Rochelle Stenzler ceased to be a director of the Company on October 23, 2023.

### *Incentive Plan Awards*

*Outstanding Option-Based Awards and Share-Based Awards*

The following table sets forth all outstanding option-based and share-based awards held by each director (other than for Don Cilla, a director who is also a Named Executive Officer for whom information is shown on the comparable table for Named Executive Officers set out below) as at March 31, 2024.

| | **Option-Based Awards** | | | | **Share-Based Awards** | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Number of Securities Underlying Unexercised Options** (#) | **Option Exercise Price** ($) | **Option Expiration Date** | **Value of Unexercised in-the-money Options** ($) | **Number of Shares or Units of Shares that have not Vested** (#) | **Market or Payout Value of Share-Based Awards that have not Vested** ($) | **Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed** ($) |
| Armand Balboni | 975,000<br>350,000 | 0.04<br>0.13 | 15-May-33<br>08-Dec-31 | - | - | - | - |
| Brian Bloom | 140,000 | 0.04 | May-15-33 | - | - | - | - |

| | Option-Based Awards | | | | Share-Based Awards | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Number of Securities Underlying Unexercised Options (#)** | **Option Exercise Price ($)** | **Option Expiration Date** | **Value of Unexercised in-the-money Options ($)** | **Number of Shares or Units of Shares that have not Vested (#)** | **Market or Payout Value of Share-Based Awards that have not Vested ($)** | **Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed ($)** |
| Theresa Matkovits | 565,000<br>245,000 | 0.04<br>0.13 | May-15-33<br>Dec-08-31 | - | - | - | - |
| Juergen Froehlich | 452,500<br>245,000 | 0.04<br>0.13 | May-15-33<br>Dec-08-31 | - | - | - | - |
| Prakash Gowd[(1)] | 140,000 | 0.04 | Nov-15-33 | - | - | - | - |
| Rochelle Stenzler[(2)] | 365,000<br>245,000 | 0.04<br>0.13 | Oct-23-24<br>Oct-23-24 | - | - | - | - |

**Notes:**

(1) Prakash Gowd was appointed as a director of the Company on November 13, 2023.

(2) Rochelle Stenzler ceased to be a director of the Company on October 23, 2023.

*Incentive Plan Awards – Value Vested or Earned During the Year*

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each director (other than for Don Cilla, a director who is also a Named Executive Officer for whom the information is shown on the comparable table for Named Executive Officers set out below) for the financial year ended March 31, 2024.

| **Name** | **Option-Based Awards – Value Vested during the Year ($)[(1)(2)]** | **Share-Based Awards – Value Vested during the Year ($)** | **Non-Equity Incentive Plan Compensation – Value Earned during the Year ($)** |
|---|---|---|---|
| Armand Balboni | 39,000 | - | - |
| Brian Bloom | 5,600 | - | - |

| Name | Option-Based Awards – Value Vested during the Year ($)[1][2] | Share-Based Awards – Value Vested during the Year ($) | Non-Equity Incentive Plan Compensation – Value Earned during the Year ($) |
|---|---|---|---|
| Theresa Matkovits | 22,600 | - | - |
| Juergen Froehlich | 18,100 | - | - |
| Prakash Gowd[1] | 4,200 | - | - |
| Rochelle Stenzler[2] | 14,600 | - | - |

**Note:**

(1) Options will vest or have vested) either (i) with respect to an aggregate of 3,487,500 Company Options granted on May 15, 2023, on the date of the grant, (ii) with respect to an aggregate of 879,000 Options granted on May 15, 2023, in three equal annual instalments commencing on May 15, 2024, and (iii) with respect to 140,000 Company Options granted on November 15, 2023, on the date of the grant.

(2) The fair value of the Options is obtained by multiplying the number of Options granted by their value established according to the Black Scholes model. This value is the same as the fair book value established in accordance with International Financial Reporting Standards and accounting for the following assumptions:

| | $0.04 exercise price grant |
|---|---|
| Risk free rate: | 3.80% |
| Dividend yield: | 0% |
| Volatility: | 120% |
| Expected lifetime: | 10 years |
| Fair value per Option: | $0.04 |

(3) Prakash Gowd was appointed to be a director of the Company on November 13, 2023.

(4) Rochelle Stenzler ceased to be a director of the Company on October 23, 2023.

## COMPENSATION DISCUSSION AND ANALYSIS

For the purposes of this Circular, a named executive officer ("**NEO**" or "**Named Executive Officer**") of the Company means each of the following individuals:

(a) the CEO of the Company;

(b) the CFO of the Company;

(c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

Don Cillia (Chief Executive Officer), Kenneth Howling (Acting Chief Financial Officer) and each of Gary Nabors (Chief Development Officer), Arthur Baran (Director, New Product Development) and Carl Gelhaus (Director, Non-Clinical Research) are each a NEO of the Company for purposes of this disclosure.

***Compensation Objectives***

Appili's compensation philosophy for NEOs is focused on the belief that capable and qualified employees are critical to the Company's success. Therefore, the Company's compensation plan is designed to attract the very best individuals in each area of expertise and to use salaries and long-term incentive compensation in the form of Company Options or other suitable long-term incentives to attract and retain such employees. In making its determinations regarding the various elements of executive stock option grants, Appili seeks to meet the following objectives:

(a) to attract, retain and motivate talented executives who create and sustain Appili's continued success within the context of compensation paid by other companies of comparable size engaged in similar business in appropriate regions;

(b) to align the interests of Appili's NEOs with the interests of Company Shareholders; and

(c) to incent extraordinary performance from Appili's key employees.

The NGC Committee reviews the NEOs compensation plans in comparison to multiple benchmarks, as described below.

***Elements of Compensation***

The Company's executive compensation philosophy is supported by the following four elements of Appili's executive compensation program for the NEOs:

(a) Fixed components: (i) base salary; and (ii) employee benefits program; and

(b) Variable components: (i) annual incentive program; and (ii) equity incentive compensation.

Each component of the executive compensation program is discussed below.

*Base Salary*

The base salary is designed to provide income certainty. The base salary review of any NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. The base salary and total compensation package are reviewed by the NGC Committee, who considers the overall remuneration strategy and, where information is available, verifies the appropriateness of existing remuneration levels using an extensive process of evaluating peer groups on the TSX and the TSX Venture Exchange ("**TSXV**"), as well as other external sources for comparison. The annual base salaries for NEOs of the Company are:

| NEO | Base Salary |
|---|---|
| Don Cilla, CEO | US$360,400 |
| Kenneth Howling, CFO[(1)] | US$305,280 |
| Gary Nabors, CDO | US$340,000 |
| Arthur Baran, Director, New Product | US$193,500 |
| Carl Gelhaus, Director, Non Clinical Research | US$185,000 |

Notes:

(1) Mr. Howling does not receive a base salary, but rather provides his services through a consulting company.

*Employee Benefits Program*

The Company's employee benefits program includes health, dental, vision, life and disability components and is designed to provide a level of protection to all employees, including executive officers, and their families in the event of death, illness, or disability.

*Annual Incentive Program*

The Company Board believes that its ability to exercise discretion and judgment is critical to ensuring that annual bonuses reflect the assessment of risk in the decisions and actions taken by our executive team and consider unexpected circumstances or events that have occurred during the year. The annual incentive program for the NEOs is mainly based on their performance as a team against the Company's annual objectives, which are approved by the Company Board at the beginning of each financial year, as well as individual performance. Bonuses are awarded and approved by the Company Board, at its full discretion, based on recommendation of the NGC Committee. While the target for annual incentive compensation for NEOs has been established as a percentage of their respective base salary as shown in the table below, the Board retains full discretion in assessing such achievement and may approve an award in excess of such target, or alternatively may approve no award at all. In addition, the Company Board may also factor in individual achievement, if warranted. The bonuses available to the NEOs are as follows.

| NEO | Bonus Payable |
|---|---|
| Don Cilla, CEO | 40% |
| Kenneth Howling, CFO | 30% |
| Gary Nabors, CDO | 30% |
| Arthur Baran, Director, New Product Development | 20% |
| Carl, Gelhaus, Director, Non Clinical Research | 20% |

The annual objectives were based on the Company meeting specific goals relating to the development of the Company's products, the business development efforts in both in-licensing opportunities and out-licensing opportunities of its current products and successfully transitioning to a public company to facilitate access to capital to fund the Company's operations and increase participation of institutional investors.

