



NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD VIRTUALLY AT 9:00 A.M. (PACIFIC TIME)

ON WEDNESDAY, JUNE 30, 2021

SERNOVA CORP.

**Suite 114, 700 Collip Circle, London, Ontario, N6G 4X8
Telephone 1-519-858-5184 Fax 1-519-858-5099**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual meeting (the “Meeting”) of shareholders of Sernova Corp. (the “Corporation”) will be held virtually on Wednesday, June 30, 2021, at 9:00 a.m. (Pacific time).

The Meeting will be a virtual meeting conducted via live webcast and accessible online at <https://virtual-meetings.tsxtrust.com/1139> starting at 9:00 a.m. (Pacific Time) on June 30, 2021. Please note that this site may not be fully accessible on all Internet browsers (Please do not use Internet Explorer) and if you are unable to join the Meeting through your usual browser, we suggest trying to access via a different browser.

The Meeting will be held for the following purposes:

1. to receive the consolidated financial statements of the Corporation for its fiscal year ended October 31, 2020, the report of the auditor thereon and related management’s discussion and analysis (see Management Information Circular – *Presentation of Financial Statements*);
2. to elect the directors of the Corporation for the ensuing year (see Management Information Circular – *Election of Directors*);
3. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix the auditor’s remuneration (see Management Information Circular - *Appointment of the Auditor*);
4. To pass the ordinary resolution to amend and restate the Corporation’s Option Plan & Deferred Share Unit Plan (together the “Incentive Plan”), subject to Exchange approval, to increase the number of Common Shares available for reserve for exercise of Options granted pursuant to the Option Plan component, and on conversion of Deferred Share Units awarded pursuant to the Deferred Share Unit Plan component of the Incentive Plan, to a fixed maximum number of 38,746,536 Common Shares, being 15% of the issued and outstanding Common Shares of the Corporation as of May 14, 2021; and
5. To pass the ordinary resolution to amend and restate the Incentive Plan, subject to Exchange approval, to increase the number of Common Shares available for reserve on conversion of Deferred Share Units awarded pursuant to the Deferred Share Unit Plan component of the Incentive Plan to a fixed maximum of 7,749,307 Common Shares, being 3% of the issued and outstanding Common Share of the Corporation as of May 14, 2021.

No other matters are contemplated for consideration at the Meeting, however any permitted amendment to or variation of any matter identified in this Notice of Annual Meeting (the “Notice”) may properly be considered at the Meeting.

The specific details of the matters proposed to be put before the Meeting is set forth in the Management Information Circular which accompanies this Notice of Meeting.

The Corporation’s Management Information Circular (the “Circular”) accompanies this Notice. The Circular contains further particulars of matters to be considered at the Meeting. The Meeting will also consider any permitted amendment to or variations of any matter identified in this Notice, and transact such other business as may properly come before the Meeting or any adjournment thereof. Copies of the audited financial statements for the year ended October 31, 2020, report of the auditor and related management’s

discussion and analysis (the “Annual Financials”), will be made available at the Meeting and are available on SEDAR at www.sedar.com.

Notice and Access

The Corporation has elected to use the notice-and-access model as such provisions (“Notice-and-Access Provisions”) are set out under National Instrument 51-102 – Continuous Disclosure Obligations and National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer, for the delivery of proxy materials relating to the Meeting. Notice-and-Access Provisions are a set of rules approved by the Canadian Securities Administrators that allow an issuer to reduce the volume of materials to be physically mailed to Shareholders by posting the Circular, Annual Financials and any additional annual meeting materials online. Under Notice-and-Access Provisions, instead of receiving a paper copy of the Circular, Shareholders will receive a Notice and Access Notification and a proxy. In the case of beneficial (non-registered) shareholders, they will receive the Notice and Access Notification and a voting instruction form (“VIF”). The form of proxy / VIF enables Shareholders to vote.

Before voting, Shareholders are reminded to review the Circular online by logging onto the website access page at the Corporation’s website address provided in and following the instructions set out in the Notice and Access Notification. Shareholders may also choose to receive a printed copy of the Circular by following the procedures set out below.

DATED at London, Ontario this 21st day of May, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

“Frank Holler”

Frank Holler
Chairman of the Board

NOTES:

- (1) A Management Information Circular and Proxy accompany this Notice of Meeting. Registered shareholders who are unable to be present at the Meeting are kindly requested to specify on the accompanying form of proxy the manner in which the shares represented thereby are to be voted, and to sign, date, and return same in accordance with the instructions set out in the Proxy and the Management Information Circular.
- (2) As provided in the *Canada Business Corporations Act*, the directors have fixed a record date of May 14, 2021. Accordingly, persons who are registered as shareholders on the books of the Corporation at the close of business on May 14, 2021 are entitled to notice of the Meeting.
- (3) If you are a non-registered shareholder and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary.

SERNOVA CORP.
Suite 114, 700 Collip Circle, London, Ontario, N6G 4X8
Telephone 1-519-858-5184 Fax 1-519-858-5099

MANAGEMENT INFORMATION CIRCULAR
as at May 21, 2021 *(unless otherwise indicated)*

This Management Information Circular is provided in connection with the solicitation of proxies by the management of Sernova Corp. (the “Corporation”) for use at the virtual annual meeting (the “Meeting”) of its shareholders to be held on June 30, 2021, at the time and for the purposes set forth in the accompanying Notice of the Meeting.

In this Management Information Circular, references to “the Corporation”, “we” and “our” refer to Sernova Corp. “Common Shares” means common shares without par value in the capital of the Corporation. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Notice and Access

Sernova has decided to use the notice-and-access model (“Notice-and-Access Provisions”), provided for under National Instrument 51-102 - Continuous Disclosure Obligations, or NI 51-102 and National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”) for the delivery of the Meeting materials to its Shareholders. Under the Notice-and-Access Provisions, instead of receiving printed copies of the Circular, Shareholders will receive the Notice and Access Notification containing instructions on how to access such materials electronically. Together with the Notice and Access Notification, Shareholders will also receive a proxy (in the case of registered Shareholders) or a voting instruction form (in the case of non-registered Shareholders) (collectively, the “Meeting Materials”), enabling them to submit their voting instructions ahead of the Meeting. The Corporation has not adopted a stratification procedure whereunder printed copies of the Meeting materials are delivered to certain shareholders and not to others.

Notice-and-Access Provisions concerning the delivery of proxy-related materials are found, in the case of registered Shareholders, in Section 9.1.1 of NI 51-102, and, in the case of non-registered or beneficial Shareholders, in Section 2.7.1 of NI 54-101. The Notice-and-Access Provisions allow an issuer to make the information circular forming part of proxy-related materials available to shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met. In keeping with Notice-and-Access Provisions reporting issuers, other than investment funds, must deliver proxy-related materials to registered holders and beneficial owners of securities of such issuer by posting the proxy-related materials on the System for Electronic Document Analysis and Retrieval (“SEDAR”), and on a non-SEDAR website (usually the reporting issuer’s website and sometimes the registrar and transfer agent’s website) rather than by sending such materials by mail. The Notice-and-Access

Provisions can be used to deliver materials for both special and general shareholder meetings. Pursuant to the Notice-and-Access Provisions registered and beneficial Shareholders are entitled to request delivery of a paper copy of the Circular at the issuer's expense. Reporting issuers may still choose to continue to deliver such materials by mail.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Corporation. In order for the Corporation to utilize the Notice-and-Access Provisions the Corporation must send a notice at least 30 days before the date of the Meeting to Shareholders, including beneficial Shareholders, indicating that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain from the Corporation, a paper copy of those materials. The Meeting materials have been posted under the Corporation's SEDAR directory at www.sedar.com and on the Corporation's website at www.sernova.com/investor/agm.

In order to use Notice-and-Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the Meeting materials to be posted on the applicable website and other materials to be delivered to shareholders. The requirements of that notice, which oblige the Corporation to provide basic information about the Meeting and the matters to be voted on, to explain how a Shareholder can obtain a paper copy of the Circular and any related financial statements and management's discussion and analysis, and to explain the Notice-and-Access Provisions process, have been built into the Notice forming part of the Meeting Materials.

Copies of the Meeting Materials are being sent by mail to those Shareholders entitled to receive notice of the Meeting. The Meeting Materials will also be furnished to banks, securities dealers, and clearing agencies ("Intermediaries") holding in their names our Common Shares, beneficially owned by others to forward to such beneficial owners.

The Corporation will pay intermediaries, including Broadridge Financial Solutions ("Broadridge"), to deliver Meeting Materials to NOBOs (as defined below under Beneficial Shareholders) and the Company will not pay for delivery of Meeting Materials to OBOs (as defined below under Beneficial Shareholders).

Any Shareholder may request a paper copy of the Meeting Materials, including, in particular, the Circular, be mailed to them at no cost by contacting TSX Trust by email at TMXEInvestorServices@tmx.com, by phone at 1-866-600-5869 (toll free). A Shareholder may also use the toll-free number noted above to obtain additional information about Notice-and-Access Provisions or to obtain a paper copy of the Circular, up to and including the date of the Meeting, including any adjournment of the Meeting..

To allow adequate time for a Shareholder to receive and review a paper copy of the Circular and then to submit their vote prior to 9 a.m. (Pacific Time) on Friday, June 28, 2021, a Shareholder requesting a paper copy of the Circular as described above, should ensure such request is received by the Corporation or no later than June 21, 2021.

Under Notice-and-Access Provisions, Proxy Materials must be available for viewing for up to 1 year from the date of posting and a paper copy of the materials can be requested at any time during this period. To obtain a paper copy of the Proxy Material, including, in particular, the Circular, after the Meeting date, please contact **by email info@sernova.com or call toll-free 1-877-299-4603**.

