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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

**SCHEDULE PRE 14A**  
(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934

Filed by the Registrant

☒

Filed by a Party other than the Registrant

☐

Check the appropriate box:

☒ Preliminary Proxy Statement

☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

☐ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Pursuant to §240.14a-12

**PROPHASE LABS, INC.**  
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check all boxes that apply):

☒ No fee required.

☐ Fee paid previously with preliminary materials:

☐ Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11



July 28, 2025

Dear Stockholder:

The ProPhase Labs, Inc. Special Meeting of Stockholders (the "Special Meeting") will be held on Friday, August 29, 2025, at 4:00 p.m. Eastern Time, at 273 Merrick Road, Lynbrook, NY 11563. The meeting will start promptly at 4:00 p.m., Eastern Time.

Stockholders are invited to attend the Special Meeting. Whether or not you plan to attend the Special Meeting in person, your vote is important. Please vote your shares by proxy in advance of the Special Meeting as instructed in the enclosed proxy card if you are a record holder or, for shares held in street name, the voting instruction form provided by your bank, broker or nominee. Even if you have voted by proxy, you may still vote in person if you attend the Special Meeting. Please note, however, that if your shares are held of record by a bank, broker or similar institution and you wish to vote at the Special Meeting, you must obtain a proxy issued in your name from that record holder.

Details of the business to be conducted at the Special Meeting are included in the attached Notice of Special Meeting and Proxy Statement.

Very truly yours,

/s/ Ted Karkus

\_\_\_\_\_  
Ted Karkus  
Chairman of the Board of Directors  
and Chief Executive Officer

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
to be held Friday, August 29, 2025**

**TO THE STOCKHOLDERS OF PROPHASE LABS, INC.:**

NOTICE IS HEREBY GIVEN that a Special Meeting of Stockholders (the “Special Meeting”) of ProPhase Labs, Inc. (the “Company”), a Delaware corporation, will be held at 273 Merrick Road, Lynbrook, NY 11563, on Friday, August 29, 2025, at 4:00 p.m., Eastern Time, for the following purposes:

- (1) To approve, for purposes of complying with Nasdaq Listing Rule 5635(c), (i) an amendment to the Company’s Amended and Restated 2022 Equity Compensation Plan to increase the number of shares authorized for issuance thereunder by 3,000,000 shares, and (ii) the adoption of the Company’s Amended and Restated 2025 Equity Compensation Plan, as approved by the Board of Directors, to supersede the 2022 Plan, contingent on the approval of Proposal 3. (Proposal 1);
- (2) To approve, for purposes of complying with Nasdaq Listing Rule 5635(c), (i) an amendment to the Company’s Amended and Restated 2022 Directors’ Equity Compensation Plan to increase the number of shares authorized for issuance thereunder by 500,000 shares, and (ii) the adoption of the Company’s Amended and Restated 2025 Directors’ Equity Compensation Plan, as approved by the Board of Directors, to supersede the 2022 Directors’ Plan, contingent on the approval of Proposal 3. (Proposal 2);
- (3) To approve an amendment to Article FOURTH of the Company’s Certificate of Incorporation, as amended, to increase the number of authorized shares of common stock from 50,000,000 to 1,000,000,000 shares, as recommended by the Board of Directors to transform the structure of the Company to have the flexibility to attract and execute on the optimal crypto treasury strategy. (Proposal 3);
- (4) To approve, on a non-binding, advisory basis, the Board of Directors’ adoption of a share repurchase program authorizing the Company, in its discretion, to repurchase up to \$15 million of its outstanding common stock from time to time in the open market or through privately negotiated transactions, subject to applicable law and the Company’s financial condition. (Proposal 4);
- (5) To approve, for purposes of complying with Nasdaq Listing Rule 5635(d), the issuance by the Company of shares of its common stock (and/or securities convertible into or exercisable for common stock), in one or more non-public offerings, in an aggregate amount that may exceed 20% of the total number of shares of the Company’s common stock outstanding as of the date of issuance, at a price that may be less than the greater of book value or market value of the common stock, as determined in accordance with Nasdaq rules. (Proposal 5)
- (6) To approve an amendment to the Company’s By-Laws to add the address of its principal executive offices to 626 RXR Plaza, 6<sup>th</sup> Floor, Uniondale, NY 11556 (this proposal is considered a routine matter for which brokers may exercise discretionary voting authority). (Proposal 6);
- (7) To transact such other business as may properly come before the Special Meeting and any adjournments or postponements thereof.

These items of business are more fully described in the proxy statement accompanying this Notice.

YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE IN FAVOR OF PROPOSALS 1 THROUGH 6.

The record date for the Special Meeting is Friday, August 1, 2025. Only stockholders of record at the close of business on that date may vote at the Special Meeting or any adjournment or postponement thereof.

By Order of the Board of Directors

/s/ Ted Karkus

Ted Karkus  
Chairman of the Board of Directors  
and Chief Executive Officer

Uniondale, New York  
July 28, 2025

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS’ MEETING TO BE HELD ON AUGUST 29, 2025**

The Notice of Special Meeting of Stockholders and Proxy Statement are available at:

[www.proxyvote.com](http://www.proxyvote.com)

**ProPhase Labs, Inc.  
626 RXR Plaza, 6th Floor  
Uniondale, New York 11556**

**PROXY STATEMENT**

**SPECIAL MEETING OF STOCKHOLDERS  
to be held August 29, 2025**

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**ProPhase Labs, Inc.**  
**626 RXR Plaza, 6th Floor**  
**Uniondale, New York 11556**

## **PROXY STATEMENT**

### **QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND THE SPECIAL MEETING**

***Q: Why am I receiving these materials?***

**A:** The Board of Directors (the “Board”) of ProPhase Labs, Inc. (the “Company,” “we,” “our,” or “us,” as the context requires) is providing this proxy statement (this “Proxy Statement”) to solicit your proxy in connection with a Special Meeting of Stockholders (the “Special Meeting”), which will be held at 273 Merrick Road, Lynbrook, NY 11563, on Friday, August 29, 2025, at 4:00 p.m., Eastern Time. The Board is requesting your vote on the proposals described in this Proxy Statement. This Proxy Statement and the Notice of Special Meeting, along with the accompanying proxy card, or voting instruction form, as applicable, are being mailed to stockholders on or about August 7, 2025.