*Equity Incentive Compensation*

Company Option grants assist in attracting, retaining and motivating executives of the highest level of quality and effectiveness. The Company is focused on rewarding the types of performance that increase long-term shareholder value. Company Option grants they are part of the long-term incentive and retention program and serve to motivate and encourage executives and employees to deliver performance that increases the value of the Company through growth of the share price over the long-term. All Company Option grants are approved

by the Company Board by the way of recommendation through the NGC Committee. The process for issuing Company Option grants is in-line with the annual incentive program described above. Previous grants of Company Options are taken into account when considering new grants.

The Company may also use Awards (as defined herein) under its equity incentive plan (the "**Incentive Plan**") to assist in attracting, retaining and motivating executives.

***Compensation Risks of Management***

In making its compensation-related decisions, the Company Board carefully considers the risks implicitly or explicitly connected to such decisions. These risks include the risks associated with employing executives who are not world-class in their capabilities and experience, the risk of losing capable but under-compensated executives, and the financial risks connected to the Company's operations, of which executive compensation is an important part.

In adopting the compensation philosophy described above, the principal risks identified by Appili are:

- that the Company may be forced to raise additional funding (causing dilution to Company Shareholders) in order to attract and retain the calibre of executive employees that it seeks; and
- that the Company may have insufficient funding to achieve its objectives.

After careful consideration of these risk, the Company Board has adopted the compensation policy described above.

***NGC Committee***

The NGC Committee has the responsibility of reviewing the overall compensation package for the NEOs on behalf of the Company Board. Annually, the NGC Committee evaluates the Company's overall performance against its business plan, considers each individual's performance and overall compensation, including incentives paid to senior executives of comparable companies. The NGC Committee also confers with the Chief Executive Officer, when reviewing compensation for other NEOs. In addition, the NGC Committee is responsible for recommending the Company Option grants, including grant proposals for approval by the Company Board.

The NGC Committee takes into consideration the following factors when making compensation decisions, among other things:

- the financial resources available or expected to be available to the Company;
- comparative compensations levels for companies of Appili's size in the biopharmaceutical industry;
- the capabilities of individual contributors to the Company's success;
- the reasonable compensation expectations of the individual contributor; and
- the relative equity with other Appili contributors.

The NGC Committee periodically reviews publicly available data and relevant compensation packages to determine comparable compensation levels for companies of Appili's size in the biopharmaceutical industry. Most components of compensation were reviewed, including base salary, annual incentive compensation and equity incentive compensation. Management assisted the NGC Committee in obtaining the detailed information when requested.

No compensation consultant or advisor has, at any time since the Company's most recently completed financial year, been retained to assist the Company Board or the NGC Committee in determining compensation for any of Appili's directors or executive officers.

The members of the NGC Committee are currently Theresa Matkovits (Chair), Prakash Gowd, and Juergen Froehlich. All members of the NGC Committee are independent. The skills and experience that enable the NGC Committee to make decisions on the suitability on the Company's compensation policies and practices include the following:

(a) Theresa Matkovits – Dr. Matkovits is currently the Chief Development Officer of Matinas Biopharma Holdings, Inc., an emerging clinical-stage biopharmaceutical company and shares responsibility for ensuring compensation levels are competitive and in line with the company's business strategy.

(b) Prakash Gowd – Mr. Gowd has healthcare executive experience with multiple organisations where he has shared responsibility for hiring, compensation and governance practices as well as for strategic planning, and optimizing the value of company operations.

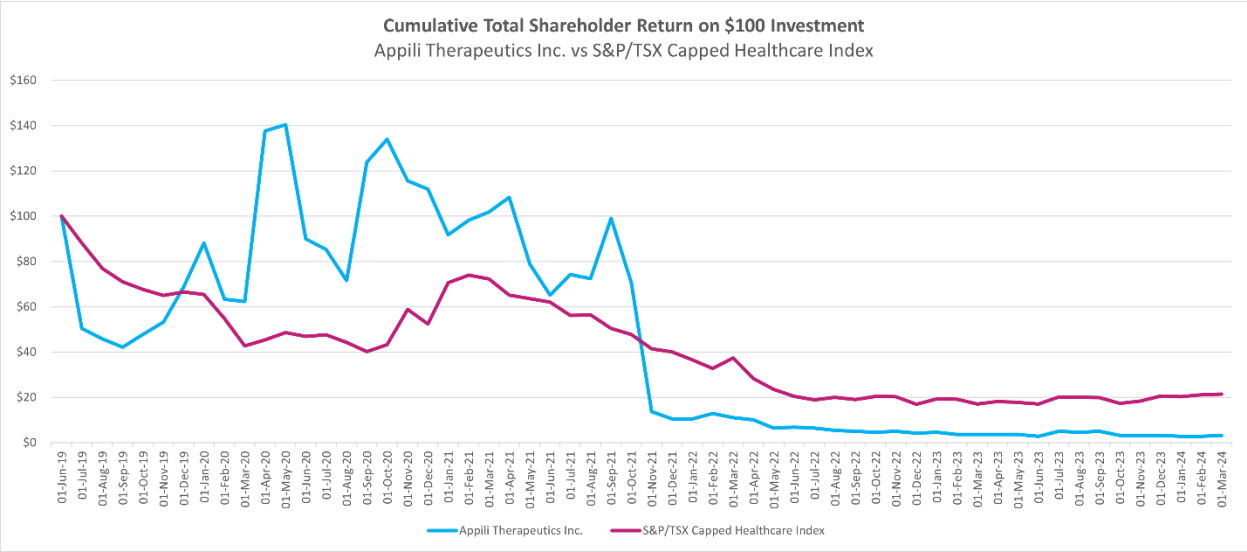
(c) Juergen Froehlich – Dr. Froehlich has senior executive experience with multiple companies which included responsibility for evaluating compensation arrangements and overall corporate governance.

***Hedging by Named Executive Officers or Directors***

The Company has no policy with respect to NEOs or directors purchasing financial instruments, including, for certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

***Performance Graph***

The following graph compares the total cumulative shareholder return for $100 invested in the Company Shares since the Company's was listed and initiated trading on the TSXV with the cumulative total return of the Toronto Stock Exchange's S&P/TSX Capped Health Care Index (including the reinvestment of dividends). The Company became a reporting issuer as of June 17, 2019 and its Company Shares commenced trading on the TSXV on June 24, 2019. The Company commenced trading on the TSX on September 16, 2020.




Executive officers' compensation is not based primarily on the performance of the Company Shares and, as such, the NEO's compensation is not directly correlated to the performance of the Company Shares. Although one of the main focuses of the Company is to create shareholder value, the share price for the Company Shares, as well as other TSX and TSXV biotechnology companies, is very volatile and does not always reflect the performance of the Company. As it is Appili's goal to attract and retain experienced executives who are focused on the long-term success of the Company and creating shareholder value, the compensation of the NEOs is based on the overall performance by the Company and individual contributions rather than tied specifically to the short-term performance of the Company Shares in the market.

***Summary Compensation Table***

The following table sets forth information concerning the total compensation for the three (3) most recently completed financial years of the Company paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company to the Named Executive Officers.

| Name and Principal Position | Year | Salary ($) | Share-Based Awards ($) | Option-Based Awards ($)[1] | Non-Equity Incentive Plan Compensation | | Pension Value ($) | All Other Compensation ($)[3] | Total Compensation ($) |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Annual Incentive Plans ($)[2] | Long-Term Incentive Plans ($) | | | |
| Don Cilla | 2024 | 500,693 | - | 34,000 | 87,902 | - | - | - | 622,594 |
| CEO[4] | 2023 | 433,315 | - | 40,000 | 134,956 | - | - | - | 608,271 |
| | 2022 | 477,466 | - | 269,633 | - | - | - | - | 772,669 |
| Kenneth Howling | 2024 | 413,654 | - | 17,500 | - | - | - | 68,283 | 499,407 |
| Acting CFO[5] | 2023 | 381,053 | - | - | - | - | - | 141,571 | 522,624 |
| | 2022 | 129,952 | - | 63,000 | - | - | - | - | 178,075 |
| Gary Nabors | 2024 | 477,816 | - | 8,000 | 62,195 | - | - | - | 548,011 |
| CDO | | | | | | | | | |
| Arthur Baran | 2024 | 264,128 | - | 5,060 | 44,573 | - | - | - | 313,761 |
| Director, New Product Development | 2023 | 172,268 | - | - | 49,219 | - | - | - | 221,487 |
| Carl Gelhaus | 2024 | 256,549 | - | 4,600 | 40,108 | - | - | - | 301,257 |
| Director, Non Clinical Research | 2023 | 88,207 | - | - | - | - | - | - | 88,207 |

Notes:

(2) The fair value of the Options is obtained by multiplying the number of Options granted by their value established according to the Black Scholes model. This value is the same as the fair book value established in accordance with International Financial Reporting Standards and accounting for the following assumptions:

| | $0.04 exercise price grant |
|---|---|
| Risk free rate: | 3.80% |
| Dividend yield: | 0% |
| Volatility: | 120% |
| Expected lifetime: | 10 years |
| Fair value per Option: | $0.04 |

(3) Represents additional fees earned by Mr. Howling's consulting company.