Virtual Meeting

The Meeting will be a virtual meeting conducted via live webcast and accessible online at <https://virtual-meetings.tsxtrust.com/1139> starting at 9:00 a.m. (Pacific Time) on June 30, 2021. Please note that this site may not be fully accessible on all Internet browsers (Please do not use Internet Explorer) and if you are unable to join the Meeting through your usual browser, we suggest trying to access via a different browser. Registered and Beneficial Shareholder entitled to vote may attend and vote at the Meeting. Shareholders will also be able to ask questions and get their questions answered in real time.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the "Proxy") are officers and/or directors of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- b) any amendment to or variation of any matter identified therein, and
- c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter and for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

Registered Shareholders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Type in <https://virtual-meetings.tsxtrust.com/1139> on your browser at least 15 minutes before the Meeting starts.
2. Click on "**I have a control number**".
3. Enter your 12-digit control number (on your proxy form).
4. Enter the password: *sernova2021* (case sensitive).
5. When the ballot is opened, click on the "**Voting**" icon. To vote, simply select your voting direction from the options shown on screen and click on "Submit". A confirmation message will appear to show your vote has been received.

If you are a registered shareholder and you want to appoint someone else (other than the Management nominees) to vote online at the Meeting, you must first submit your proxy indicating who you are appointing. You or your appointee must then register with TSX Trust in advance of the Meeting by emailing tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found here <https://tsxtrust.com/resource/en/75>.

You may wish to vote by proxy whether or not you attend the Meeting. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to TSX Trust via fax to 416-595-9593, or by mail, TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1 at any time up to and including 12:00 noon (Eastern Time), being 9:00 a.m. (Pacific Time) on June 28, 2021. In all cases, to be represented at the Meeting, proxies submitted must be received no later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or adjournment thereof (unless the Chair of the Meeting determines, in the Chair's sole discretion, that proxies may be received by delivery to the Meeting scrutineer at the Meeting).

Beneficial Shareholders

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners (“OBOs”) object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners (“NOBOs”) who do not object to the issuers of the securities they own knowing who they are.

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) and NOBOs, or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the names of intermediaries, which include banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSA and similar plans.

In Canada, the majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, the majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Corporation (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

Beneficial Shareholders entitled to vote at the Meeting may vote at the Meeting virtually by following the steps listed below:

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or voting information form (“VIF”).
2. Sign and send it to your intermediary, following the voting deadline and submission instructions on the VIF.
3. Obtain a control number by contacting TSX Trust Company by emailing tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found here <https://tsxtrust.com/resource/en/75>.
4. Type in <https://virtual-meetings.tsxtrust.com/1139> on your browser at least 15 minutes before the Meeting starts.
5. Click on “**I have a control number**”.
6. Enter the control number provided by tsxtrustproxyvoting@tmx.com
7. Enter the password: **sernova2021** (case sensitive).
8. When the ballot is opened, click on the “**Voting**” icon. To vote, simply select your voting direction from the options shown on screen and click on “**Submit**”. A confirmation message will appear to show your vote has been received.

If you are a non-registered shareholder and want to vote online at the Meeting, you must appoint yourself as proxyholder and register with TSX Trust in advance of the Meeting by emailing tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found here <https://tsxtrust.com/resource/en/75>.

Voting for Beneficial Shareholders

The Corporation is taking advantage of the provisions of National Instrument 54-101 - “*Communication with Beneficial Owners of Securities of a Reporting Issuer*” (“NI 54-101”) that permit the Corporation to deliver proxy-related materials directly to its NOBOs. Please see the above headings “*Registered Shareholders*” and “*Beneficial Shareholders*”.

Beneficial Shareholders who are OBOs do not appear on the list of shareholders of the Corporation maintained by the transfer agent. The Corporation will not pay for intermediaries to forward the proxy related materials for the Meeting to OBOs. Accordingly, any OBOs should note that they will not receive copies of these proxy related materials unless the intermediary for each OBO assumes the delivery costs related in any such delivery. **OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the Provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the Provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the Provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Canada Business Corporations Act* (the “CBCA”) certain of its directors and its executive officers are residents of Canada and a substantial portion or all of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to TSX Trust (see “*Registered Shareholders*” above), or at the address of the registered office of the Corporation at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- b) personally attending the Meeting and voting the registered shareholder’s Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation to the date of this Management Information Circular, nor any nominee for election as a director of the Corporation, 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 and as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “Board”) of the Corporation has fixed May 14, 2021 as the record date (the “Record Date”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Corporation is authorized to issue an unlimited number of Common Shares of the Corporation without par value. The Common Shares of the Corporation are listed for trading on the TSX Venture Exchange (the “TSXV”). As of May 14, 2021, there were 258,310,243 Common Shares without par value issued and outstanding, each carrying the right to one vote. The Corporation is also authorized to issue an unlimited number of Preferred Shares. There were no Preferred Shares issued and outstanding as at May 14, 2021. There are currently 666,666 restricted securities, currently being held by U.S. Investors and unregistered under the United States Securities Acts of 1933, as amended (the “U.S. Securities Act”), or securities directly, or indirectly, convertible into restricted securities of the Corporation. There is no class of security holders with the right to elect a specified number of directors, or which has cumulative or similar voting rights.

To the knowledge of the directors and executive officers of the Corporation, no person or Corporation beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding common shares of the Corporation.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein, except where the resolution must be passed by disinterested shareholder vote. If there are more nominees for election as directors or appointment of the Corporation’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

PRESENTATION OF FINANCIAL STATEMENTS

The annual financial statements of the Corporation for the year ended October 31, 2020 together with the auditor's report thereon and the related management discussion and analysis in respect of the foregoing financial statements, all of which may be obtained from SEDAR at www.sedar.com, will be presented at the Meeting.

ELECTION OF DIRECTORS

The term of office of each of the five current directors will end at the conclusion of the Meeting. The directors have determined that there will be six persons elected to the Board at the Meeting. Unless a director's office is vacated earlier in accordance with the provisions of the CBCA, each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

Advance Notice By-Law

On February 26, 2014, the Board approved and adopted By-Law No. 3 of the Corporation, which Board approval and adoption was confirmed by ordinary resolution of the shareholders passed at the annual meeting of the shareholders of the Corporation held April 28, 2014. By-Law No. 3 relates to the nomination of directors of the Corporation (the "**Advance Notice By-Law**"), for the purpose of providing shareholders, directors and management of the Corporation with a clear framework for nominating directors of the Corporation in connection with any annual or special meeting of the Corporation's shareholders.

The purpose of the Advance Notice By-Law is to: (i) ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of shareholders of the Corporation. The Advance Notice By-Law fixes the deadlines by which shareholders of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a written notice to the Corporation for any director nominee to be eligible for election at such annual or special meeting of shareholders.

A copy of the Advance Notice By-Law can be found under the Corporation's profile at www.sedar.com filed on April 3, 2014. The Advance Notice By-Law is subject to annual review by the Board, and, as necessary, is updated to conform with statutory corporate and securities acts and regulations.

At the Meeting, any nominations for the position of director that are not proposed in this Management Information Circular and which are not provided pursuant to the Advance Notice By-Law, will not be accepted or considered at the Meeting. Pursuant to the Advance Notice By-Law, the requirements of the Advance Notice By-Law may be waived at the sole discretion of the Board at any time.

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Nominations for Election as Director

The following table sets out the names of management's six nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for each new director nominee), the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at May 21, 2021.

Name, Position and Residence of Director Nominees	Present Principal Occupation, Business or Employment⁽⁴⁾	Director Since	Common Shares⁽⁴⁾
Frank A. Holler ^{(1) (2) (3)} <i>Director, Board Chairman</i> British Columbia, Canada	President & CEO of Ponderosa Capital Inc. since May 2003.	February 2014	533,333
Dr. Mohammad Azab <i>Director Nominee</i> California, U.S.	Chairman of the Board of Astex Pharmaceuticals, Inc. since November 2020; former President and Chief Medical Officer of Astex Pharmaceuticals, Inc.	N/A	Nil
Jeffrey A. Bacha ^{(1) (2) (3)} <i>Director</i> British Columbia, Canada	Executive Chairman of Rakovina Therapeutics Inc. since March 2021, Chief Executive Officer of Edison Oncology Holding Corp. since August 2018 and former Chief Executive Officer and Chairman of Delmar Pharmaceuticals.	October 2008	578,314
Deborah M. Brown ^{(2) (3)} <i>Director</i> Ontario, Canada	Partner at Accelera Canada since 2017; Director, Oncolytics Biotech Inc. since November 2017; Director, Cardiol Therapeutics Inc. since August 2018; Management Consultant, Deborah Brown Healthcare Consulting since May 2014	April 2019	100,000
James T. Parsons ⁽¹⁾ <i>Director</i> Ontario, Canada	Chief Financial Officer of Trillium Therapeutics Inc. since August 2011; Director at DiaMedica Therapeutics Inc. since 2015.	April 2012	274,728
Dr. Philip M. Toleikis <i>Director, President and Chief Executive Officer</i> Ontario, Canada	President and Chief Executive Officer of the Corporation since April 2009.	June 2009	5,228,596 ⁽⁵⁾

Notes:

- (1) Member of the audit committee
- (2) Member of the compensation committee
- (3) Member of the nominating and corporate governance committee
- (4) The information as to principal occupation and shares beneficially owned or over which control or direction is exercised is not within the knowledge of the Corporation, and therefore has been furnished by each director or director nominee individually.
- (5) The number of common shares reported by Dr. Toleikis includes 352,071 Common Shares owned indirectly by him through PM Toleikis & Associates Consulting Inc.

No person proposed for election as director of the Corporation is to be elected under any arrangement or understanding between the person proposed for election as director and any other person or company, except the current directors and executive officers of the Corporation acting solely in such capacity.

