

**PROPOSALS OF THE BOARD OF DIRECTORS OF FARON PHARMACEUTICALS LTD
("COMPANY") TO THE EXTRAORDINARY GENERAL MEETING ("EGM") CONVENING
ON 22 SEPTEMBER 2023**

Resolution on the number of members of the Board

The Board proposes, on the basis of the proposal of the nomination committee, that seven (7) members be elected to the Board.

Election of members of the Board

The Board proposes, on the basis of the proposal of the nomination committee, that Christine Roth and Marie-Louise Fjällskog be elected as new members to the Board for a term that ends at the end of the next Annual General Meeting.

Christine Roth, citizen of the United States, currently serves as an Executive Vice President for Bayer Pharmaceuticals' Global Oncology Business Unit and a member of the board of directors of Vividion Therapeutics. She is independent of the Company and its significant shareholders.

Marie-Louise Fjällskog, citizen of Sweden and the United States, currently serves as Faron Pharmaceuticals Ltd's Chief Medical Officer. She is non-independent of the Company, but she is independent of its significant shareholders.

Christine Roth and Marie-Louise Fjällskog have given their consent for the election. A description of both Board member candidate is available on the Company's website at <https://www.faron.com/investors/general-meetings>.

Resolution on the amendment of the Option Plan 2015

The Company's Extraordinary General Meeting has on 15 September 2015 adopted the terms and conditions of an option programme which have later been amended by the decisions of the Company's Annual General Meetings held on 16 May 2017, 18 May 2020 and 23 April 2021 (the "**Option Plan 2015**"). The subscription period for shares based on options is currently scheduled to end on 30 September 2023. The Board proposes that the EGM resolves to amend the terms and conditions of the Option Plan 2015 so that the subscription period for shares based on the options is extended by two (2) years, i.e., until 30 September 2025. For the sake of clarity, it is noted that the proposal applies to all options under the Option Plan 2015 (A options, B options, C options and D options). The Board deems that the proposed amendment will enhance the usability of the options and thereby significantly increase the desired benefits of the incentivisation system for the management and personnel of the Company.

The consolidated terms and conditions of the Option Plan 2015, incorporating the amendments proposed herein, are attached hereto.

Turku, 01 September 2023

FARON PHARMACEUTICALS LTD

Board of Directors