



# **KHIRON LIFE SCIENCES CORP.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON WEDNESDAY 30 JUNE 2021**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**DATED MAY 25, 2021**

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The annual general meeting (the “**Meeting**”) of the shareholders of Khiron Life Sciences Corp. (the “**Company**”) will be held at 100 King Street West, Suite 5600, Toronto ON, M5X 1C9 on June 30, 2021 at 11:00 a.m. (Toronto time) for the following purposes:

1. to receive the audited financial statements of the Company for the year ended December 31, 2020 together with the auditors’ report on those financial statements;
2. to appoint BDO Canada LLP as auditors of the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
3. to fix the number of directors at six (6) and to elect the directors of the Company;
4. to transact any other business that may properly come before the Meeting or any adjournment of the Meeting.

A management information circular (the “**Circular**”) and a form of proxy (the “**Proxy**”) accompany this notice. The Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxyholder to attend and vote in his or her place. If you are unable to attend the meeting or any adjournment in person, please read the notes accompanying the enclosed Proxy and then complete, sign, and date the Proxy and return it in the manner, time and to the location set out in the notes. The Company’s management is soliciting the enclosed Proxy but, as set out in the notes, you may amend the Proxy if you wish by striking out the names listed and inserting in the space provided the name of the person you want to represent you at the meeting.

Please advise the Company of any change in your address.

**By Order of the Board of Directors**

*/s/ “Chris Naprawa”* \_\_\_\_\_

Chris Naprawa  
Chair of the Board  
Khiron Life Sciences Corp.  
May 25, 2021

**KHIRON LIFE SCIENCES CORP.**  
2300-550 Burrard Street, Vancouver, BC V6C 2B5  
Tel: (647) 556-5750

## **MANAGEMENT INFORMATION CIRCULAR**

**This Management Information Circular contains information as of May 25, 2021 (unless otherwise noted). Unless otherwise indicated, all amounts are stated in Canadian dollars. Unless otherwise indicated, all references to “shares” shall mean common shares of Khiron Life Sciences Corp.**

### **PERSONS MAKING THIS SOLICITATION OF PROXIES**

**This Management Information Circular is furnished to you in connection with the solicitation of proxies by or on behalf of the management of Khiron Life Sciences Corp. (“we”, “us” or the “Company”) for use at the 2021 Annual General Meeting (the “Meeting”) of the shareholders of the Company to be held on June 30, 2021, for the purposes set forth in the accompanying Notice of Meeting, and at any adjournment thereof.** The Company will conduct its solicitation primarily by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or personal contact. We will not specifically engage employees or soliciting agents to solicit Proxies. We will pay the expenses of this solicitation.

### **APPOINTMENT OF PROXYHOLDER**

The person(s) designated by management of the Company as proxyholders in the enclosed proxy (the “**Proxy**”) are the Company’s directors or officers (the “**Management Proxyholders**”). **As a shareholder, you have the right to appoint a person other than a Management Proxyholder to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the Proxy and strike out the other names or complete and deliver another appropriate Proxy. A proxyholder need not be a shareholder.**

A Proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

### **REVOCABILITY OF PROXY**

**Any shareholder who has returned a Proxy may revoke it at any time before it has been exercised.** In addition to revocation in any other manner permitted by law, a shareholder, his attorney authorized in writing or, if the shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a Proxy by instrument in writing, including a Proxy bearing a later date. The instrument revoking the Proxy must be deposited at the offices of TSX Trust Company, 301-100 Adelaide St. W., Toronto, Ontario M5H 4H1, at any time up to 48 hours prior to the date of the Meeting, excluding Saturdays, Sundays and holidays, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. OBOs (as defined below) who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees (as defined below) to so act on their behalf.

## COMPLETION AND VOTING OF PROXIES

Voting at the Meeting will be by a show of hands, each shareholder having one vote, unless a ballot on the questions is required or demanded, in which case each shareholder is entitled to one vote for each share held. In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “**ordinary resolution**”) unless the motion requires a special resolution (a “**special resolution**”) in which case a majority of two-thirds (2/3) of the votes cast will be required.

A shareholder or intermediary acting on behalf of a shareholder may indicate the manner in which the persons named in the enclosed Proxy are to vote with respect to any matter by checking the appropriate space. Shares represented by a properly executed Proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with your instructions on any ballot that may be called for and if you specify a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If you do not specify a choice and you have appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**If you do not specify a choice and you have appointed a person other than one of the Management Proxyholders as proxyholder, the proxyholder may vote in his/her discretion for the matters specified in the Proxy.**

If you or an intermediary acting on your behalf wishes to confer a discretionary authority with respect to any matter, then the space should be left blank. **IN SUCH INSTANCE, THE PROXYHOLDER, IF ONE PROPOSED BY MANAGEMENT, INTENDS TO VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE MOTION.** The enclosed Proxy, when properly signed, also confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may be properly brought before the Meeting. At the time of printing this Management Information Circular, our management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. If, however, other matters which are not now known to management should properly come before the Meeting, the persons named in the Proxy intend to vote on such other business in accordance with their best judgment.

The Proxy must be dated and signed by you or by your attorney authorized in writing or by the intermediary acting on your behalf. In the case of a corporation, the Proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

**COMPLETED PROXIES TOGETHER WITH THE POWER OF ATTORNEY OR OTHER AUTHORITY, IF ANY, UNDER WHICH IT WAS SIGNED OR A NOTARIALY CERTIFIED COPY THEREOF MUST BE DEPOSITED WITH THE COMPANY’S TRANSFER AGENT, TSX TRUST COMPANY, OF 301-100 ADELAIDE ST. W., TORONTO, ONTARIO M5H 4H1, AT LEAST 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF. UNREGISTERED SHAREHOLDERS WHO RECEIVED THE PROXY THROUGH AN INTERMEDIARY MUST DELIVER THE PROXY IN ACCORDANCE WITH THE INSTRUCTIONS GIVEN BY SUCH INTERMEDIARY. YOU MAY ALSO VOTE BY TELEPHONE AND INTERNET. PLEASE SEE THE PROXY FOR INSTRUCTIONS REGARDING TELEPHONE AND INTERNET VOTING.**

**Only shareholders of record at the close of business on May 25, 2021 will be entitled to vote at the Meeting.**

## ADVICE TO NON-REGISTERED HOLDERS OF COMMON SHARES

Only shareholders whose names appear on our records or validly appointed proxyholders are permitted to vote at the Meeting. Most of our shareholders are “non-registered” shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (“**Nominee**”). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as “non-objecting beneficial owners” or “**NOBOs**”. Those non-registered shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as “objecting beneficial owners” or “**OBOs**”.

In accordance with the securities regulatory policy, we will have distributed copies of the Meeting materials, being the Notice of Meeting, this Management Information Circular, and the Proxy directly to NOBOs and to the Nominees for onward distribution to OBOs.

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting materials sent to non-registered holders who have not waived the right to receive Meeting materials are accompanied by a request for voting instructions (a “**VIF**”), instead of a Proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIF’s, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares of the Company which they beneficially own. Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request (in writing) to the Company or its Nominee, as applicable, without expense to the non-registered holder, that the non-registered holder or his/her nominee be appointed as proxyholder and have the right to attend and vote at the Meeting.**

**Only shareholders of record at the close of business on May 25, 2021 will be entitled to vote at the Meeting.**

## **COVID-19 RESTRICTIONS ON IN-PERSON ATTENDANCE AT THE MEETING**

Due to the COVID-19 pandemic, the Ontario government has issued an order which, as of the date of this Management Information Circular, prohibits indoor public gatherings. In addition, the wearing of a mask or face covering is required in indoor public spaces as of July 7, 2020 under City of Toronto By-Law 541-2020 (as amended by By-law 664-20 and By-law 263-2021). If these orders, or another law or order is in place on the date of the Meeting, the Company intends to proceed with the Meeting so long as quorum is satisfied, and attendance will be limited to the number of people permitted by law, following applicable physical distancing guidelines and face mask requirements as may be in effect at that time. The Company may implement additional safety and screening measures as a further precaution at the Meeting.

The Company urges Shareholders to submit their forms of proxy or voting instruction forms in advance of the Meeting and not plan on attending the Meeting in person, in order to comply with government orders and public health directives regarding public gatherings and social distancing. Shareholders are also encouraged to vote in advance of the Meeting by following the instructions in the form of proxy for voting by telephone or internet.

**YOU MAY BE REFUSED ADMISSION TO THE MEETING IF THE MAXIMUM NUMBER OF PEOPLE PERMITTED BY LAW, OR THE MAXIMUM CAPACITY FOR THE MEETING ROOM IS REACHED, OR IF YOU DO NOT OTHERWISE COMPLY WITH REQUIREMENTS IN EFFECT REGARDING FACE COVERINGS OR PHYSICAL DISTANCING.**

## **NOTICE-AND-ACCESS**

The Company is not sending the Meeting materials to shareholders using “notice-and-access”, as defined under NI 54-101.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, all described in this Management Information Circular.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

### Voting of Common Shares – General

The Company is authorized to issue an unlimited number of common shares without par value. As of the record date, determined by the Company’s Board of Directors (the “**Board**”) to be the close of business on May 25, 2021, a total of 150,724,568 common shares were issued and outstanding. Each common share carries the right to one vote at the Meeting.

### Record Date

Persons who are registered shareholders at the close of business on May 25, 2021, will be entitled to receive notice of, attend, and vote at the Meeting or any adjournment thereof.

### Principal Holders of Common Shares

To the knowledge of the directors and senior officers of the Company, as at the date of this Management Information Circular, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the voting rights attached to the outstanding common shares of the Company.

## FINANCIAL STATEMENTS

The audited financial statements for the year ended December 31, 2020 of the Company together with the auditors’ report thereon have been delivered to the holders of common shares or are enclosed herewith. No formal action will be taken at the Meeting to approve the financial statements. If any holder of common shares has questions respecting the financial statements, the questions may be raised at the Meeting.