Director Biographies

Frank A. Holler is currently President & CEO of Ponderosa Capital Inc. He previously served as Chairman & CEO of BC Advantage Funds (VCC) Ltd., a venture capital firm investing in emerging technology companies in British Columbia, from 2004 to 2016; President and CEO of Xenon Pharmaceuticals Inc (NASDAQ:XENE), a genomics-based drug development company, from 1999 to 2003; President and CEO of ID Biomedical Corporation, a TSX/NASDAQ vaccine development company, from 1991 to 1998; and a founding director of Angiotech Pharmaceuticals, a TSX/NASDAQ listed biotechnology company, from 1992 to 1997. Prior to working in biotechnology and healthcare, Mr. Holler was a Vice-President of Investment Banking with Merrill Lynch Canada and Wood Gundy Inc. (now CIBC World Markets). In addition to serving on the Corporation's Board, Mr. Holler presently serves on the board of directors of Xenon Pharmaceuticals, Harvest One Cannabis and the Prevention of Organ Failure Centre at St. Paul's Hospital (Chairman). He was previously a Director of the British Columbia Biotechnology Association from 1992 to 1998, and in 2003 received the BC Biotech Award for Vision and Leadership. Mr. Holler holds an MBA and BA (Economics) from the University of British Columbia.

Dr. Mohammad Azab served as President and Chief Medical Officer from 2009 to 2020 of Astex Pharmaceuticals, Inc. ("Astex"), a pharmaceutical company focused on the discovery and development of drugs in oncology and other disease indications. As of November 2020, upon retirement from his management role, Dr. Azab has served as the Chair of the Board of Directors for Astex, Inc, which is now a wholly-owned subsidiary of Otsuka Pharmaceuticals. Previously, Dr. Azab served as President and CEO of Intradigm Corporation, a developer of siRNA cancer therapeutics. Prior to this, Dr. Azab served as Executive Vice President of Research and Development and Chief Medical Officer of QLT Inc., and in several leadership positions at AstraZeneca in the United Kingdom and Sanofi Pharmaceuticals in France. Dr. Azab holds his medical degree (MB ChB) from Cairo University and an MBA from the Ivey Business School at Western University in London, Ontario. He received post-graduate training and degrees in oncology research from the University of Paris-Sud and biostatistics from the University of Pierre et Marie Curie in Paris, France. Dr. Azab has more than 30 years of experience in clinical research, business management and led the global development of several drugs currently approved in oncology and other therapeutic areas. Currently, he also serves on the board of directors of Xenon Pharmaceuticals Inc. (NASDAQ:XENE), and Durect Corporation (NASDAQ:DRRX).

Jeffrey A. Bacha, BSc, MBA currently serves as executive chairman of Rakovina Therapeutics Inc., a biopharmaceutical company focused on the development of novel DNA-damage response inhibitors for the treatment of cancer. He also serves as chief executive officer of Edison Oncology Holding Corp. a company he co-founded in 2018 to develop and commercialize new cancer treatments. From 2010 to 2017, Mr. Bacha served as chief executive office and chairman of DelMar Pharmaceuticals (now Kintara Therapeutics, Inc., NASDAQ: KTRA) a company he co-founded in 2010. Mr. Bacha and led the company's growth from founding through initiation of pivotal registration-directed clinical trials and its listing on NASDAQ. Since 2005 until founding Del Mar Pharmaceuticals, Mr. Bacha has consulted with a number of life sciences companies and served as Executive Vice President, Corporate Affairs and Chief Operating Officer of Clera Inc. From 2002 through 2005 Mr. Bacha served as President and Founding CEO of Inimex Pharmaceuticals, where he was responsible for establishing the company's research & development team and leading venture capital financing and grant funding efforts which raised more than \$35 million to support the company's research programs. From 1999 to 2002, Mr. Bacha served as vice president, corporate development of Inflazyme Pharmaceuticals Ltd. Prior to his operating roles, Mr. Bacha served as senior manager and director of KPMG Health Ventures. He holds an MBA from the Goizueta Business School at Emory University and a degree in BioPhysics from the University of California, San Diego.

Deborah M. Brown is currently a Partner at Accelera Canada Ltd. Ms. Brown has extensive leadership experience with more than 20 years in senior management roles. She served as President of EMD Serono, a division of Merck KGaA, Executive Vice President at Serono US, General Manager, Director of Marketing, and Business Unit Director at Serono Canada and Manager, International Regulatory at Pasteur Merieux Connaught. Ms. Brown is a former Board Chair and Director of Rx&D and former Board Director of BIOTEC Canada. Ms. Brown holds an MBA from the Ivey Business School at Western University in London, Ontario and completed the ICD.D designation in 2019. She sits on the board of several corporate and not-for-profit organizations.

James T. Parsons is currently Chief Financial Officer of Trillium Therapeutics Inc. (TSX and NASDAQ:TRIL) since August 2011. Mr. Parsons has a broad background in the life sciences industry across therapeutics, diagnostics and device companies and over 25 years of financial management experience. Mr. Parsons has secured over \$500 million of various forms of financing during his career and has advised and assisted on over \$200 million of product licensing deals. Mr. Parsons also serves on the board of directors of DiaMedica Therapeutics (NASDAQ:DMAC) and is chair of their audit committee. He has extensive experience in public company governance and compliance. He has a Master of Accounting degree from the University of Waterloo and is a Chartered Professional Accountant and Chartered Accountant.

Dr. Philip M. Toleikis is currently President and Chief Executive Officer of Sernova Corp since April 2009. Previously, Dr. Toleikis consulted for various pharmaceutical, medical device and combination products companies. He held multiple roles at Angiotech Pharmaceuticals, Inc. including Vice President, Research and Development where he built a significant product development team was also responsible for multiple corporate and academic collaborations. Since joining Sernova, Dr. Toleikis has secured over \$50 million in various forms of financings, including equity raises and multiple non-dilutive grants. He has been instrumental in developing Sernova's strategic approach in the regenerative medicine therapeutics field, in developing Sernova's worldwide patent portfolio and has guided the Sernova team in development of the Cell Pouch technologies through manufacturing, preclinical and clinical development to achieve clinical studies in Canada as well as the United States at the University of Chicago. Furthermore, he has been responsible for negotiating a worldwide exclusive license with UHN for its diabetes stem cell-derived technologies, the University of Miami for its local immune protection conformal coating technologies, technology purchase agreement with Converge Biotech, as well as developing business relationships and collaborations with multiple pharmaceutical and academic institutions involving its Cell Pouch System™ with the goal to achieve long-term commercial partnerships. Dr. Toleikis is the author of over 100 issued patents, patent applications, and numerous scientific publications involving transplantation, metabolic, cardiovascular, oncology, and autoimmune disease. He obtained his Ph.D. in Medicine, Pharmacology and Therapeutics from the University of British Columbia, his M.Sc. at the University of Michigan and B.A. at the University of Vermont.

Cease Trade Orders and Bankruptcies

No person proposed for election as director of the Corporation is, as of the date of this Management Information Circular, or has been, within the ten years prior to the date hereof, a director or chief executive officer or chief financial officer of any company (including the Corporation) that: (i) was subject to an order that was issued while the proposed director was acting as a director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. Except as disclosed herein, no person proposed for election as director of the Corporation is, at the date of this Management Information Circular, or has been within ten years before the date of this Management Information Circular, a director or executive officer of any company (including the Corporation) 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.

Frank A. Holler was previously the Chairman & CEO of BC Advantage Funds (“Advantage”), a venture capital fund investing in emerging technology companies. On July 5, 2013 one of Advantage’s publicly traded portfolio companies, Allon Therapeutics Inc., made a proposal to its creditors under the *Bankruptcy and Insolvency Act*, and a reorganization of its share structure was approved by the Supreme Court of British Columbia. Following such approval, all of the issued and outstanding shares of Allon Therapeutics were acquired by Paladin Labs Inc. The common shares of Allon Therapeutics were delisted from the Toronto Stock Exchange on June 28, 2013. Mr. Holler was a director of Allon Therapeutics and ceased to be a director of that company effective July 16, 2013.

On December 23, 2013 a privately held Advantage portfolio company, Contech Enterprises Inc., made a proposal to its creditors under the *Bankruptcy and Insolvency Act*, and a reorganization of its capital structure was approved by the Supreme Court of British Columbia on January 26, 2015. This proposal was intended to facilitate a financing by a new lender and a debt restructuring that, together, would enable the company to carry on its business profitability for the foreseeable future. However, on March 6, 2015, the Court of Appeal overturned the approval of the proposal by the Supreme Court and placed the company into bankruptcy. Mr. Holler was a director of Contech Enterprises and ceased to be a director of that company effective March 6, 2015.

Penalties and Sanctions

No person proposed for election as director of the Corporation 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 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 security holder in deciding whether to vote for a proposed director.

Individual Bankruptcies

No person proposed for election as director of the Corporation has, within the ten 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.

APPOINTMENT OF THE AUDITOR

At the Meeting the Shareholders will be asked to appoint Davidson & Company, Chartered Professional Accountants, to the position of auditor of the Corporation for the ensuing year.

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote for the appointment of Davidson & Company, Chartered Professional Accountants, as the auditor of the Corporation, to hold office until the next annual meeting of the shareholders, and to authorize the directors to fix the auditor’s remuneration.

To be approved, the resolution must be passed by a simple majority of the votes cast by the holders of Common Shares at the Meeting. **Management recommends a vote “for” in respect of the resolution approving appointment of the auditor and authorizing the directors to fix the auditor’s remuneration.**

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 “*Audit Committees*” (“NI 52-110”) of the Canadian Securities Administrators requires the Corporation, as a venture issuer, to disclose annually in its Management Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following.

Audit Committee Charter

The Audit Committee (the “Audit Committee”) is a committee of the Board of Directors (the “Board”) of Sernova Corp. (the “Corporation”).

The audit committee has a charter (the “Audit Committee Charter”) that sets out its mandate and responsibilities. A copy of the Audit Committee Charter is attached as Schedule “A” to the Corporation’s Management Information Circular filed under the Corporation’s profile on April 4, 2018 at www.sedar.com.