(4) None of the NEOs are entitled to perquisites or other personal benefits which, in aggregate, are worth $50,000 or more, or are worth 10% or more of an NEO's total salary.

(5) All NEO's were paid in USD in 2024, which have been converted into CAD for the purposes of this table using the average exchange rate of 1.355 in 2024. Don Ci1la was also paid in USD in 2023 and 2022, which have been converted into CAD for the purposes of this table using the average exchange rate of 1.32 in 2023 and,1.27 in 2022.

(6) Mr. Howling does not receive a base salary, but rather provides his services through a consulting company.

## *Incentive Plan Awards*

*Outstanding Option-Based Awards and Share-Based Awards*

The following table sets forth all outstanding Company Option-based and share-based awards held by each Named Executive Officer as at March 31, 2024.

| Name | Option-Based Awards | | | | Share-Based Awards | | |
|---|---|---|---|---|---|---|---|
| | Number of Securities Underlying Unexercised Options[1] (#) | Option Exercise Price ($) | Option Expiration Date | Value of Unexercised in-the-money Options ($) | Number of Shares or Units of Shares that have not Vested (#) | Market or Payout Value of Share-Based Awards that have not Vested ($) | Market or Payout Value of Vested Share-Based Awards not paid out or Distributed ($) |
| Don Cilla<br>President and Chief Executive Officer | 850,000<br>350,000<br>1,000,000 | 0.04<br>0.13<br>0.04 | 15-May-33<br>08-Dec-31<br>13-Nov-32 | -<br>-<br>- | - | - | - |
| Kenneth Howling<br>Acting CFO | 437,500<br>150,000 | 0.04<br>0.13 | 15-May-33<br>08-Dec-31 | -<br>- | - | - | - |
| Gary Nabors<br>CDO | 200,000 | 0.04 | 15-May-33 | - | - | - | - |
| Arthur Baran<br>Director, New Product Development | 43,750<br>126,500 | 0.13<br>0.04 | 08-Dec-31<br>15-May-33 | -<br>- | - | - | - |
| Carl Gelhaus<br>Director, Non Clinical Research | 115,000 | 0.04 | 15-May-33 | - | - | - | - |

*Incentive Plan Awards – Value Vested or Earned During the Year*

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each Named Executive Officer for the financial year ended March 31, 2024.

| Name | Option-Based Awards – Value Vested During the Year ($) | Share-Based Awards – Value Vested During the Year ($) | Non-Equity Incentive Plan Compensation – Value Earned During the Year ($) |
|---|---|---|---|
| Don Cilla CEO[1] | 58,000 | - | - |
| Kenneth Howling Acting CFO | 23,500 | - | - |
| Gary Nabors CDO | 2,667 | - | - |
| Arthur Baran Director, New Product Development | 3,437 | - | - |
| Carl Gelhaus Director, Non Clinical Research | 1,533 | - | - |

***Pension Plan Benefits***

As of March 31, 2024, there did not exist a pension plan for the Named Executive Officers that provided for payments or benefits at, following or in connection with retirement.

***Termination and Change of Control Benefits***

Other than as described herein, the Company does not have any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with a termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

*Don Cilla*

Dr. Don Cilla has a written employment agreement effective November 13, 2022 pursuant to which he is currently entitled to receive an annual salary of USD $360,400 as compensation for his services as CEO and President of the Company. Dr. Cilla is also eligible to participate in any short-term incentive compensation plan. The agreement continues for an indefinite period until terminated by the case of resignation, retirement or termination of employment with or without cause. If the termination was without cause or within six months of a change of control, Dr. Cilla would be entitled to 6 months' severance plus an additional month of severance for each completed year of service. Dr. Cilla's employment agreement also provides for, among other things, non-compete and non-solicitation covenants in favour of the Company during the term of his employment and with respect to non-solicitation for a period of six (6) months thereafter. If Dr. Cilla had been terminated without cause or due to a change of control as of March 31, 2024, the total amount owing to Dr. Cilla would have been USD $210,250 and USD $219,800, respectively.

*Gary Nabors*

Dr. Gary Nabors has a written employment agreement effective March 21, 2023 pursuant to which he is currently entitled to receive an annual salary of USD $340,000 as compensation for his services as CDO of the Company. Dr. Nabors is also eligible to participate in any short-term incentive compensation plan. The agreement continues for an indefinite period until terminated by the case of resignation, retirement or

termination of employment with or without cause. If the termination was without cause or within six months of a change of control, Dr. Nabors would be entitled to 6 months' severance plus an additional month of severance for each completed year of service. Dr. Nabors' employment agreement also provides for, among other things, non-compete and non-solicitation covenants in favour of the Company during the term of his employment and with respect to non-solicitation for a period of six (6) months thereafter. If Dr. Nabors had been terminated without cause or due to a change of control as of March 31, 2024, the total amount owing to Dr. Nabors would have been USD $205,900 and USD$215,500, respectively.

## MANAGEMENT CONTRACTS

Management functions of the Company are not to any substantial degree performed other than by the directors or executive officers of Appili.

## DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company carries directors' and officers' liability insurance for its directors and officers. Currently, this insurance covers the liabilities of the Company's directors and officers up to a maximum claim of $10,000,000 for each loss. The Company believes this level of coverage is appropriate for a biopharmaceutical company at Appili's stage of development.

## SUMMARY OF STOCK OPTION PLAN

The Stock Option Plan was adopted to assist the Company in attracting, retaining and motivating persons of training, experience and leadership as key service providers to the Company and its subsidiaries, including their directors, officers and employees, and to advance the interests of the Company. Company Options may be granted to a director, officer, employee or service provider of the Company or any related entity (being a person that controls or is controlled by the Company or that is controlled by the same person that controls the Company).

The aggregate number of Company Shares issuable upon the exercise of all Company Options granted under the Stock Option Plan and under all other share based compensation arrangements (including the Incentive Plan) will not exceed 10% of the issued and outstanding Company Shares at the time of grant. If any Company Option granted under the Stock Option Plan is: (a) exercised; or (b) cancelled, expires or terminates for any reason without having been exercised in full, the issued and unpurchased Company Shares, respectively, subject thereto shall again be available for the purposes of the Stock Option Plan.

Under the Stock Option Plan the maximum number of Company Options which may be (a) issued to Insiders (as defined in the Stock Option Plan) within any one (1) year period; and (b) issuable to Insiders at any time, under the Stock Option Plan, or when combined with all other share based compensation arrangements, cannot exceed ten percent (10%) of the issued and outstanding Company Shares at the time of grant. Other than as set out above, the Stock Option Plan does not provide for a maximum number of Company Shares which may be issued to an individual.

Subject to the terms and conditions of the Stock Option Plan, the number of Company Shares subject to each Company Option, the option price of each Company Option, the expiration date of each Company Option, the extent to which each Company Option is exercisable from time to time during the term of the Company Option and other terms and conditions relating to each such Company Option shall be determined by the NGC Committee and recommended to the Company Board.

The exercise price for any Company Option issued under the Stock Option Plan may not be less than the Market Price of the Company Shares on the date of which the grant of the Company Option is approved by

the Company Board. For these purposes, "Market Price" at any date in respect of the Company Shares means the closing sale price of the Company Shares on the TSX on the trading date immediately preceding such date; provided that: (a) in the event that such Company Shares did not trade on such trading day, the Market Price shall be the average of the bid and ask prices in respect of such Company Shares at the close of trading on such trading day; (b) if no quotation is made for the applicable day, the Market Price on such day shall be determined in the manner set forth in the preceding clause for the next preceding trading day; and (c) notwithstanding the foregoing, if there is no reported closing price or high bid/low asked price that satisfies the preceding clauses, the Market Price on any day shall be determined by such methods and procedures as shall be established from time to time by the NGC Committee or the Company Board, as applicable, and in accordance with the policies of the exchange on which the Company Shares are then principally trading.

Company Options issued under the Stock Option Plan may be exercised during a period determined under the Stock Option Plan, which may not exceed ten years. Unless otherwise determined by the Company Board, Company Options will vest as follows: 33.33% on the first anniversary of the grant, 33.33% on the second anniversary of the grant and 33.34% on the third anniversary of the grant. Any or all Company Shares that have vested may be purchased during the term of the Company Option.