## ELECTION OF DIRECTORS

Directors are elected at each annual meeting and hold office until the next annual meeting of shareholders of the Company or until that person sooner ceases to be a director. In the absence of instructions to the contrary, the enclosed Proxy will be voted for the nominees listed in this Management Information Circular. Shareholders will be asked to pass an ordinary resolution to set the number of directors at six (6) for the next year.

The Company is required to have an audit committee (the “**Audit Committee**”). The Company also has a compensation committee (the “**Compensation Committee**”) and a Corporate Governance and Nominating Committee (“**CGN Committee**”). Members of each of the committees are also set out below.

Management proposes to nominate the persons named in the table below for election as directors. Management does not anticipate that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the Proxy will exercise his or her discretionary authority to vote the shares represented by the Proxy for the election of any other person or persons as directors. The information concerning the proposed nominees has been furnished by each of them.

Name, Province or State and Country of Residence and Present Office Held	Director Since	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised <sup>(1)</sup>	Principal Occupation and, if Not Previously Elected, Principal Occupation during the Past Five Years
<b>Chris Naprawa</b> <sup>(2)(3)</sup> Toronto, Ontario <i>Chairman and Director</i>	June 12, 2020	2,045,000	Chair of Board of Khiron since June 2020; President, TAAL Distributed Information Technologies (blockchain services) since Oct. 2020; President, Khiron, June 2018 to June 2020; Partner, Sprout Capital Partners, Jan. 2017 to June 2018; Managing Director, Primary Capital, Sept. 2013 to Dec. 2016.
<b>Deborah Rosati</b> <sup>(2)(3)(4)</sup> Niagara Falls, Ontario <i>Lead Director</i>	Oct. 28, 2019	67,000	Director of Khiron since Oct. 2019; Director, TAAL Distributed Information Technologies since Dec. 2020; Director, Lift & Co., Sept. 2018 to Sept. 2020; Director, MedReleaf Corp., June 2017 to July 2018; Director, NexJ Systems Inc., May 2015 to June 2018; Founder and CEO of Women Get On Board since March 2015; Director, Sears Canada Inc., 2007 to 2018.
<b>Juan Carlos Echeverry</b> <sup>(2)</sup> Bethesda, MD, USA <i>Director</i>	Nov.30, 2020	---	Director of Khiron since Dec. 2020; CEO and Founder of Econcept (economic consultancy) since July 2017; CEO Ecopetrol (oil and gas producer), May 2015 to July 2017.
<b>Vicente Fox</b> Guanajuato, Mexico <i>Director</i>	July 17, 2018	1,500,000	Director of Khiron since July 2018; President of the Vicente Fox Center of Studies, Library and Museum since Jan. 2007.
<b>Alvaro Torres</b> <sup>(4)(5)</sup> Bogota, Colombia <i>CEO and Director</i>	May 15, 2018	4,513,302	Director and CEO, Khiron since Feb. 2017; Managing Director, Delphi Capital Partners, Oct. 2015 to Feb. 2017; Project Manager, QBO Constructores S.A.S., July 2014 to June 2015.
<b>Alvaro Yanez</b> <sup>(3)(4)</sup> Bogota, Colombia <i>Director</i>	May 15, 2018	158,900	Director of Khiron since May 2018; Director, Momentous Capital Corp. (a CPC) since April 2021; Principal, Yanez Abogados since May 2017; Legal Manager, Petrominerales Colombia Corp., Jan. 2017 to May 2017; Legal Manager, Pacific Stratus Colombia Corp., 2010 to Jan. 2017.

Notes:

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date of this Management Information Circular, based upon information furnished to the Company by individual directors
- (2) Member of the Audit Committee
- (3) Member of the Compensation Committee
- (4) Member of the CGN Committee
- (5) Mr. Torres holds 4,015,477 of these shares through his 33.33% ownership stake in Cannainversiones S.A.S.

## Cease Trade Orders or Bankruptcies

To the knowledge of the Company's management, no proposed director of the Company:

- (a) is, as at the date of the Management Information Circular, or has been within 10 years before the date of the Management Information Circular, a director, CEO, Chief Financial Officer ("CFO") of any company (including the Company) that:
  - (i) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued while the proposed director was acting as director, CEO or CFO; or
  - (ii) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (b) is, as at the date of this Management Information Circular, or has been within 10 years before the date of the Management Information Circular, a director or executive officer of any company (including the Company) 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, except as described below<sup>1</sup>; or
- (c) has, within the 10 years before the date of this Management Information 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; or
- (d) has been subject to 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
- (e) has been subject to 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.

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<sup>1</sup> Deborah Rosati was a director of Sears Canada Inc. which applied for and, on June 22, 2017, obtained an initial order from the Ontario Superior Court of Justice (Commercial List) under the Companies' Creditors Arrangement Act (Canada) providing for, among other things, a stay of proceedings in favour of Sears Canada Inc. and certain of its subsidiaries, for an initial period of 30 days, and appointing FTI Consulting Canada Inc. as monitor. The stay of proceedings has been subsequently extended on multiple occasions, including most recently on January 25, 2021, when the Honourable Mr. Justice Hainey granted an Order extending the stay until July 31, 2021. In connection with the bankruptcy current and former directors and officers were sued by various plaintiffs in connection with two dividends declared and paid by Sears Canada to its shareholders in 2012 and 2013. On August 26, 2020, the court approved a settlement between the directors and plaintiffs, settling all claims without admission of any liability in return for a payment to be made to the plaintiffs by the insurers.

Until September 16, 2020, Ms. Rosati was a director of Lift & Co. Corp. when Lift & Co. made a voluntary assignment for the benefit of its creditors under section 49 of the Bankruptcy and Insolvency Act (Canada) following the failure to reach an agreement with holders of the Corporation's secured convertible debentures in the aggregate principal amount of \$3,500,000 to the proposed sale of certain of the Corporation's assets. The secured convertible debentures matured on September 10, 2020. Lift & Co. did not have the working capital necessary to repay the amount owing on the secured convertible debentures or to continue carrying on its business.

## EXECUTIVE COMPENSATION

### Summary Compensation Table

For the purposes of this Management Information Circular, a “**Named Executive Officer**” or “**NEO**” of the Company means each of the following individuals:

- (a) our Chief Executive Officer;
- (b) our Chief Financial Officer; and
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of form 51-102F6V, for that financial year;
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

We had four Named Executive Officers during our financial year ended December 31, 2019, being:

1. Alvaro Torres, Chief Executive Officer and Director;
2. Wendy Kaufman, Chief Financial Officer from July 2, 2019 until October 16, 2020;
3. Joel Friedman, Chief Financial Officer since October 16, 2020; and
4. Tejinder Virk, President Khiron Europe since October 30, 2019.

The table below sets out compensation paid to Directors and Named Executive Officers for services to the Company during the two most recently completed financial years for which such information is available.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer, or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Alvaro Torres, <i>CEO and Director</i> <sup>(1)</sup>	2020	241,798	Nil	Nil	103,807 <sup>(2)</sup>	Nil	345,605
	2019	255,000	132,000	Nil	113,000 <sup>(2)</sup>	Nil	500,000
Wendy Kaufman, <i>CFO (until October 16, 2020)</i>	2020	264,038	Nil	Nil	Nil	Nil	264,038
	2019	150,000	Nil	Nil	Nil	Nil	150,000
Joel Friedman, <i>CFO (since October 16, 2020)</i> <sup>(3)</sup>	2020	202,917	25,000	Nil	Nil	Nil	227,917
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Tejinder Virk, <i>President Khiron Europe</i> <sup>(4)</sup>	2020	287,927	1,238,343	Nil	Nil	Nil	1,526,270
	2019	73,000	1,096,000	Nil	Nil	Nil	1,169,000
Chris Naprawa, <i>Chair of the Board (since June 12, 2020)</i> <sup>(5)</sup>	2020	214,618	Nil	Nil	Nil	Nil	214,618
	2019	275,400	1,000,000	Nil	Nil	Nil	1,275,400
Deborah Rosati, <i>Director</i>	2020	95,850	Nil	Nil	Nil	Nil	95,850
	2019	17,000	Nil	Nil	Nil	Nil	17,000
Michael Beck, <i>Director (until June 12, 2020)</i> <sup>(6)</sup>	2020	75,690	Nil	Nil	Nil	Nil	75,690
	2019	51,600	Nil	Nil	Nil	Nil	51,600
Juan Carlos Echeverry, <i>Director (since Nov. 30, 2020)</i> <sup>(7)</sup>	2020	7,000	Nil	Nil	Nil	Nil	7,000
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Vicente Fox, <i>Director</i>	2020	209,087	Nil	Nil	Nil	Nil	209,087
	2019	242,400	Nil	Nil	Nil	886,449 <sup>(8)</sup>	1,128,849
Alvaro Yanez, <i>Director</i>	2020	53,250	Nil	Nil	Nil	Nil	53,250
	2019	35,000	Nil	Nil	Nil	Nil	35,000

Notes:

(1) Mr. Torres receives no additional compensation for serving as a director of the Company. Mr. Torres receives his compensation in Colombian Pesos (COP) which has been converted to Canadian dollars based on the average exchange rate of COP 2,747 and COP 2,473 per \$1.00 for 2020 and 2019 respectively.

(2) In 2020, includes \$55,563 for food and meal allowances (2019 - \$61,200), and \$47,468 for transportation allowances (2019 - \$48,600).

(3) Mr. Friedman was the Director Finance and Treasury of the Company from January 1, 2020 until his appointment as CFO on October 16, 2020.

(4) Mr. Virk receives his compensation in in Euros which have been converted to Canadian dollars based on the average exchange rate of Euro 0.6541 and Euro 0.684 per \$1.00 for 2020 and 2019, respectively.