***Q: Who is soliciting the proxies?***

**A:** We are soliciting proxies in the form enclosed on behalf of the Board. Our Board has selected Ted Karkus and Lance Bisesar (the “Named Proxies”) to vote all shares for which the Company has been appointed to act as proxy at the Special Meeting. The Named Proxies will vote any properly executed proxy, if received in time and not revoked, at the Special Meeting in accordance with your directions. The Named Proxies will vote any signed proxy that fails to specify a choice on any proposal to be acted upon at the Special Meeting in accordance with the Board’s voting recommendations (as described below in “*What are the Board’s voting recommendations?*”), and, in the Named Proxies’ discretion, FOR or AGAINST such other business as may properly come before the Special Meeting or any adjournment or postponement thereof.

***Q: What information is contained in these materials?***

**A:** This Proxy Statement contains information related to the proposals to be voted on at the Special Meeting, the voting process, the compensation of the Company’s executive officers and directors, and other required information.

***Q: What proposals will be voted on at the Special Meeting?***

**A:** There are six matters on which a vote is scheduled at the Special Meeting:

- (1) To approve, for purposes of complying with Nasdaq Listing Rule 5635(c), (i) an amendment to the Company’s Amended and Restated 2022 Equity Compensation Plan to increase the number of shares authorized for issuance thereunder by 3,000,000 shares, and (ii) the adoption of the Company’s Amended and Restated 2025 Equity Compensation Plan, as approved by the Board of Directors, to supersede the 2022 Plan, contingent on the approval of Proposal 3. (Proposal 1);
- (2) To approve, for purposes of complying with Nasdaq Listing Rule 5635(c), (i) an amendment to the Company’s Amended and Restated 2022 Directors’ Equity Compensation Plan to increase the number of shares authorized for issuance thereunder by 500,000 shares, and (ii) the adoption of the Company’s Amended and Restated 2025 Directors’ Equity Compensation Plan, as approved by the Board of Directors, to supersede the 2022 Directors’ Plan, contingent on the approval of Proposal 3. (Proposal 2);
- (3) To approve an amendment to Article FOURTH of the Company’s Certificate of Incorporation, as amended, to increase the number of authorized shares of common stock from 50,000,000 to 1,000,000,000 shares, as recommended by the Board of Directors to transform the structure of the Company to have the flexibility to attract and execute on the optimal crypto treasury strategy. (Proposal 3);
- (4) To approve, on a non-binding, advisory basis, the Board of Directors’ adoption of a share repurchase program authorizing the Company, in its discretion, to repurchase up to \$15 million of its outstanding common stock from time to time in the open market or through privately negotiated transactions, subject to applicable law and the Company’s financial condition. (Proposal 4);
- (5) To approve, for purposes of complying with Nasdaq Listing Rule 5635(d), the issuance by the Company of shares of its common stock (and/or securities convertible into or exercisable for common stock), in one or more non-public offerings, in an aggregate amount that may exceed 20% of the total number of shares of the Company’s common stock outstanding as of the date of issuance, at a price that may be less than the greater of book value or market value of the common stock, as determined in accordance with Nasdaq rules. (Proposal 5)
- (6) To approve an amendment to the Company’s By-Laws to add the address of its principal executive offices to 626 RXR Plaza, 6<sup>th</sup> Floor, Uniondale, NY 11556 (this proposal is considered a routine matter for which brokers may exercise discretionary voting authority). (Proposal 6)

We will also consider and vote upon any other business properly brought before the Special Meeting, or any adjournment or postponement thereof. However, our Secretary has not received timely and proper notice from any stockholder of any other matter to be presented at the meeting.

***Q: What are the Board's voting recommendations?***

**A:** The Board recommends that you vote your shares:

- FOR (i) an amendment to the Company's Amended and Restated 2022 Equity Compensation Plan to increase the number of shares authorized for issuance thereunder by 3,000,000 shares, and (ii) the adoption of the Company's Amended and Restated 2025 Equity Compensation Plan, as approved by the Board of Directors, to supersede the 2022 Plan, contingent on the approval of Proposal 3. (Proposal 1);
- FOR (i) an amendment to the Company's Amended and Restated 2022 Directors' Equity Compensation Plan to increase the number of shares authorized for issuance thereunder by 500,000 shares, and (ii) the adoption of the Company's Amended and Restated 2025 Directors' Equity Compensation Plan, as approved by the Board of Directors, to supersede the 2022 Directors' Plan, contingent on the approval of Proposal 3. (Proposal 2);
- FOR an amendment to Article FOURTH of the Company's Certificate of Incorporation, as amended, to increase the number of authorized shares of common stock from 50,000,000 to 1,000,000,000 shares, as recommended by the Board of Directors to transform the structure of the Company to have the flexibility to attract and execute on the optimal crypto treasury strategy. (Proposal 3);
- FOR the approval of, on a non-binding, advisory basis, the Board of Directors' adoption of a share repurchase program authorizing the Company, in its discretion, to repurchase up to \$15 million of its outstanding common stock from time to time in the open market or through privately negotiated transactions, subject to applicable law and the Company's financial condition. (Proposal 4); and
- FOR the approval of the issuance by the Company of shares of its common stock (and/or securities convertible into or exercisable for common stock), in one or more non-public offerings, in an aggregate amount that may exceed 20% of the total number of shares of the Company's common stock outstanding as of the date of issuance, at a price that may be less than the greater of book value or market value of the common stock, as determined in accordance with Nasdaq rules. (Proposal 5).
- FOR the approval of an amendment to the Company's By-Laws to add the address of its principal executive offices to 626 RXR Plaza, 6<sup>th</sup> Floor, Uniondale, NY 11556 (this proposal is considered a routine matter for which brokers may exercise discretionary voting authority). (Proposal 6)

***Q: What shares may I vote?***

**A:** You may vote all shares of the Company's common stock, par value \$0.0005 per share, that you own as of the close of business on August 1, 2025 (the "Record Date"). These shares include:

1. those held directly in your name as the stockholder of record; and
2. those held for you as the beneficial owner through a bank, broker, or similar institution at the close of business on the Record Date.

