

# **CYCLERION THERAPEUTICS, INC.**

## **Corporate Governance Guidelines**

### **Purpose**

The Board of Directors (the “Board”) of Cyclerion Therapeutics, Inc. (the “Company”) has adopted these Corporate Governance Guidelines (these “Guidelines”) to assist the Board in serving the best interests of the Company and its shareholders. The Guidelines are intended to be a framework for the conduct of the Board’s business, and are not a set of legally binding obligations. These Guidelines may be modified by the Board from time to time upon the recommendation of the Company’s Nominating and Corporate Governance Committee.

### **Role and Responsibility of the Board**

The Board represents the interests of the Company’s shareholders and is responsible for fostering the long-term success and value of the Company, consistent with its fiduciary duty to the Company’s shareholders. The Board is responsible for establishing broad corporate policies, setting strategic direction and overseeing management, which is responsible for the day-to-day operations of the Company. In fulfilling this role, each director must exercise his or her good faith business judgment of the best interests of the Company and its shareholders.

### **Selection and Composition of Board**

#### Size of the Board

The Company’s Restated Articles of Organization (the “Charter”) and Amended and Restated Bylaws (the “Bylaws”) provide that the number of directors of the Company shall be fixed by the Board and may be increased or decreased from time to time by the vote of a majority of directors then serving on the Board. The Company believes that the number of directors serving on its Board should be small enough to permit efficient deliberation and resolution of matters but large enough to provide a mix of perspectives, maintain needed expertise and independence and satisfy the duties and responsibilities of the Board and its various committees. The Nominating and Corporate Governance Committee shall annually review and evaluate the performance, operations, size, and composition of the Board and recommend to the Board the appropriate size and composition of the Board in light of the Company’s need for particular expertise, skills, perspectives, and competencies.

#### Selection of New Directors

The Board has delegated to the Nominating and Corporate Governance Committee the task of identifying, reviewing and recommending a slate of director nominees to be proposed by the Board to the Company’s shareholders for election at each of the Company’s annual meetings of shareholders, and recommending any director nominees to be elected by the Board to fill interim vacancies.

## Board Membership Criteria

The Nominating and Corporate Governance Committee is responsible for reviewing with the entire Board from time to time the appropriate skills and characteristics required of directors in the context of the current composition of the Board and the strategic direction of the company. It is the policy of the Board that directors should possess strong personal and professional ethics, integrity and values, demonstrate a keen understanding of, and enthusiasm for, the Company, its business and its industry, and be committed to representing the long-term interests of the Company's shareholders. The composition of the Board should also encompass a range of talents, ages, skills, diversity, business experience and clinical/scientific expertise sufficient to provide sound and prudent oversight with respect to the operations and interests of the Company.

## Director Independence

The composition of the Board shall at all times adhere to the standards of independence promulgated by the Nasdaq Stock Market ("Nasdaq"). In addition to satisfying the independence standards established by the Nasdaq listing standards, each member of the Audit Committee must be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and each member of the Compensation Committee must be a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act (in each case except as otherwise permitted by applicable phase-in rules and exemptions). In addition, members of the Audit Committee and the Compensation Committee may not receive, directly or indirectly, any fees from the Company or any Company subsidiary other than those described below under "Board Compensation Policy."

## Non-Independent Directors

The Board recognizes that individuals who do not meet the independence standards described above may make significant contributions as directors, and the Board is willing to consider, at the recommendation of the Nominating and Corporate Governance Committee, members of senior management, in addition to the Company's Chief Executive Officer, and other individuals who may not meet the above definitions of independence for nomination to the Board.

## Chair of the Board

The Bylaws grant the Board discretion to appoint a chair of the Board (the "Chair"). The Company currently separates the positions of Chief Executive Officer and the Chair, and expects that such positions will remain separate unless the Nominating and Corporate Governance Committee recommends, and a majority of the Board approves, otherwise.

## Term of Director Service

Prior to recommending to the Board that any director be nominated for re-election by the Company's shareholders, the Nominating and Corporate Governance Committee will provide such director with the opportunity to confirm his or her desire to continue as a director.

## Directors Who Change Their Present Job Responsibility

A director who retires or otherwise changes from the principal occupation or background association he or she held when originally invited to join the Board will offer to tender his or her resignation from the Board by submitting such offer in writing to the Chair of the Nominating and Corporate Governance Committee. Upon receipt of such notice, the Nominating and Corporate Governance Committee, in consultation with the Company's Chief Executive Officer and the Chair, shall either confirm with the director that they do not believe that the change in the director's status would inhibit the director's independence or ability to continue to serve the best interests of the Company or its shareholders, or shall accept such director's offer to tender his or her resignation. In addition, whenever the Company's Chief Executive Officer no longer holds such office, he or she must offer to tender his or her resignation from the Board in writing to the Nominating and Corporate Governance Committee. Whether that individual continues to serve on the Board shall be determined by the Board in its sole discretion, with the recommendation of the Nominating and Corporate Governance Committee made in consultation with the new Chief Executive Officer.