(5) Amounts for 2019 for Mr. Naprawa were earned in his capacity as President of Khiron. On June 12, 2020, Mr. Naprawa resigned as President of Khiron and was appointed as Chair of the Board. Amounts for 2020 for Mr. Naprawa include \$114,950 earned in his capacity as President up to June 12, 2020 and \$99,667 of monthly Chairman's retainer from June 2020 to December 2020.

(6) Amount for Mr. Beck for 2020 is the director's monthly retainer from January 2020 to June 12, 2020.

(7) Amount for Mr. Echeverry is the director's monthly retainer for December 2020.

(8) Donations were made pursuant to an agreement between the Company and Centro Fox, a non-for-profit organization controlled by Vicente Fox, where Khiron committed to donate US\$1 million to Centro Fox between October 2018 and July 2019.

## Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company, for the most recent fiscal year ended December 31, 2020:

Compensation Securities							
Name and position	Type of compensation security RSU <sup>(1)</sup> or Option <sup>(2)</sup>	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Joel Friedman, CFO	RSU	100,000	August 26, 2020	0.51	0.49	0.375	December 15, 2024
Alvaro Torres, CEO	RSU	600,000	August 26, 2020	0.51	0.49	0.375	December 15, 2024
Chris Naprawa, Chairman	RSU	400,000	September 10, 2020	0.52	0.50	0.375	December 15, 2024
Deborah Rosati, Lead Director	RSU	400,000	September 10, 2020	0.52	0.50	0.375	December 15, 2024
Alvaro Yanez, Director	RSU	200,000	September 10, 2020	0.52	0.50	0.375	December 15, 2024

Notes:

- (1) Each RSU represents the right to receive one common share of Khiron.
- (2) Each Option is exercisable for one common share of Khiron.

## Exercise and Vesting of Compensation Securities

During the most recent fiscal year ended December 31, 2020, the following compensation securities were exercised by the Directors and Named Executive Officers and issued as common shares of Khiron.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security RSU <sup>(1)</sup> or Option <sup>(2)</sup>	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise	Closing price of security or underlying security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Michael Beck	RSU	25,000	Nil	May 31, 2020	0.73	0.73	18,250
Vicente Fox	RSU	500,000	Nil	May 31, 2020	0.73	0.73	365,000
Alvaro Yanez	RSU	37,500	Nil	May 31, 2020	0.73	0.73	23,375
Wendy Kaufman	RSU	100,000	Nil	October 26, 2020	0.415	0.415	41,500
Vicente Fox	RSU	500,000	Nil	December 15, 2020	0.38	0.38	190,000

Notes:

- (1) Each RSU represents the right to receive one common share of Khiron.
- (2) Each Option is exercisable for one common share of Khiron.

## **Stock Option Plans and Other Incentive Plans**

### ***Stock Option Plan***

The Stock Option Plan was approved by the shareholders of Khiron at its annual general and special meeting, on September 10, 2020. The purpose of the Stock Option Plan is to: (i) provide Eligible Persons (employees, directors, executive officers and consultants) with additional incentive; (ii) encourage stock ownership by Eligible Persons; and (iii) attract and retain Eligible Persons. The aggregate number of shares currently reserved for issuance under the Stock Option Plan and any other securities compensation arrangement is 13,398,580, being 20% of the shares issued as at August 4, 2020, less the number of Stock Options and RSUs issued as at that date.

The number of shares that may be reserved for issuance to an Eligible Person in any 12-month period shall not exceed 5% of the issued and outstanding shares, unless any disinterested shareholder approval required by the TSXV has been obtained. Unless disinterested shareholder approval is obtained, the number of shares that may be reserved for issuance to insiders under the Stock Option Plan and under any other share compensation arrangement will not exceed, in the aggregate, 10% of the issued shares (on a non-diluted basis) at any point in time.

Unless disinterested shareholder approval is obtained, an option may only be granted to an insider under the Stock Option Plan if the number of shares reserved for issuance under that option, when combined with the number of shares reserved for issuance under all Stock Options granted within the one-year period before the grant date to insiders, does not exceed, in aggregate, 10% of the issued shares on the grant date. The aggregate number of Stock Options granted to persons conducting investor relations activities in any 12-month period must not exceed, in the aggregate, 2% of the issued shares. The Company may not grant aggregate Stock Options to any one consultant in any 12-month period that exceed 2% of the issued shares.

The Board sets the exercise price in respect of each share issuable under an option granted under the Stock Option Plan. The exercise price will not be less than the fair market value of a share on the grant date and, is subject to the minimum exercise price permitted by the TSXV. Generally, “fair market value” will mean the last closing price of the shares on the TSXV before the grant of the option.

The expiry date of any option granted under the Stock Option Plan shall not exceed a period of 10 years. Unvested Stock Options are subject to immediate termination if a participant ceases to be an Eligible Person. Vested Stock Options are subject to earlier expiry in the following circumstances: (i) within 90 days of termination of employment without cause, contract expiry or non-renewal, or failure of a director to stand for re-election or to be re-elected; (ii) within 180 days of retirement or termination due to disability; (iii) within one year of the death of the participant; and (iv) upon the termination date in all other circumstances.

The Stock Option Plan includes a detailed amendment provision, setting forth the amendments to the Stock Option Plan or Stock Options that may be made by the Board, and those which require shareholder approval. Under the Option Plan, amendments to any of the following provisions of the Stock Option Plan will be subject to shareholder approval:

- persons eligible to be granted Stock Options;
- the maximum number or percentage of shares that may be reserved for issuance pursuant to the exercise of Stock Options;
- the limitations on the number of Stock Options that may be granted to any one person or any category of persons (such as, for example, Insiders);
- the method for determining the exercise price;
- the maximum term of Stock Options;

- the expiry and termination provisions applicable to Stock Options; and
- the amendment provisions of the Stock Option Plan.

The Stock Option Plan provides that the Board may approve the following types of amendments without shareholder approval: (i) amendments to fix typographical errors; and (ii) amendments to clarify existing provisions of the Stock Option Plan that do not have the effect of altering the scope, nature and intent of such provisions. Further, the Stock Option Plan provides that the Board may amend the terms of an option to reduce the number of shares under option, increase the exercise price; or cancel an option; without TSXV or shareholder approval provided the Company issues a news release outlining the terms of the amendment.

Under the Stock Option Plan, if the Company cancels an option and within one year, grants new Stock Options to the same individual, the new Stock Options will be subject to applicable TSXV requirements for amending Stock Options, including without limitation, the requirement for shareholder approval of reductions in the exercise price for insiders of the Company. The Stock Option Plan requires disinterested shareholder approval for any reduction in the exercise price or to extend the expiry date if the participant is an insider at the time of the proposed amendment.

### ***RSU Plan***

The RSU Plan was approved by the shareholders of Khiron, at its annual general and special meeting, on September 10, 2020. The purpose of the RSU Plan is to strengthen the alignment of interests between the participants and the shareholders, and to advance the interests of the Khiron through the motivation, attraction, and retention of the RSU Participants. The aggregate number of shares currently reserved for issuance under the RSU Plan and any other securities compensation arrangement is 13,398,580, being 20% of the shares issued as at August 4, 2020, less the number of Stock Options and RSUs issued as at that date.

The Board may, from time to time, in its discretion and in accordance with TSXV requirements, grant to directors, officers, employees and consultants of the company and its affiliates (“participants”), restricted share units of Khiron (“**RSUs**”). The terms and conditions attached to the grants will be determined by the Board, in its sole discretion. The Board has the power and discretionary authority to determine the terms and conditions of the grants, including the individuals who will receive the grants, the number of RSUs subject to each grant, the limitations or restrictions on vesting of grants, acceleration of vesting or the waiver of forfeiture or other restrictions on grants, the form of consideration payable on settlement of RSUs and the timing of the grants. The Board also has the power to establish procedures for payment of withholding tax obligations with cash.

Each grant will constitute an agreement to deliver RSUs or cash consideration to the participant upon the vesting of the RSU in consideration of the performance of services, subject to the fulfillment of such conditions as the Board may specify including, but not limited to, the participant’s achievement of specified objectives. A participant will not have ownership or voting rights with respect to the RSU or the underlying shares associated with the RSU. On the vesting date, the Company, at its sole and absolute discretion, shall have the option of settling the RSU by any of the following methods or a combination thereof: (a) payment in cash; (b) issuance of shares acquired by the Company on the TSXV; or (c) payment in shares issued from the treasury of the Company. The cash value of the RSU award is the number of RSUs multiplied by the fair market value of the shares, which is generally the volume weighted average of the prices at which the shares traded on the TSXV during the three (3) trading days preceding the vesting date.

The RSU Plan limits issuances of RSUs such that the aggregate number of common shares (i) issued to any one person under the RSU Plan and all other security-based compensation arrangements of Khiron will not exceed 5% of the issued shares; (ii) issued to insiders of Khiron pursuant to the RSU Plan and all other security-based compensation arrangements of Khiron will not, at any time, exceed 10% of the total number of issued shares unless disinterested shareholder approval is obtained, (ii) issued to insiders of Khiron

pursuant to the RSU Plan and all other security based compensation arrangements of Khiron will not, within a one-year period, exceed 10% of the total number of issued shares unless disinterested shareholder approval is obtained; and (iii) issued to employees or directors performing Investor Relations activities under all security based compensation arrangements will not, in any 12 month period, exceed 2% of the total number of issued shares.