Each share of common stock is entitled to one vote.

The Board of Directors has fixed the close of business on August 1, 2025 as the record date for determining stockholders entitled to notice of, and to vote at, the Special Meeting. Only stockholders of record at the close of business on that date will be entitled to vote at the Special Meeting.

As of the date of this preliminary proxy statement, the Company does not yet know the number of shares of common stock that will be outstanding on the record date. The exact number of shares entitled to vote will be provided in the definitive proxy statement.

***Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?***

**A:** Most Company stockholders hold their shares through a bank, broker or similar institution rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

***Stockholder of Record***

If your shares are registered directly in your name with the Company's transfer agent, Equiniti Trust Company LLC, you are considered, with respect to those shares, the stockholder of record and we are sending these proxy materials directly to you. As the stockholder of record, you have the right to vote your shares in person at the Special Meeting or to grant a proxy to vote your shares to the Company or any other person who will appear in person at the Special Meeting, and any adjournment or postponement thereof, and vote your shares on your behalf.

***Beneficial Owner***

If you hold shares in a stock brokerage account or through a bank or similar institution, you are considered the beneficial owner of shares held in street name, and your bank, broker or nominee is forwarding these proxy materials to you. Your bank, broker, or nominee is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your bank, broker, or other nominee on how to vote your shares, but because you are not the stockholder of record, you may not vote these shares in person at the Special Meeting unless you obtain a signed proxy from the record holder giving you the right to vote the shares. Your bank, broker, or nominee has enclosed a voting instruction form for you to use.

***Q: May I attend the Special Meeting in person?***

**A:** If you are a stockholder of record, you are invited to attend the Special Meeting and vote your shares in person at the Special Meeting.

If you are a beneficial owner, you may not vote your shares in person at the Special Meeting unless you obtain a signed proxy from your bank, broker or other nominee giving you the right to vote the shares in person at the Special Meeting.

All stockholders attending the Special Meeting will be asked to present a form of photo identification, such as a driver's license, in order to be admitted to the meeting. By attending the Special Meeting, stockholders agree to abide by the agenda and procedures for the Special Meeting, copies of which will be distributed to attendees at the meeting.

***Q: How can I vote my shares in person at the Special Meeting?***

**A:** If you are a stockholder of record, you may vote shares you hold directly in your name at the Special Meeting. If you choose to attend the Special Meeting, please bring the enclosed proxy card. Voting in person at the Special Meeting will revoke any proxy you submitted earlier.

If you are the beneficial owner of shares held in street name and your bank, broker, or nominee is forwarding these proxy materials to you, you may vote the shares in person at the Special Meeting only if you have obtained a signed proxy from your bank, broker, or nominee (*i.e.*, the record holder) giving you the right to vote the shares.

Even if you plan to attend the Special Meeting, we recommend that you also submit your proxy as described below so that your vote will be counted if you later decide not to attend the Special Meeting. Submitting your proxy now will not prevent you from voting your shares in person at the Special Meeting if you desire to do so, as your proxy is revocable at your option.

**Q: How can I vote my shares without attending the Special Meeting?**

**A:** Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct your vote without attending the Special Meeting. If you hold your shares directly, you may vote by granting a proxy. If you hold your shares in street name, you may submit voting instructions to your bank, broker, or other nominee. Please refer to the summary instructions below and those included on your proxy card or, for shares held in street name, the voting instruction form provided by your bank, broker or nominee.

**By Mail**— If you hold your shares directly in your name as the stockholder of record, you may vote by mail by following the instructions provided on your proxy card and mailing the proxy card in the enclosed, postage prepaid and addressed envelope. If you hold your shares in street name, you may vote by mail by following the voting instruction form provided by your bank, broker or nominee and mailing the proxy card in the enclosed, postage prepaid and addressed envelope. If you provide specific voting instructions on your proxy card or voting instruction form, your shares will be voted as you instruct at the Special Meeting. If you sign but do not provide instructions, your shares will be voted as described below in “*How are votes counted?*”

**On the Internet**— If you hold your shares directly in your name as the stockholder of record you may vote online at [www.proxyvote.com](http://www.proxyvote.com) by following the online instructions (have your proxy card available when you access the website). If you hold your shares in street name and the firm that holds your shares offers online voting, your broker voting instruction form will contain instructions on how to vote online. If you vote online, you do not need to mail in your proxy card.

**By Telephone**— If you hold your shares directly in your name as the stockholder of record you may vote by telephone by following the instructions on your proxy card (have your proxy card available when you call). If you hold your shares in street name and the firm that holds your shares offers voting by telephone, your broker voting instruction form will contain instructions on how to vote by telephone. If you vote by telephone, you do not need to mail in your proxy card.

**Q: May I change or revoke my vote?**

**A:** Yes, you may change or revoke your proxy instructions at any time prior to the vote at the Special Meeting.

If you hold your shares directly and returned your proxy by mail, you must (a) provide written notice of revocation to the Secretary of the Company, (b) timely deliver a valid, later-dated proxy, or (c) vote in person at the Special Meeting. Your attendance at the Special Meeting will not by itself revoke your previously granted proxy unless you give written notice of revocation to the Secretary of the Company before the Special Meeting or you vote at the Special Meeting. Any proxy submitted by a stockholder of record may be revoked at any time prior to its exercise at the Special Meeting.