A Company Option is personal to the Company Optionholder and non-assignable (whether by operation of law or otherwise); provided, however, that Company Options may be transferred or assigned to certain permitted assignees which include a spouse, a trustee acting on behalf of the Company Optionholder or spouse, a holding entity or an registered retirement savings plans, registered retirement income funds or tax-free savings accounts of the Company Optionholder or spouse. If the Company Optionholder resigns, is terminated for cause or fails to be re-elected as a director, the Company Options terminate immediately. If the Company Optionholder dies or ceases to be eligible under the Stock Option Plan for any other reason, Company Options that are entitled to be exercised may generally be exercised (subject to certain extensions at the discretion of the Company Board or a committee thereof) until the earlier of (i) one year or three months, respectively, of the applicable date, or (ii) the expiry date of the Company Option.

The Stock Option Plan also provides for the cashless exercise of Company Options which allows for the Company Optionholder to receive, without cash payment (other than taxes), a number of Company Shares based on the following formula:

$$x = \frac{[a\ (b - c)]}{b}$$

where

x = the number of whole Company Shares to be issued

a = the number of Company Shares under Company Option

b = the Market Price of the Company Shares on the date of the cashless exercise

c = the exercise price of the Company Option

In the event that the expiry of a Company Option occurs during a blackout period imposed by management or the Company Board in accordance with the Policies (as defined herein), the expiry date of such Company Option shall be deemed to be amended to that date which is ten business days following the end of such blackout period.

In the event of a Change of Control (as defined in the Stock Option Plan) with respect to the Company or a Corporate Group entity (which, under the Stock Option Plan, means the Company and any subsidiary or related or affiliated business entities of the Company and includes any successor corporations or entities thereto), notwithstanding anything in the Stock Option Plan to the contrary, if the employment of an optionee is terminated by the Company or a Corporate Group entity without cause or if the optionee resigns

in circumstances constituting constructive dismissal by the Company or the Corporate Group entity, respectively, in each case, within six months (or such other period as determined by the Board in its sole discretion) following a Change of Control with respect to the Company or the Corporate Group entity, respectively (such date being the "**Termination Date**"), all or any of the optionee's Company Options will vest immediately prior to the Termination Date (or such later period as determined by the Company Board in its sole discretion), subject to any performance conditions which shall be dealt with at the discretion of the Company Board. All vested Company Options may be exercised until 90 days (or such other period as may be determined by the Company Board in its sole discretion) following the Termination Date (but until the normal expiry date of the Company Option rights of such optionee, if earlier). Upon the expiration of such period, all unexercised Company Option rights of that optionee shall immediately become terminated and shall lapse notwithstanding the original term of the Company Option granted to such optionee under the Stock Option Plan.

In the event that the Company or the Company Shareholders receive and accept an offer to acquire all of the Company Shares or substantially all of the assets of the Company (a "**Sale Transaction**"), the Company may, in its sole discretion, deal with the Company Options issued under the Stock Option Plan in the manner it deems fair and reasonable in light of the circumstances of the Sale Transaction provided all Company Optionholders to whom Company Options have been granted under the Stock Option Plan and remain outstanding are treated similarly. In this regard, in the event of a proposed Sale Transaction, the Company may, in its sole discretion, by written notice (the "**Notice**") to any Optionholder, accelerate the vesting of some or all the Company Options such that such Company Options become immediately fully vested. In such circumstances, the Company may by written notice compel such Optionholder to exercise his or her Company Options within 30 days of the date of such written notice to exercise, failing which the Optionholders right to purchase Company Shares underlying such Company Options lapses. In addition, and without limiting the generality of the foregoing, in connection with a Sale Transaction, the Company may (a) deem any or all Company Options (vested or unvested) to have been exercised and the Company Shares to have been tendered to the Sale Transaction; (b) apply a portion of the Optionholder's proceeds from the closing of the Sale Transaction to the exercise price payable by such Optionholder for the exercise of his or her Company Options; (c) exchange Company Options, or any portion of them, for options to purchase shares in the capital of the acquiror or any corporation which results from an amalgamation, merger or similar transaction involving the Company made in connection with the Sale Transaction; or (d) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances. If the proposed Sale Transaction is not completed within 180 days after the date of the Notice, any affected Optionholder, within a period of 10 days following the 180-day period, may elect to cancel an exercise pursuant to the Notice. In respect of any Optionholder who makes this election, the Company will return to such Optionholder all rights under such Optionholder's Company Options as if no exercise had been effected, subject to the appropriate adjustment of accounts to the position that would have existed had there been no exercise of Company Options.

In the event that any formal bid (as defined in the *Securities Act* (Ontario)) for the Company Shares made (an "**Offer**"), all Company Shares subject to outstanding Company Options not then exercisable shall thereupon become immediately exercisable. Further, Optionholders shall be entitled to include in the written notice of election to exercise all or any part of the Company Option that such Optionholder is electing to exercise the Company Option with the intention of tendering the Company Shares acquired upon such exercise into the Offer. If such election is made, in the event that the Offer is not completed and the relevant Company Shares are not taken up and paid for by the offeror under such Offer (or a competing Offer), such Optionholder shall, upon return of certificates representing such Company Shares, be deemed not to have exercised the Company Option with respect to such Company Shares and the Company shall return to such Optionholder the subscription proceeds therefor and/or take such other actions to enable the parties to re-establish as closely as possible their situations and respective economic positions as they existed prior to the making of the Offer and had no Company Options become exercisable as a result thereof,

while making allowance for taxation, regulatory and other irreversible events and consequences which may have intervened since the making of the Offer.

The Stock Option Plan contains certain customary adjustment provisions, including in connection with a subdivision, redivision, consolidation, reclassification, reorganization or other change of, or involving, the Company Shares.

Subject to applicable regulatory requirements, including the rules of the exchange on which the Company Shares are then principally trading, and except as provided below, the Company Board may, in its sole and absolute discretion and without Company Shareholder approval, amend, suspend, terminate or discontinue the Stock Option Plan and may amend the terms and conditions of Company Options granted pursuant to the Stock Option Plan.

Without limiting the generality of the foregoing, the Company Board may make the following amendments to the Stock Option Plan without obtaining Company Shareholder approval: (a) amendments to the terms and conditions of the Stock Option Plan necessary to ensure that the Stock Option Plan complies with the applicable regulatory requirements, including the rules of the exchange on which the Company Shares are then principally trading; (b) amendments to the provisions of the Stock Option Plan respecting administration of the Stock Option Plan and eligibility for participation under the Stock Option Plan; (c) amendments to the provisions of the Stock Option Plan respecting the terms and conditions on which Company Options may be granted pursuant to the Stock Option Plan, including the provisions relating to the term of the Company Option and the vesting schedule; and (d) amendments to the Stock Option Plan that are of a "housekeeping" nature.

However, the Company Board may not, without the approval of the Company Shareholders, make amendments with respect to the following: (a) an increase to the Stock Option Plan maximum or the number of securities issuable under the Stock Option Plan; (b) a reduction in the option price of a Company Option benefitting an insider; (c) an extension to the term of Company Options (other than as a result of a blackout period extension) benefitting an insider; (d) any amendment which would permit Company Options granted under the Stock Option Plan to be transferable or assignable other than to a permitted assignee and for normal estate settlement purposes; (e) changes to the insider participation limits; and (f) amendments to the Stock Option Plan amendment provisions.

## SUMMARY OF INCENTIVE PLAN

Stock appreciation rights ("**SARs**"), deferred stock unit ("**DSUs**"), restricted stock unit awards ("**RSUs**") and other share-based awards (each an "**Award**") are issued pursuant to the Incentive Plan. Company Options are issued pursuant to the Stock Option Plan. The below description of the Incentive Plan is a summary only.

### *Purpose of the Incentive Plan*

The purpose of the Incentive Plan is to advance the interests of the Company and its affiliates by attracting, retaining and motivating highly competent persons as directors, officers, employees and consultants of the Company and its affiliates (collectively, "**Eligible Persons**") through security-based compensation, to acquire an increased proprietary interest in the Company.

### *Administration of the Incentive Plan*

The Incentive Plan is administered by the Board which has the power, subject to the specific provisions of the Incentive Plan, to, among other things: (a) establish policies, rules and regulations for carrying out the purposes, provisions and administration of the Incentive Plan; (b) interpret, construe and determine all questions arising out of the Incentive Plan and any Award; (c) determine those persons considered Eligible Persons (being directors, officers, employees, management company employees or consultants of the Company or its affiliates); (d) grant and determine the number of Awards; (e) determine the exercise

criteria, Option Price (as defined in the Incentive Plan) of a SAR (provided it not be less than the last closing price of the Company Shares on the TSX on the last trading date immediately preceding the relevant date ("**Market Price**")), time when Awards will be exercisable or redeemable and whether the Company Shares that are subject to an Award will be subject to any restrictions upon the exercise or redemption thereof; (f) prescribe the form of the instruments or award agreements relating to the Awards; (g) correct any defect or omission, or reconcile any inconsistency in the Incentive Plan and any award agreement; (h) authorize withholding arrangements; and (i) take all other actions necessary or advisable for administering the Incentive Plan. The Company Board may, from time to time, delegate the administration of all or any part of the Incentive Plan to a committee of the Company Board and shall determine the scope of and may revoke or amend such delegation.