Unless otherwise determined by the Board, or unless otherwise agreed in an RSU Agreement or other written agreement (including an employment or consulting agreement), each RSU shall provide that if a Participant shall cease to be a director or officer of or be in the employ of, or a consultant to the Company or its affiliates, for any reason whatsoever including, without limitation, retirement, resignation or involuntary termination (with or without cause), as determined by the Board in its sole discretion, before the RSUs have vested, (i) such Participant shall cease to be a Participant and immediately forfeit all unvested RSUs; and (ii) the value corresponding to any vested RSUs remaining unpaid as of the forfeiture date shall be paid to the former Participant in accordance with the terms of the RSU Plan. Notwithstanding, and unless otherwise determined by the Board, or unless otherwise agreed in an RSU Agreement or other written agreement (including an employment or consulting agreement), if a Participant shall cease to be a director or officer of or be in the employ of, or a consultant to the Company or its affiliates due to the death of the Participant, any unvested RSUs in the deceased Participant's account effective as at the time of the Participant's death shall be deemed to have vested immediately prior to the forfeiture date with the result that the deceased Participant shall not forfeit any unvested RSUs and the value corresponding to all RSUs shall be paid to the estate of the Participant in accordance with the terms of the RSU Plan.

The RSU Plan includes a detailed amendment provision, setting forth the amendments to the RSU Plan or RSUs that may be made by the Board, and those which require shareholder approval. Amendments to any of the following provisions of the RSU Plan will be subject to shareholder approval:

- persons eligible to be granted RSUs;
- the maximum number or percentage of shares that may be reserved for issuance pursuant to the vesting of RSUs;
- the limitations on the number of Stock Options that may be granted to any one person or any category of persons (such as, for example, Insiders);
- the maximum term of RSUs;
- the expiry and termination provisions applicable to RSUs; and
- the amendment provisions of the RSU Plan.

The RSU Plan provides that the Board may approve the following types of amendments without shareholder approval: (i) amendments to fix typographical errors; and (ii) amendments to clarify existing provisions of the RSU Plan that do not have the effect of altering the scope, nature and intent of such provisions. Further, the amended and restated RSU Plan provides that the Board may amend the terms of an RSU to reduce the number of Shares, or cancel an RSU; without TSXV or shareholder approval provided the Company issues a news release outlining the terms of the amendment. Disinterested shareholder approval must be obtained to extend the expiry date if the Participant is an Insider at the time of the proposed amendment.

## MANAGEMENT CONTRACTS

The management functions of the Company are not to any substantial degree performed by any person other than the executive officers and directors of the Company. The Company has not entered into any contracts, agreements or arrangements with parties other than its directors and executive officers for the provision of such management functions.

### **Employment, Consulting and Management Agreements**

#### ***Alvaro Torres***

The Company entered into an amended employment agreement with Alvaro Torres effective June 19, 2019 which entitles Mr. Torres to monthly payments consisting of a salary of COP 57,137,150; food and meal allowances of COP 12,243,675; and transportation allowance of COP 12,243,675 (which in 2020 was approximately \$360,000 using an exchange rate of COP 2,700 per \$1.00). The agreement may be terminated by either party in accordance with Colombian law. No severance payment is contemplated in the terms of the agreement. In the event of a change of control, Mr. Torres would be entitled to not less than one year's salary and bonus. Mr. Torres receives no additional compensation for serving on the Board of Directors of the Company or its affiliated companies.

#### ***Wendy Kaufman***

On June 10, 2019, the Company entered into an employment agreement with Wendy Kaufman as Chief Financial Officer in exchange for an annual salary of \$300,000, an annual bonus target of up to 100% of the annual salary, and an award of 300,000 RSUs. Ms. Kaufman resigned as CFO of the Company effective October 16, 2020. No termination payments were payable by the Company due to the resignation.

#### ***Joel Friedman***

In October 2020, the Company entered into an employment agreement with Joel Friedman as Chief Financial Officer at an annual salary of \$250,000. Upon execution of the agreement, Mr. Friedman received a signing bonus of \$25,000. Mr. Friedman is eligible to receive an annual bonus of up to 100% of his annual salary. Under the terms of the agreement Mr. Friedman received an award of 250,000 RSUs. If the agreement is terminated by the Company without cause, Mr. Friedman would be entitled to not less than 9 months' salary and bonus. If the agreement is terminated by the Company pursuant to a change of control, Mr. Friedman would be entitled to not less than 12 months' salary and bonus.

#### ***Tejinder Virk***

In October 2019, the Company entered into an employment agreement with Tejinder Virk as President of Khiron Europe for an annual salary of EUR 200,000; a fixed annual bonus of EUR 60,000; and a signing bonus of EUR 1,500,000 (of which 50% was payable on the start date and 50% was payable 120 days following the start date). Under the terms of the agreement and amendments, Mr. Virk also received an initial award in 2020 of 800,000 RSUs and 800,000 Stock Options with an exercise price of \$2.90 per share; and, on or before May 31, 2021 will receive an additional award of 1,400,000 Stock Options with an exercise price that is the greater of \$0.75 or the fair market value on the grant date, and 600,000 RSUs (of which 600,000 of the Stock Options and all 600,000 RSUs include performance-based vesting conditions). The agreement is for an indefinite term and may not be terminated by the Company until at least December 31, 2022. If the agreement is terminated by the Company after December 31, 2022 without cause or due to a change of control, Mr. Virk would be entitled to not less than 12 months' salary and bonus.

### ***Chris Naprawa***

On June 26, 2018, the Company entered into a consulting agreement with Chris Naprawa through Napperville Corp. (the “**Napperville Agreement**”). Pursuant to the Napperville Agreement, Mr. Naprawa provided all services to fulfill the duties and responsibilities as President in exchange for \$22,950 per month, a signing bonus of \$800,000, an annual bonus of \$500,000 if at any time the cash balance of the Company exceeds \$10,000,000 and an additional \$250,000 bonus for each \$10,000,000 multiple within a calendar period, and 200,000 Stock Options at an exercise price of \$1.40 per share. On June 12, 2020, Mr. Naprawa resigned as President of Khiron and terminated the Napperville Agreement. No termination payments were payable by the Company due to the resignation.

Effective June 12, 2020, the Company and Mr. Naprawa entered into a Director’s Agreement pursuant to which Mr. Naprawa was appointed as a director of the Company, Chair of the Board, and a member of the Company’s Audit and Compensation Committees for an annual cash retainer of \$180,000, a one-time onboarding grant of RSUs valued at \$200,000 as of the grant date, and thereafter, annual RSU awards valued at \$100,000 as of the grant date. If Mr. Naprawa is removed from the Board of Directors as a result of a change of control, the Company will pay Mr. Naprawa a lump sum equal to three times the annual cash retainer, less applicable statutory deductions; and all RSUs will immediately vest and be fully exercisable under the terms of the RSU Plan and the rules of the TSX Venture Exchange in effect at the time. The 200,000 Stock Options granted by the Company on June 26, 2018 as compensation under the Napperville Agreement shall continue to vest and be exercisable under the Director’s Agreement.

### ***Deborah Rosati***

The Company and Ms. Rosati entered into a Director’s Agreement on October 22, 2019 pursuant to which Ms. Rosati would be appointed as a director of the Company, Chair of the Audit Committee, and a member of the Compensation Committees. Pursuant to the Director’s Agreement, Ms. Rosati is entitled to annual cash retainers totalling \$108,000, a one-time onboarding grant of RSUs valued at \$200,000 as of the grant date, and thereafter, annual RSU awards valued at \$100,000 as of the grant date.

### ***Juan Carlos Echeverry***

The Company and Mr. Echeverry entered into a Director’s Agreement effective November 30, 2020 pursuant to which Mr. Echeverry would be appointed as a director of the Company and as a member of the Audit Committee. Pursuant to the Director’s Agreement, Mr. Echeverry is entitled to an annual cash retainer of \$84,000, a one-time onboarding grant of RSUs valued at \$200,000 as of the grant date, and thereafter, annual RSU awards valued at \$100,000 as of the grant date.

### ***Vicente Fox***

The Company and Mr. Fox entered into a Director’s Agreement pursuant to which Mr. Fox would be appointed as a director of the Company effective July 17, 2018. Pursuant to the Director’s Agreement, Mr. Fox is entitled to monthly cash retainer of US\$15,000 commencing on August 1, 2018 and a grant of 2,000,000 RSUs, which were granted on May 31, 2019.

## Oversight and Description of Director and Named Executive Officer Compensation

### *Compensation of Named Executive Officers*

The objectives of Khiron’s executive compensation policy are: (i) to attract and retain individuals of high caliber; (ii) to motivate performance to achieve Khiron’s strategic objectives; and (iii) to align the interests of executive officers with the long-term interests of shareholders. The Board, on the recommendation of management and the Compensation Committee, is responsible for setting the compensation strategy, and reviewing, evaluating and determining compensation of the Company’s directors and executive officers.

Each executive officer receives a base salary and participates in the Company’s bonus and share-based compensation plans. Khiron does not offer any group benefit plans, including medical, dental, life, accidental death and dismemberment and long-term disability coverage to its employees or executive officers outside of Colombia. Khiron Colombia is required by law to offer health and life insurance benefits to its employees, and, as such, Mr. Torres receives such benefits. The Company also provides long term incentives under the Stock Option Plan and RSU Plan, additional information for which can be found above at “Stock Option Plans and Other Incentive Plans”. There are no pension plan benefits in place for the Named Executive Officers of the Company.

### *Compensation of Directors*

Directors of the Company do not receive any compensation for attending Board or committee meetings. In addition to Stock Options and RSUs, which are granted to the Company’s directors from time to time, the Board pays directors (other than Mr. Torres, the CEO of the Company) cash retainers for their services in order to: (i) to attract and retain individuals of high caliber to serve as directors of Khiron; (ii) to motivate performance in order to achieve Khiron’s strategic objectives; and (iii) to align the interests of directors with the long-term interests of shareholders. There are no pension plans for the Company’s directors.

The following table summarizes the monthly retainers paid to directors during 2020, including, where noted, reduced monthly retainers agreed to by certain directors in May 2020, as part of the Company’s COVID-19 cost reduction strategy, which is described in the Company’s Annual Information Form for the year ended December 31, 2020 and filed to the Company’s issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com) on April 29, 2021.