For shares you own beneficially, you may change your vote by submitting new voting instructions to your bank, broker or nominee. If you voted on the Internet or by telephone, you may change your vote by following the instructions for voting by either method until the cut-off time stated in the proxy instructions.

**Q: How are votes counted?**

**A:** For Proposal 1 (amending the Company’s Equity Compensation Plan to increase its number of shares authorized for issuance by 3,000,000 and adopting the new Amended and Restated 2025 Equity Compensation Plan), you may vote “FOR”, “AGAINST” or “ABSTAIN.” For abstentions, see “*What happens if I abstain from voting?*” below.

For Proposal 2 (amending the Director’s Equity Compensation Plan to increase the number of its shares authorized for issuance by 500,000 and adopting the new Amended and Restated 2025 Directors’ Equity Compensation Plan), you may vote “FOR”, “AGAINST” or “ABSTAIN.” For abstentions, see “*What happens if I abstain from voting?*” below.

For Proposal 3 (increasing the number of authorized shares of common stock from 50,000,000 to 1,000,000,000 shares), you may vote “FOR”, “AGAINST” or “ABSTAIN.” For abstentions, see “*What happens if I abstain from voting?*” below.

For Proposal 4 (approving the adoption of a share repurchase program authorizing the Company to repurchase up to \$15 million of its outstanding common stock), you may vote “FOR”, “AGAINST” or “ABSTAIN.” For abstentions, see “*What happens if I abstain from voting?*” below.

For Proposal 5 (approving the issuance by the Company of shares of common stock in one or more non-public offerings in an aggregate amount that may exceed 20% of the total number of shares of the Company’s common stock outstanding as of the date of the issuance), you may vote “FOR”, “AGAINST” or “ABSTAIN.” For abstentions, see “*What happens if I abstain from voting?*” below.

For Proposal 6 (approving the amendment of the Bylaws to add the Company’s corporate address), you may vote “FOR”, “AGAINST” or “ABSTAIN.” For abstentions, see “*What happens if I abstain from voting?*” below.

If you specify a voting choice, the shares will be voted in accordance with that choice. If you vote your shares, but do not indicate your voting preferences, the Named Proxies will vote your shares in accordance with the recommendations of the Board.

If you are a beneficial owner and you have not provided voting instructions to your bank, broker or nominee, your bank, broker or nominee may not exercise discretionary authority to vote your shares with respect to any of Proposals 1 to 5, which are considered non-routine matters. As a result, your shares will be treated as “broker non-votes” with respect to these proposals. See “*What is a broker non-vote?*” for more information. Proposal 6 is a routine matter and broker non-votes and abstentions (described below) will be counted as present and entitled to vote for purposes of determining a quorum at the Special Meeting.

**Q: What is the quorum requirement for the Special Meeting?**

**A:** The quorum requirement for holding a Special Meeting and transacting business is a majority of the outstanding shares of common stock entitled to vote. The shares may be present in person or represented by proxy at the Special Meeting. Abstentions and “broker non-votes” (described below) will be counted as present and entitled to vote for purposes of determining a quorum at the Special Meeting.

**Q: What is the voting requirement to approve each of the proposals?**

**A:** Amending the Company's Equity Compensation Plan to increase its number of shares authorized for issuance by 3,000,000 and adopting the new Restated 2025 Equity Compensation Plan (Proposal 1), amending the Director's Equity Compensation Plan to increase the number of its shares authorized for issuance by 500,000 and adopting the new Amended and Restated 2025 Directors' Equity Compensation Plan (Proposal 2), increasing the number of authorized shares of common stock from 50,000,000 to 1,000,000,000 (Proposal 3), approving the adoption of a share repurchase program authorizing the Company to repurchase up to \$15 million of its outstanding common stock (Proposal 4), approving the issuance by the Company of shares of common stock in one or more non-public offerings in an aggregate amount that may exceed 20% of the total number of shares of the Company's common stock outstanding as of the date of the issuance (Proposal 5), will each require the affirmative vote of a majority of the votes cast on such proposal by the shares present in person or represented by proxy at the Special Meeting and entitled to vote thereon. Approving the amendment of the Bylaws to add the corporate address (Proposal 6) will require 66 2/3% affirmative vote of all shareholders. See Proposal 6 below. In each case, a quorum must be present at the Special Meeting for a valid vote.

**Q: What happens if I abstain from voting?**

**A:** If an executed proxy card or voting instruction form is returned and the stockholder has explicitly abstained from voting on any proposal, the shares represented by the proxy will be considered present at the Special Meeting for the purpose of determining a quorum. Abstentions will not be counted as votes cast and therefore they will have no effect on the outcome of any proposal.

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**Q: What is a "broker non-vote"?**

**A:** A "broker non-vote" occurs when a broker submits a proxy that does not indicate a vote for one or more of the proposals because the broker has not received instructions from the beneficial owner on how to vote on such proposal and does not have discretionary authority to vote in the absence of instructions. Brokers have discretionary authority to vote on matters that are deemed "routine." One of the proposals considered in this Special Meeting, Proposal 6, is routine. Brokers do not have discretionary authority to vote on matters that are deemed "non-routine," such as Amending the Company's Equity Compensation Plan to increase its number of shares authorized for issuance by 3,000,000 and adopting the new Restated 2025 Equity Compensation Plan (Proposal 1), amending the Director's Equity Compensation Plan to increase the number of its shares authorized for issuance by 500,000 and adopting the new Amended and Restated 2025 Directors' Equity Compensation Plan (Proposal 2), increasing the number of authorized shares of common stock from 50,000,000 to 1,000,000,000 (Proposal 3), approving the adoption of a share repurchase program authorizing the Company to repurchase up to \$15 million of its outstanding common stock (Proposal 4), and approving the issuance by the Company of shares of common stock in one or more non-public offerings in an aggregate amount that may exceed 20% of the total number of shares of the Company's common stock outstanding as of the date of the issuance (Proposal 5). Broker non-votes will be counted for the purposes of determining whether a quorum exists at the Special Meeting, but because they are not votes that are cast, they will have no effect on the outcome of Proposal 1, Proposal 2, Proposal 3, Proposal 4, or Proposal 5.