***Eligible Persons***

The Incentive Plan authorizes the Company Board (or a committee of the Company Board if so authorized by the Board) to grant Awards to Eligible Persons. Eligible Persons who have received Awards are referred to herein as "Participants". An Award is personal to the Participant and is non-assignable and non-transferable, except with the prior written consent of the Company and any required consent of the exchange on which the Company Shares are then listed and any other applicable regulatory authority.

***Description of Awards***

Pursuant to the Incentive Plan, the Company is authorized to issue Awards to Eligible Persons, which may be settled in Company Shares issued from treasury, or in cash. The Incentive Plan also gives the Company Board discretion to make other equity incentive awards, subject to the approval of the TSX.

(a) SARs

A SAR is a right to receive a cash payment equal to the difference between the Option Price and the Market Price of a Company Share on the date of exercise (the "**SAR Amount**"). SARs shall be granted on such terms as shall be determined by the Company Board and set out in the Award agreement. SARs may be settled in cash or (at the election of the Company) Company Shares with an aggregate Market Price equal to the SAR Amount.

(b) RSUs

An RSU is a right to receive a Company Share issued from treasury or, if the award agreement so provides, the Participant may elect to have some or all of such person's RSUs settled by a cash payment equal to the Market Price of a Company Share redeemable after the passage of time, the achievement of performance targets or both. Where a Participant is an employee, the Participant can only elect to receive cash if the settlement is to occur prior to the third anniversary date of the grant of the RSU, thereafter settlement can only be by way of Company Shares. RSUs shall be granted on terms determined by the Company Board based on its assessment, for each Participant, of the current and potential contribution of such person to the success of the Company. The Company Board shall determine the effective date of the grant and the number of RSUs granted. The Company Board shall also determine the applicable term, the vesting terms and the exercise criteria of each RSU.

(c) DSUs

A DSU is a right, generally redeemable only after the Participant has ceased to hold all positions with the Company or has otherwise ceased to be an Eligible Person, to a cash payment equal to the Market Price of a Company Share on the date the Participant ceases to be an Eligible Person or, if applicable, to one fully paid and non-assessable Company Share issued from treasury. Except in exceptional circumstances, Participants have no right or ability to exercise, receive or otherwise demand payment of the value of DSUs

granted to them prior to ceasing to hold all positions with the Company or to otherwise cease to be an Eligible Person.

(d) All Awards and Other Awards

Awards may be granted alone, in addition to, or in tandem with any other Award or any award granted under another plan of the Company or an affiliate. Awards granted in addition to or in tandem with other Awards may be granted either at the same time or at different times. The date of grant, the number of Company Shares, the vesting period and any other terms and conditions of Awards granted pursuant to the Incentive Plan are to be determined by the Board, subject to the express provisions of the Incentive Plan.

The Company Board may also grant other share-based awards to Eligible Persons pursuant to the Incentive Plan. All such awards shall be granted on terms determined by the Company Board and shall be subject to the approval of the TSX, if required.

***Restrictions on Awards***

The Incentive Plan contains the following restrictions on the allotment of Company Shares and the Company's obligation to issue Company Shares pursuant to the Incentive Plan:

(a) the maximum aggregate number of Company Shares available for issuance under the Incentive Plan shall not exceed 5% of the issued and outstanding Company Shares;

(b) the aggregate number of Company Shares issuable under the Incentive Plan, together with all other security based compensation arrangements of the Company (including the Stock Option Plan), cannot exceed 10% of the issued and outstanding Company Shares; and

(c) the aggregate number of Company Shares: (i) issued to Insiders (as defined in the Incentive Plan) within any one year period, together with any other security-based compensation arrangement, cannot exceed 10% of the issued and outstanding Company Shares; and (ii) issuable at any time together with any other security-based compensation arrangement, cannot exceed 10% of the issued and outstanding Company Shares.

Notwithstanding the foregoing, the Company will not be deemed to be acting in contravention of the limits set out immediately above as a result of any decrease in the number of issued and outstanding Company Shares following the grant of an Award as a result of any issuer bid or redemption carried out in accordance with applicable law.

***Termination***

Subject to the provisions of the Incentive Plan, any express resolution passed by the Company Board and the terms of any award agreement, all Awards, and all rights to acquire Company Shares pursuant thereto, granted to a Participant shall expire and terminate immediately upon such person's termination date. If, however, before the expiry of an Award, a Participant ceases to be an Eligible Person for any reason, other than termination by the Company for cause, such Award may be exercised or redeemed, as applicable: (a) subject to any determination by the Board, by the holder thereof at any time within three (3) months following their termination date; or (b) if the person is deceased, at any time within twelve months following his or her death, subject to the provisions of the Incentive Plan, the terms set out in the applicable award agreement and any determination made by the Company Board to accelerate the vesting of or to extend the expiry of an Award. In any event, the exercise or redemption of an Award must occur prior to any applicable expiry date and in any event, not more than 12 months from the date of termination. In addition, an Award is only exercisable or redeemable to the extent that the Participant was otherwise entitled to exercise or redeem the Award unless otherwise determined by the Company Board. If a Participant is terminated for cause, all unexercised or unredeemed Awards (vested or unvested) shall be terminated immediately.

***Change of Control***

As set out in the Incentive Plan, in the event of a change of control ("**CoC**") of the Company or of an affiliate of which a Participant is an employee, with respect to all RSU grants, SARs and DSUs that are outstanding for such Participant on the date of the CoC (the "**CoC Date**"), (i) all vesting criteria or exercise criteria, if any, applicable to such RSUs, SARs and DSUs shall be deemed to have been satisfied as of the CoC Date; and (ii) except as may be otherwise provided under the terms of any other employee benefit plan approved by the Company Board, each Participant who has received any such RSU grants or SARs shall be entitled to receive, in full settlement of such RSU grants or SARs, a cash payment equal (A) in the case of a RSU, the Special Value (as defined herein); and (B) in the case of a SAR, the difference between the Special Value and the Option Price in respect of such SAR, in each case, payable on the date which is ten business days following the CoC Date. In the event of a CoC, the right of a Participant to receive a payment in respect of a DSU will not be triggered prior to such Participant's termination date. As used herein, the term "**Special Value**" means (i) if any Company Shares are sold as part of the transaction constituting the CoC, the weighted average of the prices paid for such shares by the acquirer, provided that if any portion of the consideration is paid in property other than cash, then the Company Board shall determine the fair market value of such property for purposes of determining the Special Value; and (ii) if no Company Shares are sold, the Market Price of a Company Share on the day immediately preceding the date of the CoC.

***Acceleration of Awards***

Notwithstanding any other provision of the Incentive Plan, the Company Board may at any time give notice to Participants advising that their respective Awards (other than a DSU) are all immediately exercisable or redeemable and may be exercised or redeemed only within 30 days of such notice or such other period as determined by the Company Board and will otherwise terminate at the expiration of such period.

***Amendment Procedure***

The Incentive Plan contains a formal amendment procedure. The Company Board may amend certain terms of the Incentive Plan or Awards without requiring the approval of the Company Shareholders. The following non-exhaustive list of amendments do not require Company Shareholder approval: (a) altering, extending or accelerating Award vesting terms and conditions; (b) determining adjustments pursuant to the provisions of the Incentive Plan; (c) amending the definitions contained in the Incentive Plan; (d) amending or modifying the mechanics of exercising or redeeming Awards; (e) amending provisions relating to the administration of the Incentive Plan; (f) making "housekeeping" amendments, such as those necessary to cure errors or ambiguities contained in the Incentive Plan; (g) effecting amendments necessary to comply with the provisions of applicable laws; and (h) suspending or terminating the Incentive Plan.

The Incentive Plan specifically provides that certain amendments require Company Shareholder approval, including: (a) increasing the number of Company Shares issuable under the Incentive Plan, except in the event of an adjustment contemplated in the Incentive Plan; (b) reducing the Option Price (as defined in the Incentive Plan) of any Award held by an Insider; (c) amending the Incentive Plan if such amendment could result in the aggregate number of Company Shares issued to Insiders within any one year period or issuable to Insiders at any time under the Incentive Plan, together with any other security-based compensation arrangement, exceeding 10% of the outstanding Company Shares; (d) making any amendment which would permit Awards granted under the Incentive Plan to be transferrable or assignment other than for normal estate settlement purposes (and other than is contemplated in the Incentive Plan); (e) extending the term of an Award benefitting an Insider; and (f) amending the formal amendment procedures of the Incentive Plan.