<b>Director</b>	<b>Monthly Retainer</b>	<b>Reduced Monthly Retainer (May 2020 – December 2020)</b>
Chris Naprawa <sup>(1)</sup>	\$15,000	N/A
Deborah Rosati	\$9,000	\$7,650
Michael Beck <sup>(2)</sup>	US\$10,000	US\$7,500
Juan Carlos Echeverry <sup>(3)</sup>	\$7,000	N/A
Vicente Fox	US\$15,000	US\$12,000
Alvaro Torres	Nil	Nil
Alvaro Yanez	\$5,000	\$4,250

Notes:

- (1) Mr. Naprawa joined the Board as Chair, effective June 12, 2020.
- (2) Mr. Beck resigned from the Board effective June 20, 2020.
- (3) Mr. Echeverry joined the Board effective November 30, 2020.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has an incentive Stock Option Plan and RSU Plan under which Stock Options and restricted share units are granted. Stock Options and restricted share units have been determined by the Company’s Board and are only granted in compliance with applicable laws and regulatory policy. TSXV policies limit the granting of Stock Options to employees, officers, directors and consultants of the Company and provide limits on the length of term, number and exercise price of such Stock Options.

The following table provides information as at December 31, 2020 regarding the number of shares to be issued pursuant to the Company’s Stock Option Plan and RSU Plan. The Company does not have any equity compensation plans that have not been approved by its shareholders.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders (Stock Option Plan and RSU Plan)	11,510,667	\$2.01	11,012,080
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>11,510,667</b>	<b>\$2.01</b>	<b>11,012,080</b>

None of the directors or executive officers of the Company, or proposed nominees for election as director of the Company or associates or affiliates of such persons are or have been indebted to the Company at any time since the beginning of the Company’s last completed financial year.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Company’s financial year ended December 31, 2020, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

An “informed person” means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

## APPOINTMENT OF AUDITOR

Unless otherwise instructed, the Proxies given pursuant to this solicitation will be voted for the appointment of BDO Canada LLP, as the auditors of the Company to hold office for the ensuing year at remuneration to be fixed by the Directors.

## CORPORATE GOVERNANCE

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) prescribes certain disclosure by the Company of its corporate governance practices. The disclosure required by NI 58-101 is presented below.

The independent members of the Board as defined in NI 58-101 are Juan Carlos Echeverry, Vicente Fox, Deborah Rosati and Alvaro Yanez. The non-independent directors are Alvaro Torres, the Company’s CEO; and Chris Naprawa, former President of the Company until June 12, 2020. Mr. Torres and Mr. Naprawa have been determined to be non-independent due to their roles as current and former executive officers of the Company, respectively.

### Board Mandate

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees. The Board has also adopted a Charter of the Board of Directors which sets forth the responsibilities of the Board.

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management, and for the Company’s overall approach to risk management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions. The Board is responsible for implementing and monitoring compliance with the Company’s Code of Ethics and Business Conduct, and for ensuring the integrity of the Company’s executive officer and senior management. Additionally, the Board is responsible for appointing the CEO and for reviewing and approving the performance and compensation of the CEO.

The Board delegates authority to executive officers and management to enter into certain types of transactions, including financial transactions, subject to specified limits in a written policy. The Board also delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing the Company’s cash flow, evaluating new business opportunities, recruiting employees and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

For more information on the mandate of the Board, please refer to the Charter of the Board of Directors approved by the Board and attached to this Circular as Appendix A.

## Directorships

The following directors of the Company are also directors of the below noted reporting issuers:

Name of Director	Name of Reporting Issuer	Exchange and Symbol
Deborah Rosati	TAAL Distributed Information Technologies Inc.	CSE:TAAL
Alvaro Yanez	Momentous Capital Corp.	TSXV:MCC.P

## Orientation and Continuing Education

The Board is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director. The Company provides continuing education for its directors as the need arises and encourages open discussion at all meetings, which format encourages learning by the directors.

## Ethical Business Conduct

The Board relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board has also adopted a *Code of Ethics and Business Conduct* that sets forth the values, responsibilities and rules of conduct that govern the activities of the directors, officers, and employees of the Company and its affiliated companies. A copy of the *Code of Ethics and Business Conduct* may be accessed through the Company's website. [<https://investors.khiron.ca/investor-information/governance/governance-documents>]

## Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The CGN Committee is responsible for recruiting new members to the Board and planning for the succession of Board members.

## Board Diversity

The Board has adopted a Board Diversity Policy which commits the Company to a merit-based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. The Company aspires to attain a Board composition which increases the representation of women. Board candidate searches will be specifically directed to include diverse candidates generally, and women candidates in particular.

The Board Diversity Policy includes a requirement for diversity disclosure in the Circular, including the representation of, at minimum, (i) women, (ii) Indigenous peoples (including First Nations, Inuit and Métis), (iii) persons with disabilities; and (iv) members of visible minorities. The current directors and proposed nominees for election at the Meeting include one woman, (17%), while none of the other directors identify as Indigenous peoples, persons with disabilities or members of visible minorities. Nevertheless, the nominees comprise a diverse group by nationality, including two Canadians (Mr. Naprawa and Ms. Rosati), two dual Colombian-Americans (Mr. Torres and Mr. Echeverry), one Colombian (Mr. Yanez), and one Mexican (Mr. Fox). The diversity of the members of the Board provides a diversity of experience and cultures that is representative of the Company's business operations and activities in North America and Latin America. A copy of the Board Diversity Policy is attached to this Circular as Appendix B.

## Compensation

The Board is responsible for determining all forms of compensation, including long-term incentive in the form of Stock Options and RSUs, to be granted to the CEO of the Company and the directors, and for reviewing the recommendations of the Compensation Committee and the CEO respecting compensation of the other executive officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position.

When determining the compensation of its executive officers, the Board considers: (a) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (b) providing fair and competitive compensation; (c) balancing the interests of management and the Company's shareholders; (d) rewarding performance, both on an individual basis and with respect to operations in general; (e) the recommendations of the Compensation Committee; and (f) TSXV policies.

## Committees of the Board

The Committees of the Board are the Audit Committee, the Compensation Committee and the CGN Committee. The members of each Committee are listed below:

Audit Committee: Deborah Rosati (Chair); Juan Carlos Echeverry; and Chris Naprawa

Compensation Committee: Alvaro Yanez (Chair); Chris Naprawa; and Deborah Rosati

CGN Committee: Alvaro Torres (Chair); Deborah Rosati; and Alvaro Yanez

For additional information see “*Audit Committee and Corporate Governance*” in the Company's Annual Information Form dated April 29, 2021 and filed to the Company's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## Assessments

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. In assessing the effectiveness and contribution of the Board, the Audit Committee, the Compensation Committee, the CGN Committee or the individual directors the Board considers, in the case of the Board or any Standing Committee or any other committee, its performance against its mandate or charter and, in the case of an individual director, his or her attendance and performance against the competencies and skills each individual director is expected to bring to the Board, including the business strengths of the individual and the purpose of originally nominating the individual to the Board. The Chair of the Board, together with the independent Lead Director, are responsible for assessing the effectiveness of the Board as a whole, as well as individual Board members.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practice allows the Company to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

## Majority Voting

The Board has adopted a Majority Voting rule in its Charter. Except in any case where the number of nominees for election exceeds the number of directors to be elected, including as a result of a proxy contest, any director nominee who is not elected by a majority of the votes cast, will immediately tender his or her resignation to the Board. The Board will accept the resignation absent exceptional circumstances that warrant the director continuing to serve on the Board.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. Financial Statements

The audited financial statements of the Company for the year ended December 31, 2020 and the auditor's report thereon will be received at the Meeting. The audited financial statements of the Company and the auditor's report were delivered to each shareholder which has formally requested a copy thereof as required pursuant to applicable laws and are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### 2. Appointment of the Auditors

At the Meeting, shareholders will be asked to pass an ordinary resolution appointing BDO Canada LLP as auditors of the Company, to hold office until the close of the next annual meeting of shareholders, at such remuneration as may be fixed by the Board as recommended by the Audit Committee.

### 3. Election of Directors

At the Meeting, shareholders will vote on the election of directors. It is the intention of the persons named in the enclosed Proxy, if not expressly directed to the contrary in such Proxy, to vote such Proxies "FOR" setting the number of directors at six (6), and "FOR" the election of each of the nominees specified below as directors of Khiron. If, prior to the Meeting, any vacancies occur in the list of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote "FOR" the election of any substitute nominee or nominees recommended by management of Khiron and "FOR" the remaining proposed nominees.

Management has been informed that each of the proposed nominees listed below is willing to serve as a director if elected. Each director, if elected, will hold office until the next annual meeting of shareholders, or until his or her successor is duly elected or appointed, unless his or her office is vacated prior to such time, in accordance with the articles of the Company.