The primary function of the Audit Committee is to assist the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Corporation and the investment community. The external auditors will report directly to the Audit Committee. The Audit Committee’s primary duties and responsibilities are:

- overseeing the integrity of the Corporation’s financial statements and reviewing the financial reports and other financial information provided by the Corporation to any governmental body or the public and other relevant documents;
- recommending the appointment and reviewing and appraising the audit efforts of the Corporation’s external auditor, overseeing the external auditor’s qualifications and independence and providing an open avenue of communication among the external auditor, financial and senior management and the Board;
- serving as an external and objective party to oversee and monitor the Corporation’s financial reporting process and internal controls, the Corporation’s processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements;
- encouraging continuous improvement of, and fostering adherence to, the Corporation’s policies, procedures and practices at all levels.

Composition

The Audit Committee shall consist of a minimum of three directors of the Corporation, including the Chair of the Audit Committee, all of whom shall be “independent” directors as such term is defined in National Instrument 52-110 (“NI 52-110”). All members shall, to the satisfaction of the Board, be “financially literate” as defined in NI 52-110.

The members of the Audit Committee shall be appointed by a resolution of the Board at the annual organizational meeting of the Board. The Board may remove a member of the Audit Committee at any time in its sole discretion by resolution of the Board. Unless a Chair is elected by the full Board of Directors, the members of the Audit Committee may designate a Chair by majority vote of the full membership of the Audit Committee.

The Chair’s responsibilities shall include (i) providing leadership to enhance the effectiveness and focus of the Audit Committee, (ii) calling and chairing meetings of the Audit Committee ensuring that the Audit Committee meets on a regular basis, at least quarterly, (iii) setting with the Chief Financial Officer the agenda for each meeting, (iv) ensuring that the Audit Committee receives adequate and regular updates from management on all matters necessary for the Audit Committee to discharge its responsibilities, including but not limited to matters regarding audits, financial statements, MD&A, press releases, and procedures for disclosure of financial information and disclosure controls, (v) acting as liaison between the Audit Committee and the external auditors with respect to the

annual audit and (vi) acting as liaison between the Audit Committee and the Board including reporting regularly to the Board on all proceedings and deliberations of the Audit Committee. The Chair shall also appoint a Secretary of the Audit Committee who need not be a director.

The current members of the audit committee, as of May 21, 2021, are: James T. Parsons (Chair), Jeffrey A. Bacha, and Frank A. Holler, all of whom are independent. All audit committee members are “financially literate” (as defined in NI 52-110).

Responsibilities of the Audit Committee

The audit committee must:

- a) take reasonable steps, at the time the auditor’s appointment is under consideration, to ensure that the auditor is independent of management of the Corporation in accordance with applicable standards,
- b) determine whether the audit fees charged by the auditor appear adequate in relation to the work required to support an audit opinion, without regard to fees that might be paid to the auditor for other services,
- c) meet with the auditor, regularly and when otherwise appropriate, without management present to determine whether there are any contentious issues between the auditor and management relating to the Corporation’s financial disclosure and, if so, whether those issues have been resolved to the auditor’s satisfaction,
- d) establish, and monitor compliance with, the Corporation’s policies regarding (i) the auditor’s providing services beyond the scope of the Corporation’s audit, and (ii) the Corporation’s hiring individuals formerly employed by the auditor to fill senior officer positions of the Corporation, and
- e) annually review the steps it has taken to ensure that the auditor is independent of management of the Corporation, including (i) the policies and procedures followed so that any contracts for non-audit services to be provided by the auditor do not compromise the auditor’s independence, and (ii) the nature of any non-audit service contracts entered into and the amount of the related fees.

Relevant Education and Experience

See disclosure under the above heading “*Election of Directors*” pertaining to relevant education and experience of the audit committee members. Each member of the audit committee has:

- a) an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves,
- b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer’s financial statements, or experience actively supervising individuals engaged in such activities, and
- c) an understanding of internal controls and procedures for financial reporting, as evidenced by their respective experience set out under the above heading “*Election of Directors*”.

Each Audit Committee member has gained financial literacy through his/her previous working and educational experience and has a significant understanding of the life sciences business which the Corporation engages in and has an appreciation for the relevant accounting principles for that business.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed fiscal year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

In the financial year ended October 31, 2020 and to the date of this Management Information Circular, the Corporation has not relied on exemptions contained in sections 2.4 (*De Minimis Non-audit Services*), 6.1.1 or 8.1 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy requiring pre-approval by the Audit Committee for the engagement of non-audit services by the Corporation's external auditors, which policy is contained in the Audit Committee Charter set out above.

External Auditor Service Fees

The fees paid by the Corporation to its auditor in the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
October 31, 2020	\$35,000	\$3,500	Nil	Nil
October 31, 2019	\$46,500	\$8,000	Nil	Nil

Notes:

- (1) "Audit Fees" include, where applicable, fees necessary to perform the annual audit and the quarterly review of the Corporation's consolidated financial statements. Audit Fees include fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees include audit and other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit Related Fees" include, where applicable, services that are traditionally performed by the auditor. These audit-related services include employee benefits audits, due diligence assistance, accounting consultants on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include, where applicable, fees for all tax services other than those included in "Audit Fees" and "Audit Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes Assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" includes, where applicable, all other non-audit services.

Exemption

The Corporation is a "venture issuer" as defined under NI 52-110 and, as such, is relying on the exemption in section 6.1 of NI 52-110 relating to Part 5 (*Reporting Obligations*).

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STATEMENT OF EXECUTIVE COMPENSATION

Corporation

The Corporation is a biotechnology research and development corporation that focuses on commercializing technologies in various fields and is dependent on financing to carry on its business. The Common Shares of the Corporation are trading on the TSX Venture Exchange (the “**TSXV**”) under symbol “**SVA**” and are listed on OTCQB: “**SEOVF**” and on FSE/XETRA: “**PSH**”. All dollar figures reported as “\$” herein are represented in Canadian Dollars and all figures reported in US dollars are reported as “US\$”.

Compensation Discussion and Analysis

To ensure alignment with shareholder interests and conserve cash resources, the Corporation relies, when possible and prudent, on stock options (“**Options**”) and other share compensation arrangements, in addition to cash payments to remunerate its officers, employees, consultants, and other service providers. To this end, the Corporation maintains an equity incentive plan (the “**Fixed Incentive Plan**”), comprised of a stock option plan (the “**Option Plan**”) component and a deferred share unit plan (the “**DSU Plan**”) component, under which directors, officers, employees, and consultants may be granted Options to purchase Common Shares and/or deferred share units (“**DSUs**”) awarding Common Shares. The Corporation does not maintain any pension or retirement plan

Compensation Oversight

The Board has appointed a compensation committee. The Board’s oversight of and responsibilities relating to Named-Executive Officers (“**NEO**” or “**NEOs**”) and director compensation, including the review and approval of the Corporation’s base compensation structure and equity-based compensation program, and evaluation of the performance of NEOs against annual goals and objectives, is based on recommendations of the compensation committee.

The current members of the compensation committee, as of May 21, 2021, are: Jeffrey A. Bacha (Chair), Deborah M. Brown and Frank A. Holler, all of whom are independent directors of the Corporation.

The compensation committee assumes responsibility for reviewing and monitoring the long-range compensation strategy for the NEOs of the Corporation and reviews NEO compensation on at least an annual basis taking into account compensation paid by other issuers of similar size and activity.

Objectives of the Compensation Program

The compensation program for the executive officers of the Corporation is designed to ensure the level and form of compensation achieves the following objectives:

- attract and retain qualified executives,
- motivate and recognize the performance and contributions of these executives, and
- align their interests with those of the Corporation’s shareholders.

The Corporation’s compensation program is in place to ensure consistency with other biotechnology research and development companies at a similar stage of development.

Compensation Positioning

The Corporation targets total compensation positioned near the median of the comparator group. The compensation committee believes that this aligns executive compensation with the long-term interests of shareholders and with the Corporation's strategy.

Compensation Risk Assessment

In carrying out its mandate, the compensation committee and the Board from time to time review the risk implications of the Corporation's compensation policies and practices, including those applicable to the Corporation's executives. This review of the risk implications ensures that the compensation plans, in their design, structure and application, have a clear link between pay and performance and do not encourage excessive risk taking. Key considerations regarding risk management include the following:

- design of a compensation program to ensure all executives are compensated equally based on the same or, depending upon the mandate and term of appointment of a particular executive, substantially equivalent performance goals;
- a balance of short-term performance incentives with equity-based awards that vest over time;
- to ensure that the overall expense to the Corporation of the compensation program does not represent a disproportionate percentage of the Corporation's annual budget or financial resources, after giving consideration to the development stage of the Corporation; and
- to utilize compensation policies that do not rely solely on the accomplishment of specific tasks without consideration to longer-term risks and objectives.

For the reasons set forth below, the Board believes that the Corporation's current executive compensation policies and practices achieve an appropriate balance in relation to the Corporation's overall business strategy and do not encourage executives to expose the Corporation to inappropriate or excessive risks.

While an integral feature of the Corporation's current executive compensation practice is the grant of Options, or the award of DSUs under the Fixed Incentive Plan, and while such compensation is "at risk" (that is: not guaranteed), the Corporation's long-term incentive plan is designed such that Options vest over a two to four-year period and therefore encourage sustainable Common Share price appreciation and reduce the risk of actions that may have short-term advantages. Additionally, the grant of Options and award of DSUs is in accordance with the terms and provisions of the Corporation's Fixed Incentive Plan.

The base salaries for the Corporation's executives are set with the intention to provide a steady income regardless of the price performance of the Common Shares, allowing executives to focus on both near-term and long-term goals and objectives without undue reliance on short-term price performance or market fluctuations of the Common Shares.

The compensation committee and the Board have considered the implications of the risks associated with the Corporation's compensation practices and have not identified any risks from the Corporation's compensation policies or practices.