***Other Terms***

Except as provided or with the consent of the Company and any applicable regulatory authority, all Awards under the Incentive Plan will be non-assignable.

Where an Award would expire during a black-out period or within ten business days following the end of a black-out period, the term of such Award shall be automatically extended to the date which is ten business days following the end of such black-out period, except where not permitted by the TSX.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes equity securities that have been issued and are available for issuance under the Stock Option Plan as of March 31, 2024.

| | **Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights** | **Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights** | **Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a))** |
|---|---|---|---|
| **Plan category** | **(a)** | **(b)** | **(c)** |
| Equity compensation plans approved by securityholders | 52,813,874 (44%)[(1)] | $0.22 | 605,331 (0.5%)[(1)] |
| Equity compensation plans not approved by securityholders | N/A | N/A | N/A |
| **Total** | 52,813,874 (44%)[(1)] | $0.22 | 605,331 (0.5%)[(1)] |

Note:
(1) Calculated based on 121,266,120 Company Shares issued and outstanding as at March 31, 2024.

Please see "*Summary of Stock Option Plan*" for a description of the material features of the Stock Option Plan.

### *Annual Burn Rate Under Stock Option Plan and Incentive Plan*

To date, no Awards have been granted under the Incentive Plan. The following table sets forth the annual burn rate, calculated in accordance with the TSX Company Manual, in respect of the Stock Option Plan for each of the three most recently completed years:

| **Description[(1)]** | **March 31, 2024** | **March 31, 2023** | **March 31, 2022** |
|---|---|---|---|
| Stock Option Plan | 3.97% | 0.88% | 8.49% |

Note:
(1) The annual burn rate is calculated as follows and expressed as a percentage: (a) number of options granted under the specified plan during the applicable fiscal year; divided by (b) the weighted average number of securities outstanding for the applicable fiscal year.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is no indebtedness outstanding of any executive officers, directors, employees or former executive officers, directors or employees of the Company or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, entered into in connection with a purchase of securities or otherwise.

In addition, no individual who is, or at any time during the most recently completed financial year of the Company was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of any such person:

(a) is or at any time since the beginning of the most recently completed financial year of the Companyhas been, indebted to the Company; or

(b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year of the Company has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company,

whether in relation to a securities purchase program or other program.

## STATEMENT OF CORPORATE GOVERNANCE

### *General*

Under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, the Company is required to disclose certain information relating to its corporate governance practices. This information is set forth below.

### *Mandate of the Board*

The Company Board has adopted a written mandate (the "**Board Mandate**") that acknowledges its responsibility for the stewardship of the business and affairs of the Company. A copy of the Board Mandate is attached to this Circular as Exhibit "I" to this Appendix E.

### *Composition of the Board*

The Company Board is currently composed of six directors, four of whom qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect "material relationship" with Appili. A "material relationship" is a relationship which could, in the view of the Company Board, be reasonably expected to interfere with the exercise of the director's independent judgment. Among others, an individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company.

Of the directors, Theresa Matkovits, Brian Bloom, Juergen Froehlich and Prakash Gowd are considered independent. Armand Balboni (Chair) is not an independent by virtue of being the Chief Executive Officer of the Company within the last three years. Don Cilla is not independent by virtue of his role as Chief Executive Officer of the Company.

The Company Board has approved a position description for the Chair. The Chair's duties and responsibilities are to:

(a) preside at meetings of the Company Board, if so appointed by the Company Board, and the shareholders of the Company;

(b) provide leadership to the Company Board and assist the Company Board in reviewing and monitoring the strategy, goals, objectives and policies of the Company;

(c) establish procedures to ensure that the Company Board can conduct its work effectively and efficiently;

(d) ensure the Company Board has adequate resources, especially by way of full, timely and relevant information to support its decision-making requirements;

(e) ensure the Company Board is alert to its obligations and responsibilities and fully discharges its duties;

(f) schedule meetings of the full Board and work with the chairs of Company Board committees ("**Committee Chairs**") to coordinate the schedule of meetings for such Company Board committees;

(g) communicate periodically with Committee Chairs, with the assistance of the lead independent director of the Company (the "**Lead Independent Director**"), if one is so appointed, regarding the activities of their respective Committees;

(h) organize and present agendas for (i) regular or special Company Board meetings; and (ii) annual and special shareholders' meetings; in collaboration with the Lead Independent Director and/or the Chief Executive Officer, as the case may be;

(i) identify guidelines for the conduct of the directors and encourage each director to make a significant contribution;

(j) act as liaison between the Company Board and management to ensure that the relationships between the Company Board and management are conducted in a professional and constructive manner;

(k) work with the NGC Committee in constituting the Company Board in accordance with the mandate of the NGC Committee and ensuring a proper Company Board and committee structure, including the assignment of committee members and chairs;

(l) other than with respect to any potential conflict of interest, act as a consultant to the NGC Committee with respect to senior executive compensation matters;

(m) file or arrange for the filing of insider reports with securities regulators with respect to transactions in securities of the Company; and

(n) carry out other duties as requested by the Company Board as a whole, depending on need and circumstance.

Given that Armand Balboni is not considered independent of the Company, the Company Board has provided for the role of a Lead Independent Director. The Lead Independent Director Role is currently held by Theresa Matkovits. The Lead Independent Director is responsible for assisting the Chair in leading the Company Board to carry out its mandate. The Lead Independent Director shall assist the Chair in fulfilling his or her duties, facilitate the functioning of the Company Board independently of the Company's management and maintain and enhance the quality of the Company's corporate governance practices. The Lead Independent Director's duties and responsibilities are to:

(a) assist the Chair in fulfilling his or her responsibilities;

(b) provide independent leadership to the Company Board, including to assist the Company Board in understanding its obligations as a Company Board and, in particular, the requirement for the Company Board to operate independently of management;

(c) in the absence of the Chair, where the Chair has excused himself or herself due to any potential conflict or when the Company Board determines the Lead Independent Director should do so, chair meetings of the Company Board;

(d) maintain a liaison between the Chair, chairs of committees of the Company Board ("**Committee Chairs**") and the independent directors, particularly on sensitive issues and be available to independent directors who have concerns that cannot be addressed through the executive Chair;

(e) chair in camera portions of Company Board meetings, held in the absence of management and non-independent directors, and meetings of the independent directors;

(f) at meetings chaired by the Lead Independent Director, perform all appropriate duties requested by the directors and ensure follow-up action requested and approved is pursued as necessary;

(g) cooperate with the Chair and management in setting the frequency of Company Board meetings, and, when he or she deems it necessary, convene meetings of the independent directors, or the full Board with the concurrence of at least one other director;

(h) provide input to the Chair and the chief executive officer of the Company, as applicable, regarding the preparation of Company Board meeting agendas, and, in the absence of the Chair, prepare agendas of Company Board meetings and meetings of the independent directors;

(i) collaborate with the Chair in communicating periodically with Committee Chairs regarding the activities of their respective committees; and

(j) perform other functions as may be reasonably requested by the Company Board or the executive Chair.

The Company Board believes that management is effectively supervised by the four independent directors, as the independent directors are actively and regularly involved in reviewing the operations of the Company and have regular and full access to management not represented on the Company Board.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. Rather, a portion of each meeting is set aside for meetings of the independent directors, if requested. During the course of a Company Board meeting, if a matter is more effectively dealt with without the presence of members of management, the independent directors will request that members of management leave the meeting, and the independent directors then meet in camera. The independent directors communicate with each other on an informal basis throughout the year.

***Position Descriptions***

The Company Board has not adopted written position descriptions for the Committee Chairs, on the basis that role of the Chair of each committee, is well understood by all of the directors. The Board also has not adopted a written position description for the Chief Executive Officer, Don Cilla, on the basis that his role and responsibilities are set out in his employment agreement and are well understood by Dr. Cilla and the other directors.

***Directorships***

None of the directors currently serve on the boards of directors of other reporting issuers (or the equivalent).