**Q: Will I have dissenters' rights?**

**A:** No dissenters' rights are available under the General Corporation Law of the State of Delaware, our certificate of incorporation, or our bylaws to any stockholder with respect to any of the proposals.

**Q: What does it mean if I receive more than one proxy card or voting instruction form?**

**A:** It means your shares are registered differently or are held in more than one account. Please provide voting instructions for all proxy cards and voting instruction forms you receive.

**Q: Where can I find the voting results of the Special Meeting?**

**A:** We will announce preliminary voting results at the Special Meeting and publish final results in a Current Report on Form 8-K following the Special Meeting.

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**Outstanding Equity Awards at 2024 Fiscal Year End**

The following table sets forth information concerning outstanding equity awards held by each of our named executive officers for the last completed fiscal year of December 31, 2024, as of December 31, 2024.

| Name         | Option Awards   |   | Option Exercise Price (\$) | Option Expiration Date |
|--------------|---|---|----------------------------|------------------------|
|              | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable |                            |                        |
| Ted Karkus   | 100,000(1)  | 400,000(1)  | 9.00                       | 4/4/2030               |
|              | 100,000(2)  | 300,000(2)  | 6.00                       | 3/16/2031              |
| Jed Latkin   | 17,500(3)   | 40,000(3)   | 6.84                       | 3/12/2030              |
|              | 125,000(4)  | 375,000(4)  | 6.00                       | 12/31/2030             |
| Robert Morse | -(5)  | -(5)  | -                          | -                      |

(1) Award of 500,000 options was granted on April 4, 2024 was scheduled to vest in 5 equal annual installments beginning on April 4, 2024, subject to Mr. Karkus continued service through each vesting date.

(2) Award of 400,000 options was granted on March 17, 2024 was scheduled to vest in 4 equal annual installments beginning on March 17, 2024, subject to Mr. Karkus continued service through each vesting date.

(3) Award of 35,000 options was granted on March 13, 2023 was scheduled to vest in 4 equal annual installments beginning on March 13, 2023, subject to Mr. Latkin continued service through each vesting date.

(4) Award of 125,000 options was granted on January 1, 2024 was scheduled to vest in 4 equal annual installments beginning on January 1, 2024, subject to Mr. Latkin continued service through each vesting date.

(5) As of December 31, 2024, Mr. Morse had no outstanding or exercisable options.

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## Director Compensation for 2024-2026

In setting director compensation, the Board considers the significant amount of time that directors expend in fulfilling their duties to the Company. Only non-employee directors are entitled to compensation for Board service.

For the period beginning July 1, 2024 and ending June 30, 2025 (the “2024 Director Period”), our non-employee directors are entitled to receive:

- a \$35,000 annual cash service retainer (to be paid in quarterly installments beginning September 30, 2024); and
- a stock option to purchase 70,000 shares of the Company’s common stock with an exercise price of \$6.00 per share (the closing price of the Company’s common stock on the grant date); vesting in four equal quarterly installments of 17,500 shares over one year, with the first quarterly installment vesting on September 30, 2024 and each additional installment vesting quarterly thereafter, subject to the director’s continued service with the Company on each such vesting date.

For the period beginning July 1, 2025 and ending June 30, 2026 (the “2025 Director Period”), our non-employee directors were entitled to receive, at their election, either:

- a \$48,000 annual cash service retainer (to be paid in quarterly installments beginning September 30, 2025); and
- a stock option to purchase shares of the Company’s common stock to be determined upon shareholder approval of Proposal 2 and Proposal 3 with an exercise price per share to be determined (the closing price of the Company’s common stock on the grant date); vesting in four equal quarterly installments over one year, with the first quarterly installment vesting on September 30, 2023 and each additional installment vesting quarterly thereafter, subject to the director’s continued service with the Company on each such vesting date and approval of Proposal 2 and Proposal 3.

Stock options granted under the director compensation program are granted under the Company’s Amended and Restated 2022 Directors’ Equity Compensation Plan (the “2022 Directors’ Plan”) with an exercise price equal to the Fair Market Value (as such term is defined in the 2022 Directors’ Plan) of our common stock on the date of grant.

We reimburse each non-employee member of our Board for out-of-pocket expenses incurred in connection with attending Board and committee meetings. Non-employee directors do not participate in any nonqualified deferred compensation plan and we do not pay any life insurance policies for the directors.

| Name <sup>(1)</sup> | Fees Earned or Paid in Cash<br>( <sup>(2)</sup> )<br>(\$) | Option Awards<br>( <sup>(2)</sup> )<br>(\$) | Total<br>( <sup>(2)</sup> )<br>(\$) |
|---------------------|---|---|-------------------------------------|
| Jason Barr          | 17,500  | 163,000                                     | 180,500                             |
| Louis Gleckel, MD   | 26,250  | 163,000                                     | 189,250                             |
| Warren Hirsch       | 26,250  | 163,000                                     | 189,250                             |

- (1) Our employee directors do not receive director fees. Accordingly, Mr. Ted Karkus is not entitled to, and did not receive, any compensation for his service on the Board in 2024.
- (2) For each of the non-employee directors, this amount relates to a stock option to purchase 70,000 shares of the Company’s common stock granted to each of the non-employee directors on March 17, 2024 for the 2024 Director Period. The amounts reported represent the aggregate grant date fair value of the option awards granted to the non-employee directors in March 2024, determined in accordance with FASB ASC Topic 718. For a discussion of the assumptions and methodologies used to value the option award granted, see Note 7 “Stockholders’ Equity” to the financial statements included in our 2024 Annual Report.

As of December 31, 2024, Dr. Gleckel held options to purchase an aggregate of 350,000 shares of common stock and Mr. Hirsch held options to purchase an aggregate of 250,000 shares of common stock.