Hedging Policy

Pursuant to the Corporation's Insider Trading Policy, all Sernova representatives are prohibited, at any time, from: (i) entering into a sale of Sernova securities that they do not own or have a right to own (a speculative practice, called "selling short", which is done in the belief that the price of a stock is going to fall and the seller will then be able to

cover the sale by buying the stock back at a lower price); (ii) equity monetization transactions that are the equivalent of “*selling short*”; and (iii) selling a “call option” or buying a “put option” in respect of any Sernova securities (as such persons could profit from Sernova’s stock price falling).

Material Elements of Compensation

In compensating its executive officers and senior management, the Corporation has employed a combination of salary, short-term incentives (performance-based cash bonus), long-term incentives (Option grants and award of DSUs) and benefits. Annually, the Board, based on recommendations from the compensation committee, approves any changes to NEO base salaries and the award of any short-term or long-term incentives.

Base Salary

In the view of the compensation committee, paying base salaries that are reasonable in relation to the level of service expected while remaining competitive in the life science markets in which the Corporation operates is necessary to attract and retain qualified and experienced executives.

Performance-Based Cash Bonus

NEOs of the Corporation are eligible to receive an annual performance-based cash bonus. The compensation committee conducts an evaluation and provides the Board with periodic recommendations for consideration and approval. The Board and its compensation committee does not consider the applicable periods set for bonus purposes to be heavily weighted to the short-term and believes it has struck an appropriate balance between short-term performance incentives and longer-term awards that vest over time.

Stock Options and Deferred Share Units

The Corporation believes that encouraging its executive officers and senior management to become shareholders is the best way of aligning their interests with those of its long-term shareholders. As a result, executive officers and senior management are provided with the opportunity to participate in the appreciation of the Corporation’s share price. The Corporation has an equity incentive plan in place, which is currently comprised of a fixed number maximum Option Plan and a fixed number maximum DSU Plan (together the “**Fixed Incentive Plan**”). The Board administers the Corporation’s Fixed Incentive Plan, and approves the individual grants, the number of Options, date of grant and expiry date, and the corresponding exercise price of all grants made under the Fixed Incentive Plan. Options and DSUs granted to NEOs and directors of the Corporation take into account many factors, including the amount and term of Options and/or DSUs previously granted, base salary or consulting fees, performance and market comparability.

Compensation Consultant

In October 2019, the Corporation engaged Marsh & McLennan Agency LLC (“**Marsh**”), an independent compensation consultant, to review and provide advice to the compensation committee regarding the Corporation’s executive compensation program. Marsh’s mandate was to: (i) review the Corporation’s executive compensation program; (ii) conduct a benchmarking of cash compensation for executives and directors relative to similar companies in terms of industry, size and stage of development; (iii) analyze the Corporation’s equity-based compensation practices; and (iv) identify and make recommendations to address any noticeable gaps in the Corporation’s equity-based compensation practices.

Executive Compensation-Related Fees

The following table sets out the aggregate fees billed by the Corporation's compensation consultant in each of the last two financial years for services provided to the Corporation:

Fiscal Year ended October 31,	Executive Compensation - Related Fees (\$)	All Other Fees (\$)
2021	\$35,662	-
2020	11,994	-

Comparator Group

As part of Marsh's benchmarking and review process, a comparator group was developed taking into account direct competitors for talent, especially for industry specific roles. The comparator group was comprised of 26 publicly traded Canadian and U.S. biotechnology companies which ranged in size from approximately 25% to 500% of the market capitalization of the Corporation (including in determining market capitalization for the Corporation all securities convertible into Common Shares).

Comparative statistics (including percentile rankings) on base salaries, bonus plans and security-based incentive plans were provided in the review. Marsh's review found that the Corporation's executive compensation programs were not competitive, falling short on base salaries, short-term incentives and long-term incentive compensation relative to the comparator group. The compensation committee evaluated the findings and considered adjustments consistent with the Corporation's targeted pay positioning and further align executives' interests with shareholder interests and long-term shareholder value creation.

Based on benchmark data from the comparator group and taking into account experience in the role, scope of the role, performance and retention risk, the compensation committee developed executive compensation adjustment recommendations. The Board has approved these recommendations, which take effect on April 1, 2021.

Named Executive Officers

The following table sets forth all compensation received by individuals who served as a NEO of the Corporation during the most recently completed financial year ended October 31, 2020. NEOs are executive officers of the Corporation including: the Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") of the Corporation at any time during the financial year, and the three most highly compensated executive officers or senior management, other than the CEO and CFO, of the Corporation who received salary and/or bonuses from the Corporation in excess of, in aggregate, \$150,000. Dr. Philip M. Toleikis, President and CEO; David Swetlow, CFO; Delfina Siroen, Senior Director, Research and Development; Sean Hodgins, former CFO; and Scott Langille, former CFO are each a NEO of the Corporation for purposes of the following disclosure.

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Summary Compensation Table

Name and principal position	Fiscal Year	Salary (\$)	Share - based awards (\$)	Option - based awards (\$) ⁽⁴⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Dr. Philip M. Toleikis President & CEO	2020	315,000	-	-	52,500	-	-	-	367,500
	2019	300,000	-	375,000	112,500	-	-	-	787,500
	2018	300,000	-	-	60,000	-	-	-	360,000
David Swetlow ⁽¹⁾ CFO	2020	183,750	-	-	-	-	-	-	183,750
	2019	11,706	-	112,500	-	-	-	-	124,206
	2018	-	-	-	-	-	-	-	-
Delfina Siroen Senior Director Research and Development	2020	142,380	-	-	8,180	-	-	-	150,560
	2019	113,000	-	150,000	10,500	-	-	-	273,500
	2018	113,000	-	-	-	-	-	-	113,000
Sean Hodgins ⁽²⁾ Former CFO	2020	-	-	-	-	-	-	-	-
	2019	42,338	-	37,500	-	-	-	-	79,838
	2018	40,775	-	-	-	-	-	-	40,775
Scott Langille ⁽³⁾ Former CFO	2020	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-
	2018	22,207	-	-	-	-	-	-	22,207

Notes:

- (1) David Swetlow was appointed CFO on October 8, 2019, replacing Sean Hodgins.
- (2) Sean Hodgins was appointed CFO on April 24, 2018, replacing Scott Langille. Mr. Hodgins provided his service pursuant to the terms of a Consulting Agreement with the Corporation.
- (3) Scott Langille was appointed CFO on September 15, 2016. Mr. Langille provided his services pursuant to a Consulting Agreement with the Corporation.
- (4) The fair value of stock options granted during the year ended October 31, 2019 was calculated using the Black-Scholes option valuation model with the following assumptions: dividend yield 0.0%; estimated forfeiture rate 13%; expected volatility 80%; risk free interest rate 2.25%; and expected life of options 6.5 years.

Incentive Plan Awards (NEOs)

Outstanding Option-based and Share-based Awards

The following table sets forth information in respect of all option-based awards and share-based awards outstanding for each NEO as at October 31, 2020:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out (\$)
Dr. Philip M. Toleikis	2,500,000	0.210	September 13, 2029	137,500	-	-	-
	1,250,000	0.250	August 14, 2027	18,875	-	-	-
	750,000	0.225	March 14, 2026	30,000	-	-	-
	750,000	0.260	June 25, 2025	3,750	-	-	-
David Swetlow	750,000	0.210	October 23, 2029	41,250	-	-	-
Delfina Siroen	1,000,000	0.210	September 13, 2029	55,000	-	-	-
	500,000	0.250	August 14, 2027	7,500	-	-	-
	350,000	0.225	March 14, 2026	14,000	-	-	-
	225,000	0.260	June 25, 2025	1,125	-	-	-

Note:

- (1) These amounts have been determined based on the excess of the closing market price of \$0.265 on October 31, 2020 of our Common Shares on the TSXV over the exercise price of the underlying Option.

Incentive Plan Awards – Value Vested or Earned During the Year (NEOs)

The following table sets out the value vested or earned with respect to option-based awards and share-based awards for each NEO during the year ended October 31, 2020:

Name	Option-based awards – value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dr. Philip M. Toleikis	33,070	-	-
David Swetlow	19,998	-	-
Delfina Siroen	7,192	-	-

Note:

- (1) Aggregate dollar value that would have been realized by determining the difference between the closing market price of our Common Shares on the TSXV and the exercise price of the underlying option on each date when an Option award vested.

Pension Plan Benefits

The Corporation does not have a Pension Plan for its NEOs and directors.

Termination and Change of Control Benefits

On April 29, 2009, the Corporation entered into an employment agreement with Dr. Philip M. Toleikis, its CEO. This agreement was amended on July 7, 2016. In addition to his base salary, Dr. Toleikis may also receive an annual cash bonus based on the achievement of corporate objectives at the discretion of the Board. The agreement provides for severance pay of 18 months of salary, if the agreement is terminated without cause for any reason. If Dr. Toleikis employment is terminated without cause in connection with a change in control, all unvested Options will also immediately vest. The estimated additional payment to Dr. Toleikis in the event of termination without cause, assuming that a termination took place on October 31, 2020, is \$517,500. In the case of termination without cause in connection with a change of control, severance plus the value of accelerated vesting of in-the-money Options is \$566,851.

On October 8, 2019, the Corporation entered into an employment agreement with David Swetlow, CA, CPA, its CFO. The agreement provides for severance pay for up to 12 months of salary, if the agreement is terminated without cause for any reason. The estimated additional payment to Mr. Swetlow in the event of termination without cause, assuming that a termination took place before Mr. Swetlow had completed one (1) year of service with the Corporation would be three (3) months of base salary; after one (1) year of service but before three (3) years of service, six (6) months of base salary; or after three (3) years of service with the Corporation, six (6) months of salary plus an additional one (1) month of salary for each subsequent year of service, up to a maximum of twelve (12) months in total. The estimated additional payment to Mr. Swetlow in the event of termination without cause, assuming that a termination took place on October 31, 2020, is \$100,625.