***Director Attendance***

The attendance record of each director for all Company Board and Company Board committee meetings held between April 1, 2023 to the date hereof is as follows:

| Name of Director | Board Meetings (Attended/Held) | Audit Committee Meetings (Attended/Held) | Nominating, Governance and Compensation Committee (Attended/Held) |
|---|---|---|---|
| Armand Balboni | 8/8 | - | - |
| Don Cilla | 8/8 | - | - |
| Brian Bloom | 8/8 | 0/1 | - |

| Name of Director | Board Meetings (Attended/Held) | Audit Committee Meetings (Attended/Held) | Nominating, Governance and Compensation Committee (Attended/Held) |
|---|---|---|---|
| Theresa Matkovits | 7/8 | 5/5 | 4/4 |
| Juergen Froehlich | 8/8 | 5/5 | 4/4 |
| Prakash Gowd[(1)] | 2/2 | 2/2 | 2/2 |
| Rochelle Stenzler[(2)] | 5/5 | 2/2 | 2/2 |

**Note:**

(1) Prakash Gowd was appointed to be a director of the Company on November 13, 2023.

(2) Rochelle Stenzler ceased to be a director of the Company on October 23, 2023.

### *Orientation and Continuing Education*

Appili provides new directors with copies of relevant financial, technical and other information regarding its programs. Company Board members are also encouraged to communicate with management and the auditor and, to keep themselves current with industry trends and developments. Company Board members have full access to the Company's records.

Company Board committee meetings are sometimes combined with presentations by the Company's management and employees to give the directors of the Company additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all Company Board members. The NGC Committee is responsible for approving director education programs and overseeing the training and orientation of directors. However, each current member of the Company Board is an experienced director who is aware of his or her responsibility to maintain the skill and knowledge necessary to meet his or her obligations as a director.

### *Ethical Business Conduct*

The Company has adopted a Code of Business Conduct and Ethics (the "**Code**") applicable to directors, officers and employees. All directors, officers and employees are provided with a copy of the Code and are required to sign an acknowledgement that they have read and agree to comply with the terms of the Code. The Company Board satisfies itself regarding compliance with the Code through its review of the activities of the Company, discussions by the Audit Committee with the external auditor of the Company without management present, and enquiries within management.

Conflicts, if any, will be subject to the procedures and remedies available under the CBCA. The CBCA generally provides that in the event that a director has an interest in a material contract or proposed contract or transaction, the director shall disclose his or her interest in such contract or transaction and shall refrain from voting on any matter in respect of such contract or transaction unless otherwise provided by the CBCA.

The Company has adopted a Disclosure Policy and a Trading Policy (collectively, the "**Policies**"). The directors of the Company encourage and promote an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to employees, directors and officers to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical conduct.

Copies of the Code and the Policies are available on the Company's website at https://appilitherapeutics.com/corporate-governance/.

***Nomination of Directors and Compensation***

The NGC Committee assumes the responsibility for identifying and recommending potential nominees for directorship. When determining whether identified candidates are suitable for the Company Board, the NGC Committee: (i) the competencies and skills considered necessary for the Company Board as a whole; (ii) the competencies and skills that the existing directors possess, and the competencies and skills nominees will bring to the Company Board; and (iii) whether nominees can devote sufficient time and resources to his or her duties as a member of the Company Board. Potential candidates for membership on the Company Board will not be denied consideration by reason of race, sex, religion or affiliation with some special constituency group, nor will any candidate be selected solely for such reason.

Compensation matters are currently determined by the NGC Committee. The NGC Committee is responsible for reviewing the compensation plans and severance arrangements for management, to ensure they are commensurate with comparable companies. The NGC Committee ensures that Appili has a plan for continuity of its officers and an executive compensation plan that is motivational and competitive.

For more information on the NGC Committee, see "*Compensation Discussion and Analysis – NGC Committee*".

***Audit Committee***

The Company Board has established an Audit Committee that is currently comprised of Prakash Gowd (Chair), Theresa Matkovits and Juergen Froehlich, all of whom are "independent" and "financially literate" as defined in National Instrument 52-110 – *Audit Committees*. For further information regarding the Audit Committee, see the section entitled "*Audit Committee*" in the Company's annual information form dated June 25, 2024 for its fiscal year ended March 31, 2024 (the "**AIF**") as well as Appendix A to the AIF (collectively, the "**AIF Audit Committee Disclosure**"). The AIF Audit Committee Disclosure is incorporated by reference into, and forms an integral part of, this Circular. The AIF is accessible through SEDAR+ at www.sedarplus.ca and is also available on the Company's website at www.appilitherapeutics.com. The Company will, upon request at 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1, Attention: CFO, provide a copy of the AIF free of charge to any securityholder of the Company.

***Assessments***

Based upon the Company's size, its current state of development and the number of individuals on the Company Board, the Company Board considers a formal process for assessing the effectiveness and contribution of the Company Board as a whole, its committees or individual directors to be unnecessary at this time. In light of the fact that the Company Board and its committees meet on several occasions each year, each director has regular opportunity to assess the Company Board as a whole, its committees and other directors in relation to the Company Board's and such director's assessment of the competencies and skills that the Company Board and its committees should possess. The Company Board plans to continue to evaluate its own effectiveness and the effectiveness of its committees and individual directors in such manner.

***Director Term Limits and Other Mechanisms of Board Renewal***

Directors are to be elected at each annual meeting of Company Shareholders to hold office for a term expiring at the next annual meeting of Company Shareholders or until his or her successor is duly elected or appointed, unless he or she resigns, is removed or becomes disqualified in accordance with the Company's governing legislation. Nominees will be nominated by the NGC Committee, in each case for election by Company Shareholders as directors in accordance with the provisions of the Company's constating documents and applicable corporate and securities laws. All nominees who are nominated by the NGC Committee will be included in the proxy-related materials to be sent to Company Shareholders prior to each annual meeting of Company Shareholders. The Company has not adopted term limits for the directors or other mechanisms of Company Board renewal. The NGC Committee and the Company Board recognize the benefit that new perspectives, ideas and business strategies can offer and support periodic Company Board renewal. The NGC Committee and the Company Board also recognize that a director's experience and knowledge of the Company's business is a valuable resource. Accordingly, the Company Board believes that the Company and the Company Shareholders are best served by the regular assessment of the effectiveness of the Company Board rather than by fixed age, tenure and other limits.

***Board and Management Diversity***

The Company Board is committed to maintaining high standards of corporate governance in all aspects of the Company's business and affairs and recognizes the benefits of fostering greater diversity in the boardroom. A fundamental belief of the Board is that a diversity of perspectives maximizes the effectiveness of the Company Board and decision-making in the best interests of the Company. This belief in diversity was confirmed by specifically including diversity in the mandate of the NGC Committee. The provision states that the NGC Committee will establish and recommend to the Company Board qualification criteria (with regard to diversity, gender, age, expertise and experience (industry, professional and public service)) for the selection of new candidates to serve on the Company Board. Accordingly, consideration of the number of women on the Company Board, along with consideration of whether other diverse attributes are sufficiently represented, is an important component in the search for and selection of candidates. However, the Company has not adopted a formal written policy related to the identification and nomination of women directors. The Company does, however, appreciate the value of a diverse Company Board and believes that diversity helps it reach its efficiency and skill objectives for the greater benefit of Company Shareholders. No specific quota for gender representation on the Company Board has been adopted so as to allow the NGC Committee to perform an overall assessment of the qualities and skills of a potential candidate instead of concentrating on gender, which also helps avoid creating situations where one might think that a person was not retained based solely on that criterion.

Consideration of opportunities for representation of members of Designated Groups (as defined in the *Employment Equity Act*) other than women is also an important consideration in the longer term planning of the Company's diversity strategy. The NGC Committee will evaluate and assess candidates for Company Board nominations with regard to achieving a representative understanding of issues unique to Designated Groups. Specific targets for participation by members of Designated Groups other than woman are not currently set, and the Company does not currently have a formal written policy related to the identification and nomination of directors from Designated Groups.

When the Company Board selects candidates for executive officer positions, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, to best bring together a selection of candidates allowing the Company's management to perform efficiently and act in the best interest of the Company and the Company Shareholders. The Company is aware of the benefits of diversity both on the Company Board and at the executive level, and therefore female representation is one factor taken into consideration during the search process to fill leadership roles within the Company. However, the Company has not adopted a formal target regarding women in executive officer positions as the Company considers candidates based on their

qualifications, personal qualities, business background and experience, and feels that establishing targets may not necessarily result in the identification or selection of the best candidates.

Written policies and specific targets or quotas for gender or other diversity representation have not been adopted for the Company Board or executive officer positions due to the small size of these groups and the need to consider a balance of criteria in each individual appointment. Notwithstanding the foregoing, the Company believes that considering the broadest group of individuals is required to provide the leadership needed to achieve its objectives; however, the Company believe that setting specific targets for diversity can sometimes lead to unintended consequences, such as tokenism or a focus on meeting quotas rather than truly valuing and embracing diversity. Instead, the Company strives to create a culture of inclusivity where everyone feels valued and supported, regardless of their background or identity. Notwithstanding the foregoing, the Company will consider current representation and seek to include persons from underrepresented groups in the short list of candidates being considered for Company Board and executive officer positions.