## EQUITY COMPENSATION PLAN INFORMATION

The table below sets forth information with respect to shares of common stock that may be issued under our equity compensation plans issued as of December 31, 2024:

| Plan Category   | Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights<br>(a) | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights<br>(b) | Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))<br>(c) |
|---|--|--|--|
| Equity compensation plans approved by security holders <sup>(1)(2)(3)</sup> | 3,330,000  | \$ 6.74  | 705,785  |
| Equity compensation plans not approved by security holders <sup>(4)</sup>   | 550,000  | \$ 6.02  | -  |
| Total   |  |  |  |

- (1) At December 31, 2024, there were 2,286,124 shares of our common stock issuable pursuant to stock options outstanding under the 2022 Plan. At December 31, 2024, there were 1,093,285 shares of common stock that were available for issuance pursuant to the 2022 Plan.
- (2) At December 31, 2024, there were 665,126 shares of our common stock issuable pursuant to stock options outstanding under the 2022 Directors’ Plan. At December 31, 2024, there were 210,000 shares of common stock that were available for issuance pursuant to the 2022 Directors Plan.
- (3) At December 31, 2024, no stock options were outstanding under the 2018 Stock Incentive Plan. At December 31, 2024, there were no shares of common stock that were available for issuance pursuant to the 2018 Stock Incentive Plan.
- (4) Represents the number of shares of our common stock underlying stock option awards granted as inducements material to employees entering into employment with the Company in accordance with Nasdaq Listing Rule 5635(c)(4) and outstanding as of December 31, 2024.

## SECURITY OWNERSHIP

The following table sets forth information regarding ownership of our common stock as of April 29, 2025 by (a) each person known to the Company to own more than 5% of the outstanding shares of our common stock, (b) each director and nominee for director of the Company, (c) the named executive officers for the last completed fiscal year of December 31, 2024 and (d) all directors, nominees, and current executive officers as a group as of April 29, 2025. Unless otherwise indicated, the address of each person or entity listed below is the Company’s principal executive office.



| Name of Beneficial Owners   | Common Stock<br>Beneficially<br>Owned <sup>(1)</sup> | Percent of Class (%) <sup>(2)</sup> |
|---|--|-------------------------------------|
| <b>Officers and Directors</b>   |  |                                     |
| Ted Karkus <sup>(3)</sup>   | 3,215,329  | 7.6%                                |
| Jed Latkin  | —  | —                                   |
| Louis Gleckel, MD <sup>(4)</sup>  | 436,340  | 1.0%                                |
| Warren Hirsch <sup>(5)</sup>  | 232,500  | *                                   |
| All Current Directors and Executive Officers (4 persons) <sup>(6)</sup> | 4,109,169  | 9.6%                                |

\* Less than 1%

- (1) Beneficial ownership has been determined in accordance with Rule 13d-3 (“Rule 13d-3”) under the Exchange Act, and unless otherwise indicated, represents shares for which the beneficial owner has sole voting and investment power.
- (2) The percentage of class is calculated in accordance with Rule 13d-3 based on 41,879,017 shares outstanding on April 29, 2025. Shares of common stock that a person has the right to acquire within 60 calendar days of April 29, 2025 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all executive officers and directors as a group.
- (3) Includes 138,600 shares held by Mr. Karkus’ son who resides with him and for which Mr. Karkus may be deemed the beneficial owner. Does not include the Unvested Warrants. *See* Related Party Transactions.
- (4) Includes options to purchase 332,5000 shares that are vested or will vest within 60 days of April 29, 2025.
- (5) Includes options to purchase 232,500 shares that are vested or will vest within 60 days of April 29, 2025.
- (6) Includes options to purchase 990,000 shares that are vested or will vest within 60 days of April 29, 2025.

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#### Comparison Chart: 2022 Plans vs. Proposed 2025 Plans

| Feature               | 2022 Equity Plan       | 2025 Equity Plan (Proposal 1)   | 2022 Directors’ Plan   | 2025 Directors’ Plan (Proposal 2)          |
|-----------------------|------------------------|---------------------------------|------------------------|--|
| Share Reserve         | 33,750 shares          | +3,000,000 shares               | 100,000 shares         | +500,000 shares                            |
| Term                  | 10 years               | 10 years                        | 10 years               | 10 years                                   |
| Eligible Participants | Employees, consultants | Same                            | Non-employee directors | Same                                       |
| Shareholder Approval  | Approved 2022          | Seeking approval 2025           | Approved 2022          | Seeking approval 2025                      |
| Plan Status           | Active                 | Will supersede 2022 Equity Plan | Active                 | Will supersede 2022 Directors’ Equity Plan |

#### PROPOSAL 1 – APPROVAL OF THE AMENDED AND RESTATED 2025 EQUITY COMPENSATION PLAN

On June 16, 2023, Company shareholders approved the Amended and Restated 2022 Equity Compensation Plan (the “Amended and Restated 2022 Plan”). As of July 25, 2025, there remained 33,750 shares available for future issuance under the Amended and Restated 2022 Plan, which our Board has determined to be insufficient for the Company’s growth. The Amended and Restated 2022 Plan is attached hereto as Exhibit 2.

The Board recommends that shareholders replace the Amended and Restated 2022 Plan by adopting the 2025 Equity Compensation Plan (“2025 Plan”) which will increase the number of shares reserved for issuance under the Company’s employee equity compensation plan by 3,000,000 shares. The 2025 Plan is attached as Exhibit 3 to this Proxy Statement.

Because grants under the 2025 Plan will be within the discretion of the Compensation Committee at various future dates, it is not possible as of the date of this Proxy Statement to accurately determine future benefits that will be received by our executive officers and other plan participants.

In setting the amount of shares proposed to be added to the 2025 Plan, our Compensation Committee and the Board considered the total amount of awards outstanding under existing grants and available for new awards, as well as anticipated stock award grants over the next year. Our Compensation Committee believes that 3,000,000 additional shares is appropriate at this time to allow us to grant awards over at least the next year.