Equity Incentive Plan

The Fixed Incentive Plan was approved by shareholders at the Corporation's annual general meeting on April 26, 2019. The Fixed Incentive Plan allows the Corporation to reserve an aggregate maximum of 25,835,602 Common Shares for issuance upon exercise of Options, pursuant to the Option Plan component, or conversion of DSUs pursuant to the DSU Plan component of the Fixed Incentive Plan. The aggregate maximum number reserve of 25,835,602 Common Shares, representing 12.4% of the issued Common Shares as at October 31, 2020, allows for a maximum reserve of 5,167,120 Common Shares (2.5% of the outstanding Common Shares) for conversion of DSUs and 20,668,482 Common Shares (9.9% of the outstanding Common Shares) for issuance upon exercise of Options.

Material Terms of Fixed Incentive Plan

The material terms of the Fixed Incentive Plan are noted below. Capitalized terms below refer specifically to terms defined in the Fixed Incentive Plan:

- the Common Share reserve pursuant to the Fixed Incentive Plan is an aggregate maximum fixed number of 15% of the outstanding Common Shares as of March 25, 2019, the date of the adoption of the Fixed Incentive Plan, being 25,835,602 Common Shares allocated in reserve as: (i) a maximum of 5,167,120 Common Shares for issuance upon conversion of DSUs pursuant to the DSU Plan; and (ii) the balance of 20,668,482 Common Shares for exercise of Options granted pursuant to the Option Plan;
- the maximum number of Common Shares that may be issued under the Fixed Incentive Plan, and pursuant to all of the Corporation's security-based compensation arrangements, is an aggregate maximum of 25,835,602 Common Shares, and is subject to the following limitations:

- all Participants' Options or DSUs may not exceed, in aggregate, 15% of the outstanding Common Shares at any time;
- Insiders, as a group, within any one-year period may not exceed, in aggregate, 15% of the outstanding Common Shares at the time of the determination of a grant; and
- grants to any one person within a one-year period may not exceed 5% of the outstanding Common Shares at the time of such grant.
- the Fixed Incentive Plan is administered by the Board with input from the Corporation's Compensation Committee;
- Options may be granted to Directors, Officers, Employees, Management Company Employees, Consultants or Company Consultants (as such are defined in TSXV policies and referred to in the Fixed Incentive Plan);
- DSU awards may be granted to directors and officers but the Board has discretion (without further shareholder approval) to expand awards to other eligible participants, including Employees, Management Company Employees, Consultants or Company Consultants (as such are defined in TSXV policies);
- the term of Options may not exceed ten years and Options will be subject to vesting terms as determined by the Board. If the expiry date for an Option occurs during a blackout period, or within ten business days thereafter, the expiry date for such Option will be extended to the tenth business day after the expiry date of the blackout period;
- Options may not be exercised after an Optionee's term of service to the Corporation has been terminated, except as follows:
 - in the case of the death, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
 - in the case of voluntary termination of services or termination without cause, an Option granted will expire 90 days (or such other time, generally not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option);
 - in case of termination for cause, all rights to acquire Common Shares will terminate immediately unless otherwise determined by the Board; and
 - in the event of a change of control of the Corporation or a take-over bid being made for the Common Shares, the Board may, in its discretion, provide in the case of a particular Optionee, that the Options held by that Optionee may be exercised in full or in part at any time before vesting of those Options.
- any DSU awards that are made subject to vesting, will vest in the case of death, retirement, disability, or in the event of a change of control or take-over bid of the Corporation;
- Options and DSUs are non-assignable and non-transferable;

- the exercise price of Options must not be less than the Discounted Market Price (as defined in the TSXV policies) and may not be re-priced without disinterested shareholder approval and applicable regulatory approval;
- the Board may not, without shareholder approval, amend the Fixed Incentive Plan to:
 - increase the number of Common Shares reserved for issuance under the Fixed Incentive Plan;
 - reduce the exercise price of an Option;
 - extend the term of any Option beyond ten years, except in the case where an Option will expire during a blackout period, in which case the term of the Option may be extended to a date which is the 10th business day after the expiry date of the blackout period;
 - extend any right of a Participant under the DSU Plan beyond the date on which such right would originally have expired; and
 - change or delete the amending provisions of the Fixed Incentive Plan.
- the Board may amend the Fixed Incentive Plan without shareholder approval to:
 - ensure the Fixed Incentive Plan complies with applicable regulatory requirements;
 - make adjustments in the event of a change in the corporate status of the Corporation;
 - change the definition of “Participant” or the eligibility requirements for participating in the DSU Plan;
 - change the provisions relating to the redemption of DSUs and the dates for the redemption of same, including the manner in which Participants may elect to participate or elect redemption dates;
 - cure or correct any typographical error, ambiguity, defective or inconsistent provision, clerical omission, mistake or manifest error;
 - make changes to the Fixed Incentive Plan that do not materially adversely affect the interests of the shareholders of the Corporation;
 - facilitate the administration of the Fixed Incentive Plan; and
 - make changes to the Fixed Incentive Plan that are of a “housekeeping nature”.

The foregoing is a summary of the principal terms of the Fixed Incentive Plan, which is qualified by reference to the Fixed Incentive Plan in its entirety, a copy of which will be available upon request from the Corporation.

Director Compensation

Directors of the Corporation who are not full-time employees or consultants of the Corporation receive cash fees for their services. Each non-management director is also eligible to receive an option or DSU grant annually. In addition, Directors are entitled to be reimbursed for their reasonable out-of-pocket expenses incurred in respect of the business of the Corporation.

The compensation provided to the directors, excluding a director who is included in disclosure for a NEO, for the Corporation's most recently completed financial year ending October 31, 2020 are as follows:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Frank A. Holler	37,792	-	-	-	-	-	37,792
Jeffrey Bacha	28,375	-	-	-	-	-	28,375
Deborah M. Brown	24,458	-	-	-	-	-	37,792
James T. Parsons	24,000	-	-	-	-	-	24,000

Director Outstanding Option-based Awards and Share-based Awards

The following table sets out all awards outstanding to each director as at October 31, 2020, excluding a director who is included above in disclosure as a NEO of the Corporation.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested share-based awards not paid out (\$)
Frank A. Holler	-	n/a	n/a	-	355,555	30,608	366,892
Deborah M. Brown	-	n/a	n/a	-	400,000	106,000	53,000
Jeffrey A. Bacha	-	n/a	n/a	-	266,667	33,552	238,073
James T. Parsons	-	n/a	n/a	-	266,667	33,552	238,073

Note:

(1) Based on closing market price of \$0.265 of our Common Shares on the TSXV as at October 31, 2020.

Directors Incentive Plan Awards – Value Vested or Earned During the Year

The following table shows the incentive plan awards value vested or earned during the year ended October 31, 2020, for each director, excluding a director who is set out above in disclosure as a NEO of the Corporation:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Frank A. Holler	-	43,624	-
Jeffrey A. Bacha	-	33,790	-
Deborah M. Brown	-	44,250	-
James T. Parsons	-	33,791	-

Note:

- (1) On November 14, 2019, December 14, 2019, February 14, 2020, March 15, 2020, May 14, 2020, June 14, 2020, August 14, 2020 and September 12, 2020, DSUs vested for directors listed above. The closing market price of the Corporation's Common Shares on the TSXV was \$0.20 on November 14, 2019, \$0.185 on December 14, 2019, \$0.18 on February 14, 2020, \$0.145 on March 15, 2020, \$0.18 on May 14, 2020, \$0.275 on June 14, 2020, \$0.30 on August 14, 2020 and \$0.28 on September 12, 2020, respectively.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's most recently completed financial year.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options and rights (a)	Weighted-average exercise price of outstanding options and rights (b)	Number of Common Shares remaining available for issuance under equity compensation plans [excluding securities reflected in column (a)]
Options Plan approved by shareholders	14,474,600	\$0.22	6,193,882
DSU Plan approved by shareholders	4,150,001	- ⁽¹⁾	1,017,119
Total	18,624,601	\$0.31	7,211,001

Note:

- (1) The DSUs are subject to vesting criteria but do not require payment of an exercise price.

During the financial year ended October 31, 2020, there were no additional Options or DSUs granted nor during the period following up to May 21, 2021.

As of May 21, 2021, there were 10,980,625 Options outstanding and 4,150,001 outstanding DSUs pursuant to the Fixed Incentive Plan. The Corporation has approval to grant additional Options to purchase 9,687,857 Common Shares and to award additional DSUs for conversion to 1,017,119 Common Shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Except as herein disclosed, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out herein, none of the persons who were directors or executive officers of the Corporation or a subsidiary of the Corporation at any time during the Corporation's last financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Corporation, nor any associate or affiliate of any such person, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction during the year ended October 31, 2019, or has any such interest in any proposed transaction, which has materially affected or would materially affect the Corporation.

The above transaction was in the normal course of operations and was measured at the exchange amount, which is the amount of consideration established and agreed to by the parties. Amounts due to related parties are non-interest bearing, unsecured and have no specific repayment terms.

MANAGEMENT CONTRACTS

The business of the Corporation is managed by its directors and officers and the Corporation has no management agreements with persons who are not officers or directors of the Corporation.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board of the Corporation is committed to sound corporate governance practices; as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the “CSA”) have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”), which prescribes certain disclosure by the Corporation of its corporate governance practices. This section sets out the Corporation’s approach to corporate governance and addresses the Corporation’s compliance with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the Board’s view, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its independent supervision over management by having a majority of independent directors on both the Board and committees of the Board. The independent members of the Board, as of the date hereof, are: Frank A. Holler (Chair), Jeffrey A. Bacha, James T. Parsons Deborah M. Brown. Dr. Philip M. Toleikis (President and Chief Executive Officer of the Corporation) is not an independent director. A majority of the current Board is independent. Following the election of directors at the Meeting it is anticipated that a majority of the Board will be independent as Dr. Mohammad Azab, if elected, will also be an independent member

The Board uses regular in-camera sessions in order to ensure that the Board can function independently of management. The Board believes that its current composition, in which only one director is a member of management, is sufficient to ensure that the Board can function independently of management.

