

**CARDIOL THERAPEUTICS INC.**  
**NASDAQ STATEMENT OF GOVERNANCE DIFFERENCES**

As a Canadian corporation listed on Nasdaq, we are not required to comply with certain Nasdaq corporate governance standards. Section 5615(a)(3) of the Nasdaq Stock Market Rules permits Nasdaq to grant exemptions to a foreign private issuer for certain provisions of the Rule 5600 series, Rule 5250(b)(3) and Rule 5250(d). We are organized under the laws of Ontario, Canada and our common shares are listed for trading on the Toronto Stock Exchange (“TSX”). We comply with the applicable laws of Canada and rules and regulations of the TSX, including rules related to corporate governance practices. A description of the significant ways in which our corporate governance practices differ from those followed by U.S. domestic companies pursuant to the Nasdaq Stock Market Rules is as follows:

Compensation Committee Requirements: Rule 5605(d)(2) of the Nasdaq Stock Market Rules requires that each company have and certify that it has and will continue to have, a compensation committee of at least two members. Each committee member must be an “Independent Director” as defined under Rule 5605(a)(2). Our Corporate Governance and Compensation Committee has three members, one of whom does not meet the independence standard defined in Rule 5605(a)(2).

Independent Director Oversight of Director Nominations Requirements: Rule 5605(e)(1) of the Nasdaq Stock Market Rules requires that Director nominees must either be selected, or recommended for the Board of Directors’ selection, either by: (A) Independent Directors constituting a majority of the Board of Directors’ Independent Directors in a vote in which only Independent Directors participate, or (B) a nominations committee comprised solely of Independent Directors. Our Directors are selected by our Corporate Governance and Compensation Committee, which is comprised of three members, one of whom does not meet the independence standard defined in Rule 5605(a)(2).

Quorum Requirements: Rule 5620(c) of the Nasdaq Stock Market Rules requires that the minimum quorum requirement for any meeting of a company’s shareholders be 33 1/3% of the outstanding voting shares. In addition, Rule 5620(c) requires that an issuer listed on Nasdaq state its quorum requirement in its bylaws. Our quorum requirement for a meeting of shareholders is set forth in our By-Law No. 1, which requires at least one person holding or representing by proxy not less than 25% percent of our outstanding common shares entitled to vote at the meeting.

The foregoing is consistent with the applicable laws in Canada and the rules of the TSX.