The Company believes that it has a strong business model and that it will continue to achieve improved financial operations and results in future years. In order to achieve this future success, the Company will need to attract, retain and motivate key personnel and potential hires. The Board believes that equity-based compensation will continue to be essential to permit the Company to successfully continue the pursuit of these objectives. Accordingly, the Board is proposing the 2025 Plan to permit the continued issuance by the Company of equity-based compensation.

The 2025 Plan as proposed is otherwise unchanged from the Amended and Restated 2022 Plan as approved by the stockholders, except for the increase in the total authorized shares thereunder.

The principal features of the 2025 Plan include:

- *No Discount Stock Options*: The 2025 Plan prohibits the grant of a stock option with an exercise price less than the fair market value of the Company’s stock on the date of grant.
- *No Repricing of Stock Options*: The 2025 Plan prohibits the repricing of stock options without stockholder approval.

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- *Independent Committee Administration*: The 2025 Plan will be administered by the Compensation Committee of the Board, whose members satisfy the independence requirements of Rule 10A-3(b)(1) of the Exchange Act, and are “non-employee directors” as defined in Rule 16b-3 of the Exchange Act, and “independent directors” as required by Nasdaq.



- *No Evergreen Feature:* The 2025 Plan does not contain an “evergreen” provision that automatically increases the number of shares authorized for issuance under the 2025 Plan.
- *No Transfer for Value:* Participants are not permitted to transfer awards for value under the 2025 Plan.
- *Material Amendments to the Plan Require Stockholder Approval:* The 2025 Plan provides that a material amendment to the 2025 Plan will not be effective unless approved by the Company’s stockholders.

A description of the 2025 Plan is included below. It is not a complete statement of the 2025 Plan. The full text of the 2025 Plan, which has been marked to show changes from the existing Amended and Restated 2022 Plan, is attached as Exhibit 3 to this Proxy Statement. The 2025 Plan will become effective on September 1, 2025, pending stockholder approval of this Proposal 1 at the Special Meeting.

*Purpose.* The purpose of the 2025 Plan is to aid us and our affiliates in recruiting and retaining key employees of outstanding ability and to motivate those employees to exert their best efforts on our behalf and the behalf of our affiliates by providing incentives through the granting of options, restricted stock awards, restricted stock units (“RSUs”), and stock-based compensation, to relate employees’ compensation more closely to the Company’s performance and its stockholders’ interests, and to increase employees’ stock ownership in the Company.

*Eligibility.* All of the Company’s employees, including employees who are officers, and our directors are eligible to participate in the 2025 Plan. Consultants and advisors who perform services for the Company are also eligible to participate in the 2025 Plan. As of July 25, 2025, the Company had three non-employee directors and 20 employees (including those at the subsidiary level), which include two executive officers, who were eligible to participate in the 2022 Amended and Restated Plan. In addition, the Company routinely utilizes varying levels of consultants and advisors to conduct its normal business operations.

*Shares Subject to the Plan.* The 2022 Amended and Restated Plan currently authorizes the issuance of 1,975,785 shares (subject to the counting, adjustment and substitution provisions of the predecessor plan). Shares that are subject to awards under the 2022 Amended and Restated Plan which terminate, expire, forfeit or lapse without the payment of consideration (or awards settled in cash in lieu of shares) may be granted again under the 2025 Plan.

If the 2025 Plan is approved by our stockholders, the number of shares authorized for issuance will be (i) 3,000,000, plus (ii) the number of shares available under the 2022 Amended and Restated Plan immediately prior to stockholder approval of the 2025 Plan (as of July 25, 2025, 33,750 shares were available under the 2022 Amended and Restated Plan, subject to the counting, adjustment and substitution provisions of the Plan), plus (iii) that number of shares that are represented by awards which previously have been granted and are outstanding under the 2022 Amended and Restated Plan (including those granted under the predecessor Equity Compensation Plans) on the date the 2025 Plan is approved by stockholders of the Company and which subsequently expire or otherwise lapse, are terminated or forfeited, are settled in cash, or exchanged with the Administrator’s permission, prior to the issuance of shares, for awards not involving shares of common stock, without the issuance of the underlying shares, all of which may be issued as ISOs to the extent approved or by prior stockholder approval.

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*Administration.* The 2025 Plan will be administered by the “Committee,” which is the Compensation Committee or such other committee of our Board to which the Board has delegated power. The Committee is authorized to interpret the 2025 Plan to establish, amend and rescind any rules and policies relating to the 2025 Plan and to make any other determinations that it deems necessary or advisable for the administration of the 2025 Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the 2025 Plan in the manner and to the extent the Committee deems necessary or advisable. The Committee will have the full power and authority to establish the terms and conditions of any award consistent with the provisions of the 2025 Plan and, except with respect to the provisions prohibiting repricing of any award granted under the 2025 Plan, to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions). Determinations made by the Committee need not be uniform and may be made selectively among participants in the 2025 Plan.

*Performance-Based Awards and Metrics.* Under the 2025 Plan, the Compensation Committee may grant performance-based equity awards that are earned or vest upon the achievement of specified performance goals. These performance goals may be based on **company-wide** financial or strategic objectives, **individual performance criteria**, or a combination of both.

Company performance metrics may include, but are not limited to:

- Revenue growth
- EBITDA or adjusted EBITDA
- Net income
- Earnings per share (EPS)
- Total shareholder return (TSR)
- Return on equity (ROE)
- Strategic initiatives, such as product development milestones, operational efficiency goals, or M&A integration success

Individual performance metrics may include, but are not limited to:

- Achievement of role-specific objectives
- Individual, leadership, and team development
- Execution of strategic initiatives
- Cross-functional collaboration
- Operational or departmental efficiency improvements

Performance goals may be set on an absolute or relative basis and are determined by the Compensation Committee at the time of grant. The Committee may exercise discretion to adjust or modify goals to reflect extraordinary events or changed circumstances.