The mandate of the Board is to manage corporate governance matters pertaining to the business and affairs of the Corporation. In fulfilling its mandate, the Board as a whole oversees the development and application of policies regarding corporate governance, deals with corporate governance issues, and is responsible for:

- a) adopting a strategic planning process for the Corporation;
- b) understanding the principal risks of the Corporation’s business and ensuring the implementation of the appropriate systems to manage these risks;
- c) succession planning for the Corporation, including identifying, appointing, training and monitoring senior management;
- d) overseeing the integrity of the Corporation’s internal controls and management information systems;
and

- e) maintaining a continuing dialogue with management in order to ensure the ability to respond to changes, both internal and external, which may affect the Corporation and its business operations from time to time.

In carrying out its mandate, the Board holds regular meetings, and has established two committees with specific responsibilities, from its members. The frequency of meetings, as well as the nature of the matters dealt with, will vary from year to year depending on the state of the Corporation's business and the opportunities or risks, which the Corporation faces from time to time.

Directorships

Certain of the directors and officers currently serve as directors and officers of other private and public companies. Some of the directors and officers may be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers may be serving another corporation with interests that could be in conflict with the Corporation. In the event of any conflicts of interest, such conflicts must be disclosed to the Corporation and dealt with in accordance with the provisions of the CBCA.

The following table sets out the director nominees of the Corporation that are currently directors of other reporting issuers:

Name	Name of Reporting Issuer	Name of Exchange or Market
Frank A. Holler	Xenon Pharmaceuticals Inc.	NASDAQ
	Harvest One Cannabis Inc.	TSXV
Dr. Mohammad Azab	Xenon Pharmaceuticals Inc.	NASDAQ
	Durect Corporation	NASDAQ
Jeffrey A. Bacha	Rakovina Therapeutics Inc.	TSXV
Deborah M. Brown	Oncolytics Biotech Inc.	NASDAQ
	Cardiol Therapeutics Inc.	TSX
James T. Parsons	DiaMedica Therapeutics Inc.	NASDAQ

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Corporation's business and on the responsibilities of directors. Board meetings may also include presentations by the Corporation's management to give the directors additional insight into the Corporation's business.

Ethical Business Conduct

The Board relies on the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation and securities laws to promote a culture of ethical business conduct.

To encourage corporate transparency and responsible corporate governance the Board has taken the further steps of approving and adopting both a Whistle Blower Policy and an Insider Trading Policy. Copies of each of these policies are available for review on the Corporation's website at www.sernova.com.

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, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Board Committees

The Board has established an audit committee and a compensation committee to perform certain advisory functions, to make recommendations and to report to the Board. A brief description of these committees, and their respective mandates, is set forth below. The audit committee is described more definitively under “*Audit Committee and Relationship with Auditor*” above, and the compensation committee is described in more detail under “*Statement of Executive Compensation*” above.

Audit Committee

The current members of the audit committee are all independent directors, namely: James T. Parsons (Chair), Jeffrey A. Bacha and Frank A. Holler. The audit committee reviews the annual and quarterly financial statements of the Corporation and certain other public disclosure documents required by regulatory authorities and makes recommendations to the Board with respect thereto. The audit committee also reviews with the auditors and management the adequacy of the Corporation’s financial reporting and internal control procedures to ensure they are effective and appropriate.

Compensation Committee

The current members of the compensation committee are all independent directors, namely: Jeffrey A. Bacha (Chair), Frank A. Holler and Deborah M. Brown. The compensation committee reviews the Corporation’s compensation policies and practices, compensation of senior management and succession planning and reviews the Corporation’s corporate governance practices and makes recommendations to the Board.

Nominating and Corporate Governance Committee

The current members of the nominating and corporate governance committee are all independent directors, namely: Deborah M. Brown (Chair), Jeffrey A. Bacha and Frank A. Holler. The nominating and corporate governance committee identify, evaluate and recommend to the Board candidates for appointment to the Board or to serve as nominees for director election at annual meetings of shareholders, identify, evaluate and recommend to the Board candidates for appointment to committees of the Board, annually evaluate the performance of the Board; and develop and review the Company’s corporate governance policies.

There are no committees of the Board other than the audit committee, the compensation committee and the nominating and corporate governance committee.

Assessments

The Board conducts an annual Board Effectiveness Survey of the Corporation’s directors to assess the effectiveness of the Board’s function.

PARTICULARS OF MATTERS TO BE ACTED UPON

Amend and Restate Incentive Plan

On April 28, 2015, the shareholders approved adoption of the Option Plan & Deferred Share Unit Plan (the “Incentive Plan”), which was subsequently approved by the TSX Venture Exchange (“**TSXV**”) and which has two components: (i) a rolling Share Option Plan (“**Option Plan**”) and (ii) a Deferred Share Unit Plan (“**DSU Plan**”), (together the “**Incentive Plan**”). The purpose of the Incentive Plan is to attract, retain, and motivate directors, officers, employees and consultants and to compensate them competitively for their contribution to the Corporation’s long-term growth and development.

Option Plan

The Corporation currently has shareholder approval, pursuant to the Option Plan, to reserve a maximum of 15% of the Corporation's outstanding Common Shares at the date of Board approval, for issuance upon exercise of Options pursuant to the Option Plan. As of the Record Date there were 11,270,625 Options outstanding under the Option Plan, representing approximately 4.20% of the currently issued and outstanding Common Shares. At the Meeting the Corporation will seek shareholder approval of an ordinary resolution, by a majority of disinterested shareholder votes, to amend and restate the Option Plan to increase the current number maximum allowed for reserve of Common Shares for exercise of options pursuant to the Option Plan, to a fixed number maximum, allowing the Corporation to reserve up to an aggregate of 38,746,536 Common Shares for exercise of Options, which new maximum number represents fifteen (15%) percent of the Corporation's Common Shares outstanding as of May 14, 2021 pursuant to the amended and restated Option Plan.

Incentive Plan

Currently, pursuant to the Incentive Plan, the number of Common Shares that may be reserved for issuance for both Options and Deferred Share Units ("DSUs") is subject to a maximum of 15% of the Corporation's Common Shares outstanding as of the date of the Board approval. In addition, the number of Common Shares that may be reserved for issuance for DSUs is currently subject to a fixed maximum of 5,167,120 Common Shares. As a consequence, the number of Common Shares that may be reserved for Options granted under the Option Plan is subject to a maximum of 12% of the Corporation's outstanding Common Shares as of the date of the Board approval, less the number of Common Shares (currently up to 5,167,120) that are reserved for issuance for DSUs granted under the DSU Plan. There are currently DSUs outstanding for conversion of 4,150,001 Common Shares, which is approximately 1.60% of the current outstanding Common Shares

On May 14, 2021 the Board approved a resolution to seek disinterested shareholder approval at the Meeting to:

- a) increase the shares reserved for issuance under the Incentive Plan to a fixed number maximum representing fifteen (15%) percent of the Common Shares outstanding at May 14, 2021, being an aggregate maximum reserve of 38,746,536 pursuant to the Amended and Restated Incentive Plan; and
- b) increase the maximum number of Common Shares available to be reserved for conversion of DSUs awarded pursuant to the DSU Plan to a total maximum of 7,749,307 Common Shares reserved for conversion of DSUs, representing 3% of the current issued and outstanding Common Shares. If such approval is obtained the 15% fixed plan representing an aggregate maximum 38,746,536 Common Shares available for reserve under the Incentive Plan must include the 7,749,307 Common Shares reserved for DSUs.

If disinterested shareholder approval is obtained to the resolutions above, the Amended and Restated Incentive Plan will allow the Corporation to:

- a) grant Options to purchase Common Shares to a maximum of 30,997,229 Common Shares upon exercise of Options, pursuant to the Option Plan component; and
- b) award, DSUs for conversion to a maximum of 7,749,307 Common Shares pursuant to the terms of the Deferred Share Unit Plan component.

As of the date of this Management Information Circular, there were 10,980,625 Options outstanding and 4,150,001 outstanding DSUs. Upon approval of the amended and restated Incentive Plan, the current Options and DSUs will remain outstanding and available for exercise or conversion, respectively, pursuant to the amended and restated

Incentive Plan. The Corporation will then have approval to grant Options to purchase 20,016,604 additional Common Shares and to award DSUs for conversion to 3,599,306 additional Common Shares.

DSU Plan

Except for (i) the proposed amendment in the maximum reserve of Common Shares to a fixed fifteen (15%) percent of the shares outstanding as of May 14, 2021 pursuant to the amended and restated Incentive Plan, and (ii) the increase in the total maximum number of DSUs available for grant under the DSU Plan, see *Disinterested Shareholder Approval* below the material terms of the DSU Plan will remain the same. Eligible participants may be granted DSUs in lieu of some or all of their compensation entitlement. The number of DSUs is calculated by dividing the amount that the recipient would have received in cash by the Market Price of the Common Shares on the relevant date. Upon the eligible participant ceasing to be a director or officer of (and not otherwise employed by) the Corporation or an affiliate, the redemption value of his or her DSUs would be determined on the date specified in the DSU Plan by multiplying the number of DSUs by the Market Price of the Common Shares as at such date, and would be settled prior to November 30th of the year following. The actual settlement of the account would be made by way of cash or shares, or a combination of both, at the discretion of the Board.

By incorporating the DSU Plan into its Incentive Plan, the Board has a compensation alternative available to promote the alignment of the long-term interests of its directors, officers and other DSU Plan participants with those of its shareholders by directly tying their compensation to share price performance.

