

Incannex Healthcare Inc.

Principles of Corporate Governance

The Board of Directors of Incannex Healthcare Inc., a Delaware corporation (the “Company”), has adopted the corporate governance principles set forth below (the “Principles”) as a framework for the governance of the Company. The Board of Directors (the “Board”) reviews the Principles annually and considers whether any changes are appropriate.

1. Role and Composition of the Board of Directors

1.1 Role of the Board

The Board, which is elected by the Company’s stockholders, oversees the management of the Company and its business. The Board selects the senior management team, which is responsible for operating the Company’s business, and monitors the performance of senior management.

Consistent with the oversight function of the Board, the Board’s core responsibilities include:

- assessing the performance of the Chief Executive Officer (the “CEO”) and other senior management (including the Chairman) and setting their compensation;
- planning for CEO and senior management (including the Chairman) succession and overseeing senior management development;
- reviewing the Company’s strategies and monitoring their implementation and results;
- overseeing the integrity of the Company’s financial statements and the Company’s financial reporting process;
- overseeing the Company’s processes for assessing and managing risk;
- overseeing legal and regulatory compliance;
- nominating the Company’s director candidates and appointing committee members;
- shaping effective corporate governance; and
- providing advice and counsel to management regarding significant issues facing the Company and reviewing and approving significant corporate actions.

1.2 Size, Composition and Membership Criteria

The Board determines the appropriate size of the Board from time to time. A majority of the Board is made up of independent directors. An “independent” director is a director who meets the Nasdaq Stock Market definition of independence, as determined by the Board (the “Independent Directors”).

The Independent Directors are responsible for establishing and overseeing processes and procedures for the selection and nomination of directors, and for developing and recommending Board membership criteria to the Board for approval and periodically reviewing these criteria. The Board’s criteria include leadership experience, financial expertise and industry knowledge. The Board evaluates the composition of the Board annually to assess the skills and experience that are currently represented on the Board as a whole, and in individual directors, as well as the skills and experience that the Board may find valuable in the future. The Board actively seeks to achieve a diversity of occupational and personal backgrounds on the Board, including diversity with respect to demographics such as gender, race, ethnic and national background, geography, age and sexual orientation.

The Independent Directors must review the qualifications of director candidates and incumbent directors in light of criteria approved by the Board and recommend the Company’s candidates to the Board for election by the Company’s stockholders at the annual meeting. The Independent Directors also consider director candidates recommended by Company stockholders in accordance with the procedures set forth in the proxy statement.

1.3 Board Leadership

The Board periodically reviews its leadership structure to evaluate whether the structure remains appropriate for the Company. The Board does not require the separation of the offices of the Chairman of the Board and the Chief Executive Officer. At any time when the positions of Chairman of the Board and Chief Executive Officer are held by the same person, the independent directors of the Board will designate an independent director to serve as lead independent director.

The lead independent director’s responsibilities include:

- presiding at meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the independent directors;
- consulting on information sent to the Board;
- consulting on the agenda and schedule for Board meetings so that there is sufficient time for discussion of all agenda items;
- serving as liaison between the Chairman of the Board and the independent directors; and
- being available for consultation and communication with major stockholders upon request.

The lead independent director also has the authority to call executive sessions of the independent directors.

1.4 Change in Principal Occupation

When a director's principal occupation or business association changes substantially during the director's tenure on the Board, the director must notify the Board.

1.5 Service on Other Boards

Directors are encouraged to limit the number of other boards on which they serve so as not to interfere with their service as a director of the Company. In addition, directors should advise the chairperson of the Board in advance of accepting an invitation to serve on the board of another for-profit organization.

1.6 Annual Election of Directors

The Board is divided into three classes, approximately equal in number, with staggered terms of three years each so that the term of one class expires at each annual meeting of stockholders. Thus, directors typically stand for reelection every three years.

2. Functioning of the Board

2.1 Agendas

The Chairman of the Board establishes the agenda for each Board meeting with the approval of the lead independent director. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Directors are encouraged to suggest the inclusion of items on the agenda. Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting.

2.2 Distribution and Review of Board Materials

Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

2.3 Meetings

The Board holds regularly scheduled meetings throughout the year and holds additional meetings as necessary to carry out its responsibilities. Directors are expected to attend Board meetings and meetings of the Board committees on which they serve.

