

BY-LAW NO. 1

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

APPILI THERAPEUTICS INC.

(hereinafter called the "Corporation")

Section 1 INTERPRETATION

1.01 **Definitions:** In this by-law, unless the context otherwise requires:

- (a) "Act" means the *Canada Business Corporations Act*, as amended or re-enacted from time to time;
- (b) "applicable securities laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, statements, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada;
- (c) "articles" means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of arrangement, articles of continuance, articles of dissolution, articles of reorganization, articles of revival and includes any amendments thereto;
- (d) "board" means the board of directors of the Corporation;
- (e) "by-law" means any by-law of the Corporation as from time to time in force and effect;
- (f) "joint actors" means a person, its affiliates and associates and any person acting jointly or in concert with the forgoing
- (g) "nominating shareholder" shall be deemed to refer to each shareholder that nominates a person for election as director of the Corporation in the case of a nomination proposal where more than one shareholder is involved in making such nomination proposal.
- (h) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.
- (i) All terms contained in the by-laws which are defined in the Act shall have the meanings given to such terms in the Act save as specifically provided herein to the contrary.

1.02 **Interpretation:** Words importing the singular number only shall include the plural and vice versa; words importing masculine gender shall include the feminine and neuter genders. Wherever reference is made in this or any other by-law or in any special resolution of the Corporation to any statute or section thereof, such reference shall be deemed to extend and refer to any amendment or to re-enactment of such statute or section, as the case may be.

Section 2

GENERAL

2.01 Execution of Documents: Contracts, documents, share certificates or any instruments in writing requiring the signature of the Corporation may be signed either manually or by facsimile or electronic signature by any one of the directors or officers of the Corporation and all contracts, documents, share certificates and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. Notwithstanding this, the board may at any time and from time to time direct the manner in which and the person or persons by whom any particular deed, transfer, contract or obligation or any class of deeds, transfers, contracts or obligations may be signed.

Section 3

MEETING OF DIRECTORS

3.01 Calling of Meetings: Meetings of the board shall be held from time to time at such place as the Chairman of the Board, the President or a majority of the directors may determine. A meeting of the board may be convened by the Chairman of the Board, the President or any one director at any time and the Secretary shall, upon direction from any of the foregoing, convene a meeting of the board.

3.02 Notice of Meeting: Notice of the time and place of each meeting of the board shall be given in the manner provided in section 6.01 to each director not less than forty-eight hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified. A director may in any manner and at any time waive notice of or otherwise consent to a meeting of the board and attendance of a director at a meeting of directors is a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

3.03 Meetings by Telephone or Electronic Facilities: A director may participate in a meeting of the board or of a committee of the board by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear each other and a director participating in a meeting by those means is deemed for the purposes of the Act to be present at that meeting. If a majority of the directors participating in such a meeting are then in Canada the meeting shall be deemed to have been held in Canada.

3.04 Quorum: A quorum at any meeting of the board shall be a majority of the directors.

3.05 Chairman of Meetings: The chair of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: Chairman of the Board, chief executive officer or president. If no such officer is present, the directors present shall choose one of their number to be chair.

3.06 Votes to Govern: At all meetings of the board, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting shall not be entitled to a second or casting vote.

Section 4

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

4.01 Limitation of Liability: Every director and officer of the Corporation in exercising their powers and discharging their duties shall act honestly and in good faith with a view to the best interest of the

Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, omissions, failures, neglects or defaults of any other director, officer or employee, or for joining in any act for conformity, or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his or her office or in relation thereto. Nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

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

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

4.03 Right to Indemnification: The Corporation shall also indemnify an individual referred to in section 4.02 in such other circumstances as the Act or law permits or requires. Nothing in these by-laws shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of these by-laws.

Section 5

MEETINGS OF SHAREHOLDERS

5.01 Meetings of Shareholders: Meetings of shareholders shall be held at such time and, subject to the Act and the articles, at such place as the board, the chair of the board, the chief executive officer or the president may from time to time determine.

5.02 Meetings by Electronic Means: A meeting of shareholders may be held by telephone or electronic means and a shareholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed to be present at the meeting.

5.03 Chairman and Secretary: Subject to the provisions of this section, the President shall preside as chairman at each meeting of the shareholders. In the event that the President is not present within fifteen (15) minutes from the time fixed for holding the meeting, or is unable or refuses to preside as Chairman at such meeting, the persons present and entitled to vote shall choose one of their number to be chairman. The Secretary shall be the secretary of any meeting of shareholders. If the Secretary is absent, the chairman shall appoint some person, who need not be a shareholder, to act as Secretary of the meeting.