<b>Name, Province or State and Country of Residence and Present Office Held</b>	<b>Director Since</b>
<b>Chris Naprawa</b> Toronto, Ontario - <i>Chairman and Director</i>	June 12, 2020
<b>Deborah Rosati</b> Niagara Falls, Ontario - <i>Lead Director</i>	October 28, 2019
<b>Juan Carlos Echeverry</b> Bethesda, MD, USA - <i>Director</i>	November 30, 2020
<b>Vicente Fox</b> Guanajuato, Mexico - <i>Director</i>	July 17, 2018
<b>Alvaro Torres</b> Bogota, Colombia - <i>CEO and Director</i>	May 15, 2018
<b>Alvaro Yanez</b> Bogota, Colombia - <i>Director</i>	May 15, 2018

## ***Background of Proposed Directors***

The following is a brief description of each of the Board members of Khiron:

### *Chris Naprawa, Chair of the Board*

Mr. Naprawa has been the Chair of the Board of Khiron since June 2020 and is also the President of TAAL Distributed Information Technologies, a provider of blockchain services, infrastructure and transactional platforms for Bitcoin-related solutions and applications. Mr. Naprawa has extensive institutional capital markets, business development and M&A experience. Prior to being appointed to the role of Chair of the Board of Khiron in June 2020, Mr. Naprawa was President of Khiron where he led the company through raising over \$80 million in equity financings. Prior to joining Khiron, Mr. Naprawa was a Partner at Sprott Capital Partners, Managing Director at Primary Capital, Head of Equity Sales and Trading at Dundee Securities, and Head of Equity Sales at Macquarie Canada. Mr. Naprawa was also founder and CEO of STARTcast Solutions, a software company successfully sold to a large Canadian telecommunications company after 2 years of operations. Mr. Naprawa holds a Bachelor of Arts from Queen's University.

### *Deborah Rosati, Lead Director*

Ms. Rosati has been the Lead Director of Khiron and Chair of the Audit Committee since joining the Board in October 2019. Ms. Rosati also serves on the board of TAAL Distributed Information Technologies as a director and as Chair of the Nominating and Corporate Governance Committee. In addition to being the Founder & CEO of Women Get On Board Inc., Ms. Rosati is an accomplished corporate director, entrepreneur, Fellow Chartered Professional Accountant (FCPA) and certified Corporate Director (ICD.D) with more than 30 years of experience in technology, consumer, retail, cannabis, private equity and venture capital. Ms. Rosati is an experienced Audit Committee and Nominating & Corporate Governance Committee chair, with extensive knowledge as a Corporate Director in the areas of financial and enterprise risk management, corporate strategy, transformational changes, M&A, corporate governance and succession planning.

### *Juan Carlos Echeverry, Director*

Mr. Echeverry joined the Board of Khiron in November 2020. He is a founding partner of Econcept, Bogotá and Washington, DC, an economic consultancy in macroeconomic analysis, public policy design and evaluation, and microeconomic research in Latin America, providing macroeconomic and political analysis to the international financial sector. Mr. Echeverry was a former CEO of Ecopetrol, Colombia's largest oil and gas producer, No. 559 in Forbes World's Biggest Public Companies and among the 30 largest oil and gas producers worldwide, as well as former Minister of Finance of Colombia. He was also a former Minister of Economic Planning, former Dean of Economics at Universidad de los Andes (Bogotá), and Associate Professor at Instituto de Empresa, Madrid, with teaching experience at New York University and various Colombian universities. He was a former weekly editorialist of *CNN en Español* in Atlanta and has published papers in different fields of economics, in specialized journals, and three books on the Colombian economy and other Latin American economies. Mr. Echeverry has a PhD in economics from New York University and is a noted public speaker.

### *Vicente Fox, Director*

Mr. Fox has been a director of Khiron since July 2018. From December 2000 to November 2006, Mr. Fox was the 55<sup>th</sup> President of Mexico. Prior to his presidential nomination, Mr. Fox was CEO of Coca-Cola Latin America. In recent years, Mr. Fox founded the Centro Fox, a not-for-profit foundation dedicated to serving communities in México and Latin America.

*Alvaro Torres, Chief Executive Officer and Director*

Mr. Torres is a founder, CEO and Director of Khiron. He almost two decades of experience in the Latin American market, including infrastructure projects and project finance, management strategy, team development, and mergers and acquisitions. Mr. Torres was previously head of business development for SNC-Lavalin, Colombia, and was instrumental in growing the company from two people to more than 2,000 people in Colombia over the course of three years. Mr. Torres has overseen the development of projects totaling over \$1 billion in capital expenditure, including the development and construction of Colombia's tallest skyscraper. Mr. Torres holds a Bachelor of Engineering and a Master of Engineering from Rensselaer Polytechnic Institute and an MBA from Georgetown University.

*Alvaro Yanez, Director*

Mr. Yanez has been a director of Khiron since May 2018. Mr. Yanez is the named partner of the Bogota, Colombia law firm, Yanez & Asociados. He currently serves on the board of Momentous Capital Corp. (a Canadian Capital Pool Corporation). Mr. Yanez brings almost two decades of commercial and legal experience in Colombia and internationally. Mr. Yanez has served as Legal Manager of Pacific Stratus Energy Colombia Corp. and Petrominerales Colombia Corp. (oil exploration and production companies). Mr. Yanez has a law degree from Universidad del Rosario and an LL.M in corporate law from Instituto de Empresa.

## ADDITIONAL INFORMATION

Additional information about the Company is located on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's Annual Information Form, financial statements and Management's Discussion and Analysis ("MD&A") for the financial year ended December 31, 2020, which were filed on SEDAR on April 29, 2021.

Under National Instrument 51-102 *Continuous Disclosure Obligations*, any person or company who wishes to receive interim financial statements from the Company may deliver a written request for such material to the Company or the Company's agent, together with a signed statement that the persons or company is the owner of securities of the Company. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed mail card, together with the completed Proxy, in the addressed envelope provided, to the Company's registrar and transfer agent, TSX Trust Company 301-100 Adelaide St. W., Toronto, Ontario M5H 4H1. The Company will maintain a supplemental mailing list of persons or companies wishing to receive interim financial statements.

Shareholders may contact the Company to request copies of the financial statements and MD&A by writing to the Company at the following address:

**KHIRON LIFE SCIENCES CORP.**  
ATT: CHIEF FINANCIAL OFFICER  
2300-550 Burrard Street  
Vancouver, BC, V6C 2B5

## OTHER MATERIAL FACTS

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by Proxy.

DATED at Toronto, Ontario, on the 25<sup>th</sup> day of May, 2021.

BY ORDER OF THE BOARD

**KHIRON LIFE SCIENCES CORP.**

/s/ "Chris Naprawa"  
Chris Naprawa  
Chair of the Board

**APPENDIX A**  
**CHARTER OF THE BOARD OF DIRECTORS OF**  
**KHIRON LIFE SCIENCES CORP.**

1. **PURPOSE AND RESPONSIBILITY OF THE BOARD**

The Board of Directors (the “Board”) explicitly assumes responsibility for the stewardship of Khiron and its business. This stewardship function includes responsibility for the matters set out in this Charter, which form part of the Board's statutory responsibility to manage or supervise the management of Khiron's business and affairs. In exercising their powers and discharging their duties, the directors shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Although directors may be appointed or elected by the shareholders to bring special expertise or point of view to Board deliberations, they are not chosen to represent a particular constituency, and the best interests of the Corporation as a whole shall be paramount at all times.

2. **REVIEW OF CHARTER**

The Board shall review and assess the adequacy of this Charter annually and at such other times as it considers appropriate and shall make such changes as it considers necessary or appropriate.

3. **DEFINITIONS AND INTERPRETATION**

3.1 **Definitions**

In this Charter:

- (a) “Board” means the board of directors of Khiron;
- (b) “CEO” means Khiron's chief executive officer;
- (c) “Chair” means the chair of the Board;
- (d) “Charter” means this charter, as amended from time to time;
- (e) “Director” means a member of the Board;
- (f) “Khiron” or the “Company” means Khiron Life Sciences Corp.; and
- (g) “Stock Exchanges” means, at any time, the Toronto Stock Exchange Venture Exchange and any other stock exchange on which any securities of Khiron are listed for trading at the applicable time.

3.2 **Interpretation**

This Charter is subject to and shall be interpreted in a manner consistent with Khiron's articles and by-laws, the *British Columbia Business Corporations Act* (the “BCBCA”), and any other applicable legislation.

## CONSTITUTION OF THE BOARD

### 4. ELECTION AND REMOVAL OF DIRECTORS

#### 4.1 Number of Directors

The Board shall consist of such number of Directors as the Board may determine from time to time, within the range set out in Khiron's articles at such time but in no event shall the number of Directors be fewer than three (3).

#### 4.2 Election of Directors

Directors shall be elected by the shareholders annually to hold office until the next annual meeting of shareholders, but if Directors are not elected at a meeting of shareholders, the incumbent Directors shall continue in office until their successors are elected.

#### 4.3 Vacancies

The Board may appoint an individual to fill a vacancy which occurs in the Board between annual elections of Directors, to the extent permitted by the BCBCA and the articles and by-laws.

#### 4.4 Ceasing to Be a Director

A Director will cease to hold office upon:

- (a) delivering a resignation in writing to the Board and such resignation shall become effective in accordance with its terms or upon acceptance by the Board in accordance with Section 15.2(b);
- (b) being removed from office by an ordinary resolution of the shareholders of Khiron;
- (c) being found by a court, in Canada or elsewhere, to be incapable of managing the individual's own affairs;
- (d) being convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation or unincorporated business, or of an offence involving fraud;
- (e) becoming bankrupt; or
- (f) his or her death.

### 5. CRITERIA FOR DIRECTORS

#### 5.1 Qualifications of Directors

Every Director shall be an individual who:

- (a) is at least 18 years of age;
- (b) has not been determined by a court to be of unsound mind;

- (c) has not been convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation or unincorporated business, or of an offence involving fraud; and
- (d) does not have the status of bankrupt.

5.2 Independence of Directors

The Board shall be composed of a majority of “independent” directors (within the meaning of National Instrument 58-101 - Disclosure of Corporate Governance Practices).

5.3 Other Criteria

The Board may establish additional criteria for Directors consistent with this Charter.