Material Terms of Incentive Plan, as amended and restated

Following approval, the material terms of the Incentive Plan, as amended and restated, will be as follows:

- The Common Share reserve is a fixed aggregate maximum of 15% of the outstanding Common Shares as of May 14, 2021 pursuant to the Incentive Plan as amended and restated on May 14, 2021, being 38,746,536 Common Shares allocated in reserve as: (i) a maximum of 7,749,307 Common Shares for issuance upon conversion of DSUs pursuant to the DSU Plan; and (ii) the balance of 30,997,229 Common Shares for exercise of Options granted pursuant to the Option Plan.
- The maximum number of Common Shares that may be issued under the Incentive Plan, as amended, and pursuant to all of the Corporation's security-based compensation arrangements is increased to the new aggregate maximum of 38,746,536 Common Shares, and is subject to the following limitations:
 - all participants' options or DSUs may not exceed 15%, in aggregate, of the outstanding Common Shares at any time,
 - insiders, as a group, within any one-year period may not exceed 15% of the outstanding Common Shares at the time of the determination,
 - any one person within a one-year period may not exceed 5% of the outstanding Common Shares at the time of the determination.
- The Incentive Plan is administered by the Board with input from the Compensation Committee.
- Options may be granted to Directors, Officers, Employees, Management Company Employees, Consultants or Company Consultants (as such are defined in TSXV policies and referred to in the Incentive Plan, as amended).
- DSU awards may be granted to directors and officers but the Board has discretion (without further shareholder approval) to expand awards to other eligible participants, including Employees, Management Company Employees, Consultants or Company Consultants (as such are defined in TSXV policies).

- The terms of Options may not exceed ten years and Options will be subject to vesting terms as determined by the Board. If the expiry date for an Option occurs during a blackout period, or within ten business days thereafter, the expiry date for such Option will be extended to the tenth business day after the expiry date of the blackout period.
- Options may not be exercised after an optionee's term of service to the Corporation has been terminated, except as follows:
 - in the case of the death, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option,
 - in the case of voluntary termination of services or termination without cause, an Option granted will expire 90 days (or such other time, generally not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option),
 - in case of termination for cause, all rights to acquire Common Shares will terminate immediately unless otherwise determined by the Board, and
 - in the event of a change of control of the Corporation or a take-over bid being made for Common Shares, the Board may in its discretion provide in the case of a particular Optionee that the Options held by that Optionee may be exercised in full or in part at any time before vesting of those Options.
- Any DSU awards that are made subject to vesting will vest in the case of death, retirement, disability, or in the event of a change of control or take-over bid of the Corporation.
- Options and DSUs are non-assignable and non-transferable.
- The exercise price of Options must be not less than the Discounted Market Price (as defined in the TSXV policies) and may not be re-priced without disinterested shareholder and applicable regulatory approval.
- The Board may not, without shareholder approval, amend the Incentive Plan to:
 - increase the number of Common Shares reserved for issuance under the Incentive Plan,
 - reduce the exercise price of an Option,
 - extend the term of any Option beyond ten years, except in the case where an Option will expire during a blackout period, in which case the term of the option may be extended to a date which is the 10th business day after the expiry date of the blackout period,
 - extend any right of a Participant under the DSU Plan beyond the date on which such right would originally have expired, and
 - change or delete the amending provisions of the Incentive Plan.
- The Board may amend the Incentive Plan without shareholder approval to:
 - ensure the Incentive Plan complies with applicable regulatory requirements,
 - make adjustments in the event of a change in the corporate status of the Corporation,
 - change the definition of "Participant" or the eligibility requirements for participating in the DSU Plan,
 - change the provisions relating to the redemption of DSUs and the dates for the redemption of the same, including the manner in which Participants may elect to participate or elect redemption dates,
 - cure or correct any typographical error, ambiguity, defective or inconsistent provision, clerical omission, mistake or manifest error,
 - changes that do not materially adversely affect the interests of the shareholders of the Corporation,
 - facilitate the administration of this Plan, and

- make changes to the Incentive Plan that are of a “housekeeping nature”.

The foregoing is a summary of the principal terms of the Incentive Plan, as amended, which is qualified by reference to the entirety of the Incentive Plan, as amended, itself, a copy of which will be available upon request from the Corporation, and under the Corporation’s SEDAR profile at www.sedar.com on or about the same date as this Management Information Circular.

Disinterested Shareholder Approval of Incentive Plan, as Amended and Restated

To be effective, the Incentive Plan, as amended and restated, must be approved by an ordinary resolution passed by not less than a majority of the votes cast by the disinterested holders of Common Shares present in person, or represented by proxy at the Meeting. The term “*disinterested shareholder approval*” means approval by a majority of the votes cast at the Meeting other than votes attaching to Common Shares beneficially owned by insiders of the Corporation to whom Options and/or DSUs may be granted pursuant to the Incentive Plan and associates of such persons. The terms “*insiders*” and “*associates*” are defined in the Exchange policies and generally include directors and senior officers of the Corporation and its subsidiaries and holders of greater than 10% of the voting securities of the Corporation and include certain related parties such as partners and family members. Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, in favour of each of the following Incentive Plan resolutions.

Shareholder Approval of the Incentive Plan, as Amended and Restated

The ordinary resolution to amend and restate the Incentive Plan to change the maximum number of Common Shares available for reserve for exercise of options and conversion of DSUs to the fixed number maximum of 38,746,536 Common Shares, being a reserve of 15% of the issued and outstanding Common Shares as of May 14, 2021, will be submitted to the shareholders at the Meeting for disinterested shareholder approval, with or without variation, in the form set forth below:

“Be it RESOLVED, as a resolution of the disinterested shareholders, that:

1. subject to TSX Venture Exchange approval, the Corporation’s Incentive Plan, as amended and restated by approval of the Corporation’s Board of Directors (the “Board”) effective May 14, 2021, (the “Incentive Plan”), be and is hereby approved; and
2. the number of Common Shares available for reserve for exercise of Options granted pursuant to the Option Plan component, and for conversion of Deferred Share Units awarded pursuant to the Deferred Share Unit Plan component of the Incentive Plan, be and is hereby set at a fixed maximum number of 38,746,536 Common Shares, being a reserve of 15% of the issued and outstanding Common Shares of the Corporation as of May 14, 2021; and
3. Any one officer or director of the Corporation be and is hereby authorized to take such steps or execute such documents, whether or not under corporate seal, which are in his or her opinion necessary or advisable in order to give effect to this resolution.”

The Board recommends that the shareholders vote in favour of the resolution to approve the Incentive Plan, as amended and restated, to change the plan from a rolling to a fixed number plan, and to increase the fixed number maximum reserve. All Common Shares voted on the resolution by Insiders of the Corporation will be withheld from the voting tally on the resolution.

Shareholder Approval of Increase to Deferred Share Unit Plan Reserve

The ordinary resolution to increase the fixed maximum number of Common Shares available for conversion of DSUs pursuant to the DSU Plan component of the Incentive Plan, as amended and restated, to be submitted at the Meeting for disinterested shareholder approval, with or without variation, is set forth below:

“Be it RESOLVED, as a resolution of the disinterested shareholders, that:

1. subject TSX Venture Exchange approval, the amendment made by the Corporation’s Board of Directors, effective May 14, 2021, to the Corporation’s Share Option Plan & Deferred Share Unit Plan, as amended and restated (the “Incentive Plan”) to increase the fixed maximum number of Common Shares of the Corporation (the “Common Shares”) available for reserve for conversion of Deferred Share Units awarded pursuant to the Deferred Share Unit Plan component of the Incentive Plan to a fixed maximum of 7,749,307 Common Shares representing 3% of the issued and outstanding Common Shares as of May 14, 2020, be and is hereby approved; and
2. Any one officer or director of the Corporation is authorized to take such steps or execute such documents, whether or not under corporate seal, which are in his or her opinion necessary or advisable in order to give effect to this resolution.”

The Board recommends the shareholders vote in favour of the resolution to amend and restate the Incentive Plan to increase the number of Common Shares available for reserve for conversion of DSUs pursuant to the DSU Plan. All Common Shares voted on the resolution by Insiders of the Corporation will be withheld from the voting tally on the resolution.

A copy of the Incentive Plan, as amended and restated, can be received upon request from the Corporation and will be posted under the Corporation’s profile at www.sedar.com along with this Management Information Circular.

SHAREHOLDER PROPOSALS

Shareholder proposals must be submitted no later than January 19, 2022 (being the 90th day before the anniversary date of the notice of meeting is sent to shareholders for the 2021 annual shareholder meeting), to be considered for inclusion in the Management Information Circular to be prepared for the 2022 annual meeting of shareholders of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on www.sedar.com. Financial information is provided in the Corporation’s comparative financial statements and management discussion and analysis, which is filed on www.sedar.com. The Corporation will provide to any person or company, upon request to the Chief Financial Officer of the Corporation, one copy of the comparative financial statements of the Corporation filed with the applicable securities regulatory authorities for the Corporation’s most recently completed financial year in respect of which such financial statements have been issued, together with the report of the auditor, related management’s discussion and analysis and any interim financial statements of the Corporation filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements.

Copies of the above documents are available without charge to shareholders upon written request to the Corporation by fax (519) 858-5099 or to:

Sernova Corp.
700 Collip Circle, Suite 114
London, Ontario
N6G 4X8

OTHER MATTERS

As of the date of this Management Information Circular, the Board and management of the Corporation are not aware of any matters to come before the Meeting other than those matters specifically identified in the accompanying Notice of Meeting. However, if such other matters properly come before the Meeting or any adjournment(s) thereof, the persons designated in the accompanying form of proxy will vote thereon in accordance with their judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

BOARD APPROVAL

The contents of this Management Information Circular and its distribution to shareholders have been approved by the Board of Directors of the Corporation.

DATED this 21 day of May 2021.

BY ORDER OF THE BOARD OF DIRECTORS

“Frank Holler”

Frank Holler
Chairman of the Board