5.04 Persons Entitled to be Present: The only persons entitled to be present at a meeting of the

shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

5.05 Quorum: A quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder for an absent shareholder so entitled, and together holding or representing by proxy not less than 5% of the outstanding shares of the Corporation entitled to vote at the meeting.

5.06 Votes to Govern: At any meeting of shareholders every question shall, unless otherwise required by the Act or the articles, be determined by the majority of the votes cast on the question.

Section 6

NOTICES

6.01 Method of Giving Notice: Any notice or other document, including electronic documents, to be given or sent by the Corporation to a shareholder, director or officer or to the auditor of the Corporation or any other person may be given or sent by prepaid mail, by facsimile, or by any electronic or other communication facility (provided that the recipient thereof has consented, pursuant to the Act, to receive such notice or document in such form), or may be delivered personally to, the person to whom it is to be given or sent at the persons latest address as shown in the records of the Corporation or in any notice filed in accordance with the provisions of the Act. The board may establish, by resolution, procedures to give, deliver or send a notice or other document to the shareholders, directors, the auditor or other persons by any means permitted under the laws governing the Corporation or pursuant to the articles or by-laws of the Corporation. The accidental omission to give notice to any shareholder, director or officer or to the auditor or other persons or the non-receipt of any notice or any error in a notice not affecting the substance thereof shall not invalidate any action taken at any meeting called by such notice or otherwise founded thereon. Any notice with respect to any shares registered in more than one name may, if more than one address appears on the records of the Corporation in respect of such joint holding, be given the joint shareholders at any such address.

Section 7

ADVANCE NOTICE OF NOMINATION FOR ELECTION OF DIRECTORS

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

- (a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition to call a meeting of shareholders made in accordance with the provisions of the Act; or
- (c) nominating shareholder who, (A) at the close of business on the date of the giving of the notice

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

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

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

- (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that if the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the initial public announcement of the date of the annual meeting of shareholders was made, notice by the nominating shareholder may be made not later than the close of business on the 10th day following such public announcement;
- (b) in the case of a special meeting of shareholders that is not also an annual meeting but is called for the purpose of electing directors of the Corporation (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the initial public announcement of the special meeting of shareholders was made; and
- (c) notwithstanding the foregoing clauses 3(a) and 3(b), in the case of an annual or special meeting of shareholders where "notice-and-access" is used for the delivery of proxy-related materials and the initial public announcement is not less than 50 days before the date of the meeting, not less than 40 days prior to the date of the meeting.

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

- (a) as to each individual whom the nominating shareholder proposes to nominate for election as a director:
 - (i) his or her name, age, business address and residence address, and status as a "resident Canadian" (as such term is defined in the Act);
 - (ii) his or her principal occupation or employment for the past five years;
 - (iii) the class or series and number of shares in the capital of the Corporation which are owned beneficially, or which are controlled or over which direction is exercised, directly or indirectly, or of record by him or her, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available by the Corporation and shall have occurred) and as of the date of such notice;
 - (iv) a statement as to whether he or she would be "independent" of the Corporation (within the meaning of Sections 1.4 and 1.5 of National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director of the Corporation at such meeting and the reasons and basis

for such determination; and

- (v) any other information relating to him or her that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws; and
- (b) as to the nominating shareholder giving the notice:
- (i) the name and address of the nominating shareholder;
 - (ii) the class or series and number of shares in the capital of the Corporation which are owned beneficially, or which are controlled or over which direction is exercised, directly or indirectly, or of record by the nominating shareholder or its joint actors as of the record date for the meeting of shareholders (if such date shall then have been made publicly available by the Corporation and shall have occurred) and as of the date of such notice;
 - (iii) full particulars of any proxy, contract, arrangement, understanding or relationship pursuant to which such nominating shareholder or any joint actor has the right to vote any shares in the capital of the Corporation;
 - (iv) full particulars of any derivatives, hedges or other economic or voting interests relating to the nominating shareholder's interest in the securities of the Corporation; and
 - (v) any other information relating to such nominating shareholder or its joint actors that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

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

7.04 Eligibility for Nomination: No individual shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this section provided, however, that nothing in this section shall be deemed to preclude discussions by a shareholder of the Corporation (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the chairman of the meeting. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not determined to be in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

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

communication or transmission shall be deemed to have been made on the subsequent day that is a business day.

7.06 **Discretion to Waive by the Board:** Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this section

Section 8
MISCELLANEOUS

8.01 **Effective Date:** These by-laws shall come into force when made by the board and confirmed by the shareholders in accordance with the Act.

EFFECTIVE as of the 15th day of November, 2018.

(signed) "Kimberly Stephens"

Name: Kimberly Stephens

Title: Authorized Signatory