6. **BOARD CHAIR**

6.1 Board to Appoint Chair

The Board shall appoint the Chair annually at the first meeting of the Board after the meeting of the shareholders of Khiron at which Directors are elected. If the Board does not so appoint a Chair, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

6.2 Role and Responsibilities of Chair

The Chair, has the responsibility to:

(a) Work with management, including to:

(i) act as the principal sounding board, counselor and confidant for the CEO, including helping to review strategies, define issues, maintain accountability, and build relationships;

(ii) in co-operation with the CEO, assist in representing the Corporation both internally and externally, including as a designated spokesman;

(iii) regularly communicate and ensure the CEO is aware of concerns of the Board, shareholders, other stakeholders and the public; and

(iv) assess, in conjunction with the Compensation Committee and the Board, the performance of the CEO and other executive officers, and provide input with respect to compensation and succession.

(b) Manage the functioning of the Board, including to:

(i) chair meetings of the Board and meetings of shareholders;

(ii) ensure the Board is aware of its obligations to the Corporation, shareholders, management, other stakeholders and lead the Board in carrying out such obligations pursuant to applicable law;

(iii) establish, in conjunction with the Corporate Governance and Compensation Committee, the frequency of Board meetings and review such frequency from time to time, as considered appropriate or as requested by the Board;

(iv) recommend the committees of the Board and their composition, review the need for, and the performance and suitability of such committees and make such adjustments as are deemed necessary from time to time;

(v) ensure the co-ordination of the agenda, information packages and related events for Board meetings;

(vi) ensure the Board receives adequate and regular updates from the CEO and executive officers on all material issues relating to the Corporation;

(vii) act as a liaison and regularly communicate with all directors and committee chairs to co-ordinate input from directors, and optimize the effectiveness of the Board and its committees; and

(viii) in conjunction with the Corporate Governance and Compensation Committee, review and assess director attendance, performance and compensation as well as the size and composition of the Board.

### 6.3 Lead Director

If the Chair is not an independent Director, the Board shall appoint an independent Director as Lead Director from among the Directors, who shall serve for such term as the Board may determine. The Lead Director shall chair any meetings of the independent Directors and assume such other responsibilities as the independent Directors may designate in accordance with any applicable position descriptions or other applicable guidelines that may be adopted by the Board from time to time. The Lead Director shall regularly communicate and ensure the Chair and the CEO are aware of concerns of the independent members of the Board.

## 7. REMUNERATION OF DIRECTORS AND RETAINING ADVISORS

### 7.1 Remuneration

The remuneration to be paid to the Directors shall be such as the Directors shall from time to time by resolution determine. The Directors may also by resolution award special remuneration to any Director to compensate him or her for any special services rendered to Khiron other than the normal work ordinarily required of a director of a corporation. The confirmation of any such resolution or resolutions by the shareholders shall not be required. The Directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of Khiron.

## 7.2 Retaining and Compensating Advisors

Each Director and non-standing committee of the Board shall have the authority to retain outside counsel and any other external advisors at the expense of the Corporation in appropriate circumstances but only with the approval of the Corporate Governance Committee acting in the best interests of the Corporation, such retainers to be subject to such conditions to be determined and approved by the Corporate Governance Committee. Each Standing Committee of the Board shall have, through the terms of its charter, the authority to retain outside counsel and any other external advisors at the expense of the Corporation in appropriate circumstances, such retainers to be subject to such conditions to be determined and approved by the applicable Standing Committee acting in the best interests of the Corporation.

### **MEETINGS OF THE BOARD**

## 8. **MEETINGS OF THE BOARD**

### 8.1 Time, Place and Attendance at Meetings

Meetings of the Board shall be called and held in the manner and at the location contemplated in Khiron's by-laws. Directors are expected to attend, in person or via teleconference, web meeting or video-conference, all meetings of the Board and the committees upon which they serve, to come to such meetings fully prepared, and to remain in attendance for the duration of the meeting.

Where a director's absence from a meeting is unavoidable, the director should, as soon as practicable after the meeting, contact the Chair, the CEO, or the Secretary for a briefing on the substantive elements of the meeting.

Subject to the Corporation's constating documents and applicable laws, the time at which and the place where the meetings of the Board shall be held, the calling of meetings and the procedure at such meetings shall be determined by the Chair.

### 8.2 Frequency of Board Meetings

Subject to Khiron's by-laws, the Board shall meet as many times as it considers necessary to carry out its responsibilities effectively and shall, in any event, meet at least once per quarter.

### 8.3 Quorum

In order to transact business at a meeting of the Board a majority of the number of Directors shall be present, whether by telephonic, electronic or other communication facility.

### 8.4 Secretary of the Meeting

The Chair shall designate from time to time a person who may, but need not, be a member of the Board, to be Secretary of any meeting of the Board.

8.5 Right to Vote

Each member of the Board shall have the right to vote on matters that come before the Board, subject to the restrictions on voting specified in the BCBCA where a Director is required to disclose an interest in a material contract or material transaction.

8.6 Invitees

The Board may invite any of Khiron's officers, employees, advisors or consultants or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

9. **IN CAMERA SESSIONS**

9.1 In Camera Sessions of Non-Management Directors

At the conclusion of each meeting of the Board, the Directors shall meet without any non-director member of management being present.

9.2 In Camera Sessions of Independent Directors

The independent Directors shall meet at least once per year with only independent and non-management Directors present.

**DELEGATION OF DUTIES AND RESPONSIBILITIES OF THE BOARD**

10. **DELEGATION AND RELIANCE**

10.1 Delegation to Committees

The Board may establish and delegate to committees of the Board any duties and responsibilities of the Board which the Board is not prohibited by law from delegating. However, no committee of the Board shall have the authority to make decisions which bind the Company, except to the extent that such authority has been specifically delegated to such committee by the Board.

10.2 Requirement for Certain Committees

The Board shall establish and maintain the following committees of the Board, each having mandates/charters that incorporate all applicable regulatory and Stock Exchange requirements and that follow such guidelines of applicable regulatory authorities and Stock Exchanges as the Board may consider appropriate:

- (a) Audit Committee;
- (b) Nominating and Corporate Governance Committee; and
- (c) Compensation Committee.

### 10.3 Composition of Committees

The Board will appoint and maintain in office members of each of its committees such that the composition of each such committee is in compliance with applicable regulatory and Stock Exchange requirements and with such guidelines of applicable regulatory authorities and Stock Exchanges as the Board may consider appropriate and shall require the Corporate Governance Committee to make recommendations to it with respect to such matters.

### 10.4 Review of Mandates/Charters

On an annual basis, the Board will review the recommendations of the Corporate Governance Committee with respect to the mandates/charters of each committee of the Board. The Board will approve those changes to the mandates/charters that it determines are appropriate.

### 10.5 Delegation to Management

(a) Subject to Khiron's articles and by-laws, the Board may designate the offices of Khiron, appoint officers, specify their duties and delegate to them powers to manage the business and affairs of Khiron, except to the extent that such delegation is prohibited by the BCBCA or other applicable law or regulation. The Board may, from time to time, delegate to executive officers and management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits.

(b) Notwithstanding any delegation to management to manage the business and affairs of Khiron, management must seek Board approval in respect of all material transactions, including, (i) those transactions that could reasonably be expected to significantly affect the market price or value of Khiron's securities, (ii) changes in the authorized or issued capital of Khiron, (iii) any action that may lead to or result in a material change in the nature of the business, operations, outstanding debt or capital of Khiron, (iv) any action that may lead to or result in a material change in the risk to the business or operations investments and other expenditures above the limits specified in the Delegation of Authority Policy, (v) transactions outside the ordinary course of business, and (iv) the sale, lease or exchange of all or substantially all of the property of Khiron.

### 10.6 Reliance on Management

The Board is entitled to rely in good faith on the information and advice provided to it by Khiron's management.

### 10.7 Reliance on Others

The Board is entitled to rely in good faith on information and advice provided to it by advisors, consultants and such other persons as the Board considers appropriate.

### 10.8 Oversight

The Board retains responsibility for oversight of any matters delegated to any committee of the Board or to management.

## **DUTIES AND RESPONSIBILITIES**

### **11. RESPONSIBILITY FOR SPECIFIC MATTERS**

#### **11.1 Responsibility for Specific Matters**

The Board explicitly assumes responsibility for the matters set out below, recognizing that these matters represent in part responsibilities reflected in requirements and guidelines of applicable regulatory authorities and Stock Exchanges and do not limit the Board's overall stewardship or its responsibility to manage or supervise the management of Khiron's business and affairs.

#### **11.2 Delegation to Committees**

Whether or not specific reference is made to committees of the Board in connection with any of the matters referred to in Sections 12, 13, 14 and 16, the Board may direct any committee of the Board to consider such matters and to report and make recommendations to the Board with respect to these matters and the Board may, where appropriate, specifically delegate authority to a committee of the Board to make decisions which bind Khiron on such matters.

### **12. CORPORATE GOVERNANCE GENERALLY**

#### **12.1 Governance Practices and Principles**

The Board is responsible for developing Khiron's approach to corporate governance.

#### **12.2 Governance Disclosure**

- (a) The Board shall approve disclosure about Khiron's governance practices in any document before it is delivered to Khiron's shareholders or filed with applicable regulatory authorities or with the Stock Exchanges.
- (b) If Khiron's governance practices differ from the guidelines of applicable regulatory authorities or the Stock Exchanges, the Board shall consider these differences and why the Board considers them to be appropriate.

#### **12.3 Delegation to Corporate Governance Committee**

The Board may direct the Corporate Governance Committee to consider the matters contemplated in this Section 12 and to report and make recommendations to the Board with respect to these matters and the Board may, where appropriate, specifically delegate authority to the Corporate Governance Committee to make decisions which bind Khiron on such matters.

### **13. RESPONSIBILITIES RELATING TO MANAGEMENT**

#### **13.1 Appointment of Senior Management and Succession Planning**

The Board is responsible for appointing the CEO, the CFO and all other senior executives and delegating to the CEO and other senior executives the authority over the day-to-day management of the business and affairs of the Corporation, and succession planning, including appointing, training and monitoring senior management.