2.4 Executive Sessions

The directors generally meet in executive session at every regular Board meeting. The Chairman of the Board presides at these executive sessions. In addition, the independent directors meet in

executive session at every regular Board meeting, and the lead independent director presides at these executive sessions.

2.5 Strategic Planning

The Board reviews the Company's long-term strategic plan at least annually and monitors implementation of the strategic plan throughout the year.

2.6 Confidentiality

Directors must protect and hold confidential all non-public information that comes to them, from whatever source, in their capacity as a director of the Company, unless disclosure is authorized or required by law. Proceedings and deliberations of the Board and its committees are confidential.

2.7 Attendance at Annual Meeting of Stockholders

Directors are expected to attend the annual meeting of stockholders absent unusual circumstances.

3. Structure and Functioning of Committees

3.1 Number, Structure and Independence of Committees

The Board has two standing committees: Audit and Compensation. Each committee must consist solely of independent directors. In addition, directors who serve on the Audit Committee and Compensation Committee must meet additional, heightened independence criteria applicable to directors serving on these committees under Nasdaq Stock Market listing standards. The Board may also establish and maintain other committees from time to time as it deems necessary and appropriate.

3.2 Assignment of Committee Members

The Independent Directors consider and make recommendations to the Board regarding committee size, structure, composition and functioning. Committee members and chairpersons are recommended to the Board by the Independent Directors and appointed by the full Board.

3.3 Responsibilities

Each standing committee operates under a written charter that sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership. Each standing committee assesses the adequacy of its charter annually and recommends changes to the Board as appropriate. All committees report regularly to the full Board with respect to their activities.

3.4 Meetings and Agendas

The chairperson of each committee determines the frequency, length and agenda of the committee's meetings. Materials related to agenda items are provided to committee members

sufficiently in advance of meetings where necessary to allow the members to review and prepare for discussion of the items at the meeting.

4. Director Access to Management and Advisers

At the invitation of the Board, members of senior management may attend Board meetings or portions of meetings for the purpose of presenting matters to the Board and participating in discussions. Directors also have full access to other members of management, subject to reasonable efforts to avoid disruption to the Company's business and operations.

The Board has the authority to retain such outside counsel, experts and other advisers as it determines appropriate to assist it in the performance of its functions. Each of the Audit and Compensation Committees has similar authority to retain outside advisers as it determines appropriate to assist it in the performance of its functions.

5. Director Compensation

The Compensation Committee periodically reviews the compensation of directors. Director compensation is set by the Board based upon the recommendation of the Committee. Management directors do not receive compensation for service on the Board.

6. Succession Planning

The Compensation Committee is responsible for oversight of succession planning for certain senior management positions. The succession planning process includes consideration of both ordinary course succession, in the event of planned promotions and retirements, and planning for situations where the CEO or another member of senior management unexpectedly become unable to perform the duties of their positions.

7. Formal Evaluation of the CEO

The Compensation Committee is responsible for setting annual and long-term performance goals for the CEO, evaluating the CEO's performance against those goals, and setting the CEO's compensation. Both the goals and the evaluation are submitted for consideration by the directors meeting in executive session without the CEO present. The results of the evaluation are shared with the CEO and used by Compensation Committee in setting the CEO's compensation.

8. Formal Evaluation of the Executive Chairman

At any time when the Chairman of the Board is an Executive Chairman, the Compensation Committee is responsible for setting annual and long-term performance goals for the Executive Chairman, evaluating the Executive Chairman's performance against those goals, and setting the Executive Chairman's compensation. Both the goals and the evaluation are submitted for consideration by the directors meeting in executive session without the Executive Chairman present. The results of the evaluation are shared with the Executive Chairman and used by the Compensation Committee in setting the Executive Chairman's compensation.

9. Director Orientation and Continuing Education

The Company has an orientation process for Board members that is designed to familiarize new directors with various aspects of the Company's business, including the Company's strategy, operations, finances, risk management processes, compliance program and governance practices. The Board encourages directors to participate in education programs to assist them in performing their responsibilities as directors.

10. Board and Committee Performance Evaluations

The Board conducts an annual self-evaluation to assess its performance. The Audit and Compensation Committees conduct annual self-evaluations to assess their performance. The ability of individual directors to contribute to the Board is considered in connection with the re-nomination process. The Independent Directors are responsible for developing, administering and overseeing processes for conducting evaluations.

Adopted: 5 October, 2023