The Company aspires towards Company Board composition in which each gender comprises at least one-third of the independent directors. There is currently one woman on the Company Board (33%). One of the six (16%) nominees to the Company Board are women. No executive officer of the Company is a woman or a member of a Designated Group. There is currently one member on the Company Board who is a visible minority. In total, two of six Company Board members (33%) are members of Designated Groups.

## MANAGEMENT CONTRACTS

During the most recently completed fiscal year, the management functions of the Company were substantially performed by the directors and executive officers of the Company.

## SHAREHOLDER PROPOSALS

Pursuant to Section 137 of the CBCA, any notice of a shareholder proposal intended to be raised at the next annual meeting of Shareholders must be submitted to the Company at its registered office between 90 to 150 days before the anniversary of the last annual Shareholder meeting to be considered for inclusion in the management information circular for the next annual meeting of the Company Shareholders. Company Shareholder proposals need be recognized only if made in accordance with the foregoing procedure, the provisions of the CBCA and the Company's bylaws.

In accordance with the CBCA, Company Shareholder proposals must be received between April 22, 2025 and June 19, 2025 to be considered for inclusion in the management information circular for the Company's 2025 annual meeting of Company Shareholders.

Exhibit “I”

***Board Mandate***

(See attached.)

**BOARD MANDATE**


**APPILI THERAPEUTICS INC. MANDATE**

**OF THE BOARD OF DIRECTORS**

**Introduction**

The term "Corporation" herein shall refer to Appili Therapeutics Inc. and the term "Board" shall refer to the board of directors of the Corporation. The Board is elected by the shareholders and is responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge such responsibility by reviewing, discussing and approving the Corporation's strategic planning and organizational structure and supervising management to ensure that the foregoing enhance and preserve the underlying value of the Corporation.

Although directors may be elected by the shareholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times.

**Chairman and Composition and Quorum**

- The Board will be comprised of a minimum of one member and a maximum of ten members. Unless otherwise permitted under applicable securities laws and the policies of any applicable stock exchange on which the Class A common shares of the Company may trade from time to time, a majority of the Board members shall be, in the determination of the Board, "independent" for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. Each Board member shall satisfy the independence and experience requirements, if any, imposed by applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.
- The chairman of the Board will be elected by vote of a majority of the full Board membership, on the recommendation of the Nominating and Compensation Committee. The chairman of the Board with the assistance of the lead director (who shall be an independent director), if any, will chair Board meetings and shall be responsible for overseeing the performance by the Board of its duties, for setting the agenda of each Board meeting (in consultation with the Chief Executive Officer (the "**CEO**")), for communicating periodically with committee chairs regarding the activities of their respective committees, for assessing the effectiveness of the Board as a whole, as well as individual Board members, and for ensuring the Board works as a cohesive team and providing the leadership essential to achieve this.

**Meetings**

- Meetings will be scheduled to facilitate the Board carrying out its responsibilities. Additional meetings will be held as deemed necessary by the Chairman of the Board. The time at which and place where the meetings of the Board shall be held and the calling of the meetings and procedure in all things at such meetings shall be determined by the Board in accordance with the Corporation's articles, by-laws and applicable laws. The independent directors of the Board shall hold regularly scheduled meetings at which non-independent directors and management are not in attendance. Any director of the Corporation may request the Chairman of the Board to call a meeting of the Board.
- Meetings of the Board shall be validly constituted if a majority of the members of the Board are present in person or by tele- or video- conference. A resolution in writing signed by all the members of the Board entitled to vote on that resolution at a meeting of the Board is as valid as if it had been passed at a meeting of the Board duly called and held.

**Board Charter and Performance**

- The Board shall have a written charter that sets out its mandate and responsibilities and the Board shall review and assess the adequacy of such charter and the effectiveness of the Board at least annually or otherwise, as it deems appropriate, and make any necessary changes. Unless and until replaced or amended, this mandate constitutes that charter. The Board will ensure that this mandate or a summary that has been approved by the Board is disclosed in accordance with all applicable securities laws or regulatory requirements in the Corporation's annual management information circular or such other annual filing as may be permitted or required by applicable securities regulatory authorities.

**Duties of Directors**

- The Board discharges its responsibility for overseeing the management of the Corporation's business by delegating to the Corporation's senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its committees. In addition to the Board's primary roles of overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation's strategic objectives, principal duties include the following:

*Selecting and Monitoring Senior Management*

- Approving the appointment of the CEO and such other officers or management personnel as, in the Board's view, may be required to effectively manage the Corporation's affairs.
- Satisfying itself as to the integrity of the CEO and other executive officers in an effort to create a culture of integrity in the Corporation.

- Evaluating, on at least an annual basis, the performance of the CEO and, if necessary, other executive officers.
- Determining appropriate compensation for the CEO and other executive officers.
- Overseeing that succession planning programs are in place, including programs to appoint, train, develop and monitor management.

*Strategic Planning*

- Reviewing and approving, on an annual basis, the Corporation's strategic plan, which should take into account the goals and objectives for the growth and development of the Corporation set by the Board as well as the opportunities and risks of the Corporation's business.
- Providing input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.
- Reviewing and considering the Corporation's principal business risks and overseeing the systems that have been put in place to manage such risks.
- Overseeing the Corporation's internal control and management information systems.

*Monitoring Performance and Approving Certain Transactions*

- Adopting processes for monitoring the Corporation's progress toward its strategic and operational goals, and to revise and alter its direction to management in light of changing circumstances affecting the Corporation.
- Taking action when the Corporation's performance falls short of its goals or when other special circumstances warrant.
- Reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including the payment of dividends, issuance, purchase and redemptions of securities, acquisitions and dispositions of material capital assets and material capital expenditures

*Monitoring of Financial Reporting*

- Approving the audited financial statements, interim financial statements and the notes and Management's Discussion and Analysis accompanying such financial statements.

*Developing Policies and Procedures*

- Developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines for the Corporation and approving and monitoring compliance with all significant policies and procedures related to corporate governance.
- Approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards and, in particular, adopting and monitoring a written code of business conduct and ethics which is applicable to directors, officers and employees of the Corporation and which constitutes written standards that are reasonably designed to promote integrity and to deter wrongdoing.
- Enforcing the confidential treatment of the Corporation's proprietary information and Board deliberations.

*Approving Communications and Reporting*

- Approving and revising from time to time as circumstances warrant disclosure control systems and procedures to address communications with shareholders, employees, financial analysts, the media and such other outside parties as may be appropriate.
- Overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely, regular and non-selective basis.
- Overseeing that the financial results are reported fairly and in accordance with international financial reporting standards and related legal disclosure requirements.
- Taking steps to enhance the timely, non-selective disclosure of any other developments that have a significant and material impact on the Corporation; reporting annually to shareholders on its stewardship for the preceding year.
- Overseeing the Corporation's implementation of systems which accommodate feedback from stakeholders.

*Developing Position Descriptions*

- Developing position descriptions for the Chair of the Board, the lead director, if applicable, the chair of each Board committee and, together with the CEO, the CEO.
- Developing and approving the corporate goals and objectives that the CEO is responsible for the meeting.

- Developing a description of the expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.

*Providing Orientation and Continuing Education*

- Ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors) and that they understand the nature and operation of the Corporation's business.
- Providing continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.

*Nominating and Appointing Directors*

- In connection with the nomination or appointment of individuals as directors:
    - Considering what competencies and skills the Board, as a whole, should possess;
    - Assessing what competencies and skills each existing director possesses; and
    - Considering the appropriate size of the Board, with a view to facilitating effective decision making.

*Completing Board Evaluations*

- Ensuring that the Board, its committees and each individual director are regularly assessed regarding his, her or its effectiveness and contribution. An assessment will consider, in the case of the Board or a Board committee, its mandate or charter and in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board.

**Committees of the Board**

- The Board may delegate to Board committees matters it is responsible for, including, without limitation, the approval of compensation of the Board and management, director nomination and selection, the approval of the interim financial statements and related management's discussion and analysis, the conduct of performance evaluations and oversight of internal

controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities (unless otherwise expressly provided or permitted by law).

**Authority to engage outside advisors**

- The Board has the authority to engage outside advisors as it determines necessary to carry out its duties, including, but not limited to identifying and reviewing candidates to serve as directors or officers.
- The Corporation shall provide appropriate funding, as determined by the Board, for payment (a) of compensation to any advisors engaged by the Board, and (b) of ordinary administrative expenses of the Board that are necessary or appropriate in carrying out its duties.

Approved by the Board June 12, 2019