### 13.2 Integrity of Management

The Board shall, to the extent feasible, satisfy itself:

- (a) as to the integrity of the CEO and other executive officers; and
- (b) that the CEO and other executive officers create a culture of integrity throughout the organization.

### 13.3 Delegation of Authority to Management

The Board may, from time to time, delegate to executive officers and management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits and material transactions outside the ordinary course of business shall be reviewed by, and subject to the prior approval of, the Board.

### 13.4 Executive Compensation Policy

The Board shall approve the compensation of the CEO.

The Board shall receive regular reports from the Compensation Committee on its approval of any recommendations of the CEO with respect to the compensation of other executive officers and senior management of Khiron.

### 13.5 Delegation to Compensation Committee

The Board may direct the Compensation Committee to consider the matters contemplated in this Section 13 and to report and make recommendations to the Board with respect to these matters and the Board may, where appropriate, specifically delegate authority to the Compensation Committee to make decisions which bind Khiron on such matters.

## 14. OVERSIGHT OF THE OPERATION OF THE BUSINESS

### 14.1 Risk Management

Taking into account the reports of management and such other persons as the Board may consider appropriate, the Board shall identify the principal risks of Khiron's business and satisfy itself as to the implementation of appropriate systems to manage these risks. The Board may specifically delegate authority to the Audit Committee to consider these matters and, if appropriate, to report and make recommendations to the Board with respect to these matters.

### 14.2 Strategic Planning Process

The Board shall adopt a strategic planning process and shall review and approve, on at least an annual basis, Khiron's strategic plan which should take into account, among other things, the opportunities and risks of Khiron's business. As part of this process, the Board shall receive reports and recommendations from management, on at least an annual basis, regarding Khiron's operational and financial plans and budgets and the Board shall adopt the same with such changes as the Board deems appropriate.

In connection with the above, the Board shall seek to provide a balance of long-term versus short-term orientation of Khiron's strategic, operational and financial plans. The Board has the responsibility for:

(i) adopting processes for monitoring the Corporation's progress toward its strategic and operational goals, and providing input and guidance to management in light of changing circumstances affecting the Corporation; and

(ii) taking action when the Corporation's performance falls short of its goals or when other special circumstances warrant.

#### 14.3 Internal Control and Management Information Systems

The Board shall review the reports of management and the Audit Committee concerning the integrity of Khiron's internal control and management information systems. Where appropriate, the Board shall require management and the Audit Committee to implement changes to such systems to ensure the integrity of such systems.

#### 14.4 Corporate Disclosure Policy

The Board shall review and, if determined appropriate, approve a corporate disclosure policy for Khiron for communicating with shareholders, the investment community, the media, governments and their agencies, employees and the general public. The Board shall consider, among other things, the recommendations of management and the Audit Committee with respect to this policy, which shall include policies on:

- (a) the timely disclosure of any material changes, material facts and other developments that have a significant and material impact on the Corporation;
- (b) how the Corporation interacts with analysts, investors, other key stakeholders and the public;
- (c) determining who is authorized to communicate on behalf of the Corporation;
- (d) measures for the Corporation to comply with its continuous and timely disclosure obligations and to avoid selective disclosure;
- (e) understanding and enforcing the prohibition on tipping and restrictions on the purchase and sale of securities of the Corporation, including by insiders and other persons with a special relationship with the Corporation; and
- (f) the management and use of electronic communications channels, social media, chat rooms, and the Corporation's website.

#### 14.5 Financial Statements

The Board shall be responsible for:

- (a) approving the audited financial statements, interim financial statements and the notes and management's discussion and analysis accompanying such financial statements.
- (b) 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 constating documents or applicable laws, including the payment of dividends, the issuance, purchase and redemption of securities, the acquisitions and dispositions of material capital assets and material capital expenditures.
- (c) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other stakeholders and regulators (as applicable) on a timely basis; and
- (d) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and disclosure requirements under applicable laws.

#### 14.6 Other Disclosure Documents

The Board shall review the recommendations of management and the applicable committees of the Board with respect to any annual information form, information circular and prospectus of Khiron. The Board shall approve all such disclosure documents.

#### 14.7 Code of Ethics and Business Conduct and other Policies

The Board will review and approve a Code of Ethics and Business Conduct for Khiron. In adopting the Code of Ethics and Business Conduct, the Board will consider the recommendations of the Corporate Governance Committee concerning its compliance with applicable regulatory and Stock Exchange requirements and with the guidelines of applicable regulatory authorities and Stock Exchanges as the Board may consider appropriate.

The Board may adopt such other policies for good governance of Khiron as the Corporate Governance Committee may recommend from time to time, including for example, policies on conflicts of interest, board diversity, and insider trading.

#### 14.8 Compliance and Disclosure

The Board will monitor compliance with the Code of Ethics and Business Conduct and shall review the report of management concerning compliance with the Code of Ethics and Business Conduct. The Board may specifically delegate authority to the Audit Committee to consider these matters and, if appropriate, to report and make recommendations to the Board with respect to these matters.

The Board is responsible for approving, if determined appropriate, any and all waivers granted to a Director or executive officer of Khiron from complying with the Code of Ethics and Business Conduct and will determine whether disclosure thereof is required.

15. **NOMINATION OF DIRECTORS**

15.1 **Nomination and Appointment of Directors**

- (a) The Board shall nominate individuals for election as Directors by the shareholders and shall require the Corporate Governance Committee to make recommendations with respect to such nominations.
- (b) In selecting individuals for nomination as Directors, the Board shall:
  - (i) consider what competencies and skills the Board, as a whole, should possess;
  - (ii) diversity of the Board including with respect to mix of expertise, experience, skills and backgrounds, including geography, age, gender, race, ethnicity, and aboriginal status, representing the diverse nature of the business environment in which the Company operates, its shareholders, customers and other stakeholders; and
  - (iii) assess what competencies and skills each existing Director possesses.

(b) The Board shall consider recommendations made to it by the Corporate Governance Committee with respect to the size and composition of the Board.

15.2 **Majority Voting**

- (a) Except in any case where the number of nominees for election exceeds the number of directors to be elected, including as a result of a proxy contest, any director nominee who is not elected by a majority of the votes cast, will immediately tender his or her resignation to the Board;
- (b) The Board will determine whether or not to accept the resignation;
- (c) The Board will accept the resignation absent exceptional circumstances that warrant the director continuing to serve on the Board; and
- (d) The Company will promptly issue a news release with the Board's decision, stating the reasons for the decision if the Board determines not to accept the resignation.
- (e) The filling of any vacancy resulting from the resignation of an Affected Director shall be subject to the articles and by-laws of Khiron.

16. **BOARD EFFECTIVENESS**

16.1 **Position Descriptions**

The Board shall review and, if determined appropriate, approve formal position descriptions for:

- (a) individual Directors and for the Chair of the Board and for the Chair of each committee of the Board; and
- (b) the CEO (which shall include the delineation of management's responsibilities), provided that in approving a position description for the CEO, the Board shall consider the input of the CEO and shall develop and approve corporate goals and objectives that the CEO is responsible for meeting (which may include goals and objectives relevant to the CEO's compensation).

The Board may direct the Corporate Governance Committee to consider the matters contemplated in this Section 16.1 and to report and make recommendations to the Board with respect to these matters and the Board may, where appropriate, specifically delegate authority to the Corporate Governance Committee to make decisions which bind Khiron on such matters.

16.2 **Director Orientation and Continuing Education**

The Board shall review and, if determined appropriate, approve the recommendations of the Corporate Governance Committee concerning:

- (a) a comprehensive orientation program for new Directors; and
- (b) continuing education opportunities for all Directors.

16.3 **Board, Committee and Director Assessments**

The Board has the responsibility for assessing periodically, at least annually, the Board, the Standing Committees and any other committee, and each individual director regarding his, her or its effectiveness and contribution. Such assessment will consider, in the case of the Board or any Standing Committee or any other committee, its performance against its mandate or charter and, in the case of an individual director, his or her attendance and against the competencies and skills each individual director is expected to bring to the Board. The Chair of the Board, together with the independent lead director, if any, shall be responsible for assessing the effectiveness of the Board as a whole as well as individual Board members.

**This Mandate is not intended to give rise to civil liability on the part of the Corporation or its directors or officers to shareholders, other security holders, customers, suppliers, competitors, employees or other persons or to any other liability whatsoever on their part.**

Approved by the Board of Directors  
Khiron Life Sciences Corp.  
May 25, 2021

## **APPENDIX B KHIRON LIFE SCIENCES CORP.**

### **BOARD DIVERSITY POLICY**

Khiron Life Sciences Corp. (the "Company") believes in diversity and values the benefits that diversity can bring to its board of directors (the "Board"). Diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink and ensures that the Company has the opportunity to benefit from all available talent. The promotion of a diverse Board makes prudent business sense and makes for better corporate governance.

The Company seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. The skills and backgrounds collectively represented on the Board should reflect the diverse nature of the business environment in which the Company operates. For purposes of Board composition, diversity includes, but is not limited to, business experience, geography, age, gender, and ethnicity and aboriginal status. In particular, the Board should include an appropriate number of women directors.

The Company is committed to a merit-based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the Company will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board.

In furtherance of Board diversity, the Company aspires to attain a Board composition that increases the representation women on the Board. Any search firm engaged to assist the Board or a committee of the Board in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates generally, and women in particular.

Annually, the Company will include diversity disclosure information in its information circular, including the representation of, at minimum, the following four groups:

1. Women;
2. Indigenous peoples (First Nations, Inuit and Métis);
3. persons with disabilities; and
4. members of visible minorities.

The Company may also disclose information about additional groups they believe contribute to the diversity of the Board or senior management team.

Annually, the Board will review this policy and assess its effectiveness in promoting a diverse Board which includes an appropriate number of women directors.

Approved by the Board of Directors  
Khiron Life Sciences Corp.  
May 25, 2021