

**FARON PHARMACEUTICALS LTD'S EXTRAORDINARY GENERAL MEETING**

<b>Time</b>	Friday 25 October 2019 at 10:00 am
<b>Paikka</b>	BioCity building, meeting room Manu Tykistökatu 6, 20520 Turku, Finland
<b>Present</b>	Shareholders were present at the meeting, in person or represented by proxy, in accordance with the list of votes adopted at the meeting ( <a href="#">Appendix 1</a> ).
<b>Also present</b>	Matti Manner, Vice Chair of the Board of Directors, and Markku Jalkanen (CEO and Board member) were present.  In addition, other members of the Company's management and other meeting officers were present.

**1 §  
Opening of the meeting**

Matti Manner, Vice Chair of the Board of Directors, opened the meeting and welcomed all shareholders to the meeting.

**2 §  
Calling the meeting to order**

The Extraordinary General Meeting elected Mr Manner, as Chair, who asked Pessi Honkasalo, Corporate Legal Counsel, to act as secretary.

The Chair presented the practical arrangements and proceedings related to the meeting, as well as the course of procedure.

It was noted that the meeting will be held in Finnish, as all those present were fluent in the Finnish language.

**3 §  
Election of a person to scrutinise the minutes and to supervise the counting of votes**

Kaj Autio was elected to scrutinise the minutes and to supervise the counting of the votes in the Extraordinary General Meeting.

**4 §****Recording the legality of the meeting**

It was noted that, according to the Articles of Association, the Notice of the Extraordinary General Meeting shall be announced on the Company's website and through a regulatory information service approved by the London Stock Exchange not earlier than two months before the record date of the meeting, and no later than three weeks prior to the date of the meeting but, however, always at least nine days prior to the record date for the meeting.

It was noted that the Notice of the Extraordinary General Meeting had been published on the Company's website and through the regulatory information service on 4 October 2019. It was noted that the documents required pursuant to the Finnish Limited Liability Companies Act in relation to the meeting had been available to shareholders on the Company's website and head office at the latest as of 4 October 2019, and they were available in the Extraordinary General Meeting.

It was noted that the Extraordinary General Meeting had been summoned in accordance with the Articles of Association and the Finnish Limited Liability Companies Act, and that the meeting had a quorum.

The Notice of the Extraordinary General Meeting, the agenda, the Company's Annual Report 2018 including the financial statements, the Report of the Board of Directors and the Auditor's Report, the half-yearly report for the six months ended 30 June 2019 and the statement by the Board of Directors on events after the preparation of the half-yearly report with a material effect on the Company were attached to the minutes (Appendices 2 to 4).

**5 §****Recording the attendance at the meeting and adoption of the list of votes**

A list of attendees at the beginning of the meeting and the list of votes (Appendix 1) were presented. According to the list, 28 shareholders, either personally or through a legal representative or by proxy, participated in the meeting. It was recorded that 12,395,156 shares and votes were represented at the beginning of the meeting, constituting approximately 31.5 per cent of all shares and votes in the Company. The list of votes was available in the meeting.

It was noted that the list of votes would be confirmed to correspond to the attendance at the beginning of any voting.

The list of votes was confirmed.

**6 §****Measures to remedy equity shortfall and authorising the Board of Directors to decide on the issuance of shares, options or other special rights entitling to shares**

Markku Jalkanen, CEO, explained to the Extraordinary General Meeting, based on Article 13 of the Articles of Association, the position of the reduction in the Company's equity and the measures taken by the Board of Directors. Dr Jalkanen explained that the strengthening of the Company's equity had continued with share

issues under the share issue authorisation granted to the Board of Directors by the Company's Annual General Meeting held on 28 May 2019 ("2019 AGM") and that the Board of Directors continues to monitor the situation and is exploring possibilities for raising further capital. The shareholders had no questions about the account. It was recorded that the account of equity shortfall had been given.

In accordance with the proposal made to the Extraordinary General Meeting it was resolved to authorise the Board of Directors to resolve by one or several decisions on issuances of shares, options or other special rights entitling to shares referred to in chapter 10, section 1 of the Finnish Limited Liability Companies Act, which authorisation contains the right to issue new shares or dispose of the shares in the possession of the Company. The authorisation consists of up to 7,871,000 shares in the aggregate (including shares to be received based on options or other special rights), which corresponds to approximately 20 per cent of the existing shares and votes in the Company.

The authorisation does not exclude the Board of Directors' right to decide on the issuance of shares, options or other special rights entitling to shares in deviation from the shareholders' pre-emptive rights. The authorisation shall be used for material arrangements from the Company's point of view, such as financing or implementing business arrangements, investments or for other such purposes determined by the Board of Directors in which case a weighty financial reason for issuing shares, options or other special rights entitling to shares, and possibly deviating from the shareholders' pre-emptive rights, would exist.

The Board of Directors is authorised to resolve on all other terms and conditions of the issuance of shares, options or other special rights entitling to shares.

The authorisation will be effective until 30 June 2020. The authorisation shall replace the authorisation for up to 7,095,000 shares in the aggregate granted by the 2019 AGM concerning the issuance of shares, options or other special rights entitling to shares. The authorisation shall not replace the authorisation for up to 2,000,000 shares in the aggregate granted by the 2019 AGM concerning issuances of options or other special rights entitling to shares referred to in chapter 10, section 1 of the Finnish Limited Liability Companies Act.

## **7 § Closing of the meeting**

It was recorded that the resolutions in the Extraordinary General Meeting had been made without voting.

The Chair stated that all issues included in the meeting agenda had been concluded and that the minutes of the Extraordinary General Meeting would be available on the Company's website as well as at the Company's head office as of 8 November 2019 at the latest.

The Chair closed the meeting at 10:15 am.

**In fidem**

MATTI MANNER

Matti Manner  
Chair

PESSI HONKASALO

Pessi Honkasalo  
Secretary

Reviewed and confirmed

KAJ AUTIO

Kaj Autio  
Examiner of the minutes

**Appendices**

1. List of shareholders present or represented in the Extraordinary General Meeting
2. Notice of the Extraordinary General Meeting
3. Agenda
4. Documents required under chapter 5, section 21(2) of the Finnish Limited Liability Companies Act