## Advance Contingent Resignation to Address Majority Voting

As a condition of nomination, each incumbent director proposed to be nominated by the Board shall deliver to the secretary of the Company an irrevocable contingent resignation at least 14 days in advance of the distribution date for proxy solicitation materials for the shareholders meeting at which such director is expected to be nominated to stand for election. Such resignation will be effective only if such director fails to receive the requisite majority vote in an election when shareholders are not selecting among more nominees than directorships (an "uncontested election"), as provided in the Bylaws, and the Board accepts such resignation.

If, after the results of an uncontested election have been certified, any incumbent director nominee fails to receive the requisite majority vote, the Nominating and Corporate Governance Committee shall, within 60 days of the date of such certification, evaluate the circumstances of the failed election and make a recommendation to the Board with respect to such nominee's resignation. The Board shall, within 90 days of the date of such certification and after consideration of the recommendation of the Nominating and Corporate Governance Committee, make a determination with respect to whether or not to accept such nominee's resignation and/or to take such other action as the Board determines appropriate. The Nominating and Corporate Governance Committee in making such recommendation and the Board in making such determination shall evaluate the best interests of the Company and its shareholders and may consider any factors it deems relevant. The Board shall promptly notify such nominee of its determination, and the Company shall publicly disclose such determination.

Any incumbent director nominee who fails to receive the requisite majority vote in an uncontested election will remain an active director during the preceding process. Such director shall not, however, participate in the proceedings of the Nominating and Corporate Governance Committee or the Board with respect to the subject of his or her resignation. If each member of the Nominating and Corporate Governance Committee fails to receive the requisite majority vote in the same uncontested election, however, then any independent directors who received the

requisite majority vote in such election shall appoint a committee to make recommendations to the Board with respect to whether or not to accept the resignations.

If all independent directors fail to receive the requisite majority vote in the same uncontested election, then all independent directors shall participate in and make the determination regarding whether or not to accept the resignations.

#### Joining New Boards or Other Associations

The Company expects that each of its directors will be able to dedicate sufficient time to ensure the diligent performance of his or her duties on the Company's behalf, including attending board and applicable committee meetings. Accordingly, the Company believes that Board members should not serve on more than a total of four public company boards of directors. In addition, Board members who hold the position of chief executive officer of a public company should not serve on more than a total of two public company boards (including the board of his or her own company).

The Company also expects that each director will avoid circumstances that create an actual or perceived conflict of interest. Accordingly, a director shall notify the Chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to:

- (i) become a member of the board of directors of another for-profit company; or
- (ii) joining any governmental commission, company advisory board or similar body or the governing board of a non-profit entity if the Nominating and Corporate Governance Committee could reasonably conclude that the activities of such organization could be competitive with the Company or otherwise adverse to the interests of the Company or its shareholders.

Upon receipt of such notice, the Chair of the Nominating and Corporate Governance Committee, in consultation with the Company's Chief Executive Officer and the Chair, shall confirm with the director (without the necessity of holding a formal meeting) that they do or do not believe joining such organization would represent a conflict of interest or otherwise inhibit the director's ability to serve the best interests of the Company and its shareholders. In the case of a disagreement, the Nominating and Corporate Governance Committee shall meet and make a final determination in its sole discretion.

### **Board Compensation and Performance**

#### Board Compensation Policy

It is the policy of the Board that a significant portion of director compensation will be in the form of stock or stock-based instruments in order to align interests of directors with the long-term interests of shareholders. The Compensation Committee shall have the responsibility for reviewing annually the compensation and benefits paid to directors for service on the Board and the committees of the Board, and recommending any changes in such compensation and benefits to the Board as the Committee deems appropriate. The Compensation Committee shall report from time to time to the entire Board on the status of director compensation. Any executive

officer of the Company serving as a member of the Board shall not receive additional compensation for his or her service as a director.

Any proposed changes in director compensation shall be made at the recommendation of the Compensation Committee, subject to discussion and approval by the Board, and, to the extent required by applicable rules and regulations, approval of the Company's shareholders.

#### Evaluation of Board Performance

The Nominating and Corporate Governance Committee recommends criteria for assessment of the performance of the Board as a whole, for each Board committee and for individual directors. Based on these criteria, the Board, each committee, and each member of the Board shall conduct an annual self-assessment of performance in accordance with the process specified by the Nominating and Corporate Governance Committee.

#### Attendance at Annual Meeting of Shareholders

Each director who is nominated for election at an annual meeting of the Company's shareholders or who has a term that continues after such annual meeting is expected to attend the annual meeting of the Company's shareholders.

#### Interactions with Institutional Investors, Press, Customers, Etc.

The Board believes that management speaks for the Company. The Chair may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that the Chair would do this with the knowledge of management and, in most instances, at the request of management.

Shareholders and other interested parties may communicate with directors by writing to them in care of the secretary or any assistant secretary of the Company, who will receive the correspondence and respond on behalf of the Board following consultation with the named Board members.

### **Meetings of the Board**

#### Participation in Board Meetings

The Company expects directors to rigorously prepare for, attend, and participate in all meetings of the Board and any applicable Board committee. Each director is expected to ensure that other commitments do not materially interfere with his or her service as a director.

