

VELAN INC.

AMENDED AND RESTATED MAJORITY VOTING POLICY

The board of directors of Velan Inc. (the “**Corporation**”) believes that each of its members should carry the confidence and support of its shareholders. To this end, the directors of the Corporation have unanimously adopted this statement of policy. Future nominees for election to the board of directors of the Corporation (the “**Board**”) will be asked to subscribe to this statement before their names are put forward.

In accordance with the *Canada Business Corporations Act* (the “**CBCA**”), forms of proxy or voting instruction forms for an Election Meeting will enable each shareholder to vote “**for**”, or “**against**”, separately for each nominee. At the meeting, the Chair of the meeting (the “**Chair**”) will call for a vote and the scrutineers will record with respect to each nominee the number of votes cast “**for**” his or her election and the number of votes “**against**” his or her election. Prior to receiving the scrutineers’ report, the Chair may announce the vote results based on the number of proxies received by the Corporation. Forthwith following the meeting, if any nominee is not elected by at least a majority of the votes cast “**for**” his or her election, the Corporation shall issue a press release disclosing the detailed voting results for the election of each director.

In an uncontested election, if any director nominee receives a greater number of votes “**against**” his or her election than votes “**for**” such election (a “**Majority Against Vote**”), in accordance with the CBCA the nominee shall be considered not to have been elected as a director of the Corporation. The Board, upon recommendation of the Corporate Governance and Human Resources Committee (or any equivalent thereof) (the “**Committee**”), may allow the director to continue in office until the earlier of (i) the 90th day after the day of the election; and (ii) the day on which his or her successor is appointed or elected.

Any nominee who is not elected as a director of the Corporation shall not participate in any meeting of either the Committee or the Board at which such director’s continuation as a director of the Corporation is considered. However, if a sufficient number of the Committee members receive a Majority Against Vote in the same election such that the Committee no longer has a quorum, then the remaining directors who did not receive a Majority Against Vote shall appoint a committee amongst themselves to consider the continuation and make a recommendation to the Board. If the directors who did not receive a Majority Against Vote in the same election do not constitute a quorum for a Board meeting, then all directors may participate in the determination of whether or not the directors shall continue in office provided that a director who received a Majority Against Vote shall not speak or otherwise participate in any part of such Board meeting where his or her continuation as a director or a related resolution is discussed or voted upon.

This policy does not apply in any case where the election is contested -- i.e., where proxy material is circulated in support of one or more nominees who are not part of the list of nominees supported by the Board.

Dated July 6, 2023