#### Meetings of the Independent Directors

It is the policy of the Board to have a separate meeting session for the independent directors generally during every regularly scheduled meeting of the full Board to review matters concerning the relationship of the Board with management and such other matters as the independent directors deem appropriate. Any independent director may request a meeting of the

independent directors at any time. The Chair presides at all meetings of independent directors at which he or she is present.

#### Scheduling and Selection of Agenda Items for Board Meetings

The Chair, in consultation with the Company's Chief Executive Officer, shall determine the frequency and length of meetings of the Board. The Board believes that regular, in-person meetings at appropriate intervals are desirable for the performance of its responsibilities, which meetings may be supplemented with meetings conducted via teleconference as the Board deems appropriate. In addition to regularly scheduled meetings, additional unscheduled meetings may be called upon appropriate notice, in accordance with the Bylaws, at any time to address any special needs.

The Chair, in consultation with the Company's Chief Executive Officer, shall establish the agenda for each meeting of the Board. Each director is free to suggest the inclusion of items on an agenda, to raise at any meeting subjects that are not on the agenda for that meeting or to request the presence of or a report by any member of management. During at least one meeting each year, the long-term strategic and financial plans for the Company and the principal issues that it expects to face in the future, as well as the Company's risk management and compliance programs, will be presented to, and discussed by, the Board.

#### Board Material and Presentations

Materials that are important to an understanding of the business and matters to be considered at a meeting will be distributed to directors in advance of meetings. To the extent possible under the relevant circumstances, meeting materials should be distributed to directors sufficiently in advance of the relevant meeting to enable directors to be prepared to discuss questions that they may have about the material.

The Board encourages the Company's Chief Executive Officer to arrange for members of management to attend and present at meetings of the Board as appropriate to provide additional insight into the specific matters being discussed.

#### Access to Management and Advisors

Each director is encouraged to keep himself or herself informed of the affairs of the Company between Board meetings through direct contact with members of senior management and outside advisors of the Company, and each director shall have access to any such members of senior management and outside advisors. It is expected that the Company's Chief Executive Officer shall be informed by such directors of any such contact, and each director will use his or her judgment to assure that such contact does not cause undue disruption to the business operation of the Company.

## **Committees of the Board**

### Number of Committees

The Board may establish committees from time to time to facilitate and assist in the execution of its responsibilities. These committees generally address issues that, because of their complexity and technical nature, level of detail or time requirements, or because of proper attention to the Company's corporate governance principles, cannot be adequately addressed at meetings of the full Board or are otherwise suitable for committee oversight.

The Company currently has three standing committees: (1) the Compensation Committee, (2) the Audit Committee and (3) the Nominating and Corporate Governance Committee. There will, from time to time, be occasions on which the Board may want to form a new committee or disband a current committee depending upon the circumstances, subject to continued compliance with applicable Nasdaq listing standards and the rules and regulations of the Securities and Exchange Commission. Each standing committee shall adopt a written charter describing its authority and responsibilities, which charter shall be reviewed annually by such committee and reviewed periodically by the Board. The required qualifications and independence requirements for members of each committee shall be set forth in the charter of each such committee. The charter for each of the Compensation Committee, the Audit Committee and the Nominating and Corporate Governance Committee shall be made publicly available on the Company's website for review by the Company's shareholders.

### Assignment and Term of Service of Committee Members

The Board is responsible for the appointment of committee members and committee chairs, taking into account the desires of individual members and the recommendations of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee shall make such recommendations based on the competencies of each member, and the need to ensure that an appropriate succession plan is in place for the members of each committee. In making such appointments, the Board shall consider the rotation of committee membership and committee chairpersonships at appropriate intervals and subject to the recommendation of the Nominating and Corporate Governance Committee.

### Frequency and Length of Committee Meetings and Committee Agenda

Each committee chair shall determine the frequency and length of committee meetings and develop the agenda for committee meetings. The meeting minutes of the committees will be shared with the full Board and maintained in the records thereof. Any director who is not a member of a particular committee may attend any committee meetings with the concurrence of the chair of that committee.

## **Leadership Development**

### Formal Evaluation of Chief Executive Officer

The Compensation Committee shall evaluate the performance of the Chief Executive Officer at least annually, in consultation with the other independent members of the Board. Such

evaluation will be based on clearly articulated criteria established by the Compensation Committee, in consultation with the other independent members of the Board, including performance of the business, accomplishment of long-term strategic objectives, development of senior management and such other criteria as the Compensation Committee shall deem appropriate. The evaluation will be used by the Compensation Committee when considering the compensation of the Chief Executive Officer, and will be communicated to the Chief Executive Officer by the Chair, in consultation with the Compensation Committee.

**Succession Planning and Management Development**

The Board has the sole responsibility for the evaluation, hiring, or termination of the Company's Chief Executive Officer, as well as the development of policies and principles for selection of a new Chief Executive Officer, including succession planning in the event of unexpected executive departures. The Company's current Chief Executive Officer will review senior management succession, management development plans and organizational health with the Board and the Compensation Committee on an annual basis.

*Adopted by the Board on April 1, 2019*