*Limitations.* No award may be granted under the 2025 Plan after the tenth anniversary of the effective date (as defined therein), but awards theretofore granted may extend beyond that date.

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*Options.* The Committee may grant non-qualified stock options and incentive stock options, which will be subject to the terms and conditions as set forth in the 2025 Plan, the related option agreement and any other terms, not inconsistent therewith, as determined by the Committee; provided that all stock options granted under the 2025 Plan are required to have a per share exercise price that is not less than 100% of the fair market value of our common stock underlying such stock options on the date an option is granted (other than in the case of options granted in substitution of previously granted options), and all stock options that are intended to qualify as incentive stock options will be subject to the terms and conditions that comply with the rules as may be prescribed by Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”). The maximum term for stock options granted under the 2025 Plan will be seven years from the initial date of grant. The purchase price for the shares as to which a stock option is exercised will be paid to us, to the extent permitted by law (i) in cash or its equivalent at the time the stock option is exercised, (ii) in shares having a fair market value equal to

the aggregate exercise price for the shares being purchased and satisfying any requirements that may be imposed by the Committee, so long as the shares have been held for no less than six months (or such other period established by the Committee in order to avoid adverse accounting treatment), (iii) partly in cash and partly in shares (as described above), (iv) if there is a public market for the shares at such time, through the delivery of irrevocable instructions to a broker to sell the shares being acquired upon the exercise of the stock option and to deliver to us the amount of the proceeds of such sale equal to the aggregate exercise price for the shares being purchased, or (v) to the extent the Committee provides in the option agreement or otherwise, through net settlement in shares.

***Restricted Stock.*** Restricted stock awards may be granted under the 2025 Plan. Restricted stock awards are grants of shares that vest in accordance with terms and conditions established by the Committee. The Committee will determine the number of restricted stock granted to any employee, director or consultant and, subject to the provisions of the 2025 Plan, will determine the terms and conditions of such awards. The Committee may impose whatever conditions to vesting it determines to be appropriate (for example, the Committee may set restrictions based on the achievement of specific performance goals or continued service to us); provided, however, that the Committee, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted stock awards generally will have voting and dividend rights with respect to such shares upon grant without regard to vesting, unless the Committee provides otherwise. Shares of restricted stock that do not vest are subject to the Company's right of repurchase or forfeiture.

***Restricted Stock Units.*** Awards of RSUs may be granted under the 2025 Plan. A RSU is the right to receive shares at a future date. The Committee determines the terms and conditions of RSUs, including the vesting criteria (which may include accomplishing specified performance criteria or continued service to us) and the form and timing of payment. Notwithstanding the foregoing, the Committee, in its sole discretion, may accelerate the time at which RSUs will vest.

***Other Stock-Based Awards.*** In addition to stock options, restricted stock and RSUs, the Committee may grant or sell awards of shares, including performance-based awards. Prior to the payment of any performance-based award, the Committee, or its delegate, will certify that the applicable performance goals have been met. In connection with such certification, the Committee, or its delegate, may decide to pay amounts, which are less than the award otherwise payable for achievement of the applicable performance goals; provided that the Committee has the authority to waive any applicable performance goal. In the event the applicable performance goals are not waived by the Committee, payment of an award to a participant will occur only after certification and will be made as determined by our Committee in its sole discretion after the end of the applicable performance period.

***Clawback.*** Awards under the 2025 Plan are subject to the Company's clawback policy as may be in effect from time to time, including any policy adopted pursuant to Rule 10D-1 under the Securities Exchange Act of 1934 and applicable listing standards of The Nasdaq Stock Market. In addition, the Compensation Committee retains the discretion to impose additional clawback, forfeiture, or repayment provisions in individual award agreements, including in the event of a participant's misconduct or a restatement of the Company's financial statements.

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***Effect of Certain Events on the 2025 Plan.*** In the event of any change in the outstanding shares of our common stock by reason of any stock dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other corporate exchange or change in capital structure, any distribution or special dividend to stockholders of shares, cash or other property (other than regular cash dividends) or any similar event, the Committee without liability to any person will make such substitution or adjustment, if any, as it deems to be equitable, as to the number or kind of shares or other securities issued or reserved for issuance as set forth in the 2025 Plan or pursuant to outstanding awards and the per share exercise price thereof, as applicable; provided that the Committee determines in its sole discretion the manner in which such substitution or adjustment will be made. Except as otherwise provided in an award agreement or otherwise determined by the Committee, in the event of a Change of Control (as defined below) or similar corporate transaction (whether or not involving a permitted holder), with respect to any outstanding award then held by participants which are unexercisable or otherwise unvested or subject to lapse restrictions, the Committee will accelerate, vest, or cause the restrictions to lapse with all or any portion of an award, and may (i) cancel award for fair value (as determined in the sole discretion of the Committee), which, in the case of stock options, may equal the excess, if any, of the value of the consideration to be paid in the Change of Control transaction to holders of the same number of shares subject to such stock options over the aggregate exercise price of such stock options, (ii) provide for the issuance of substitute awards, or (iii) provide that the stock options will be exercisable for all shares subject thereto for a period of at least 10 days prior to the Change of Control and that upon the occurrence of the Change of Control, the stock options will terminate and be of no further force or effect. For the avoidance of doubt, the Committee may cancel stock options for no consideration if the fair market value of the shares subject to such options is less than or equal to the aggregate exercise price of such stock options.

For purposes of the 2025 Plan, a Change of Control means the occurrence of any one of the following events:

(i) A change in the ownership of the Company that occurs on the date that any one person, or more than one person acting as a group (for purposes of SEC Rule 13d) ("Person"), acquires ownership of the shares that, together with the shares held by such Person, constitutes more than 50% of the total voting power of the shares of the Company. No Change of Control will have occurred in the event Ted Karkus (the "Executive") or a group which includes Executive acquires more than 50% of the voting control of the Company. The acquisition of additional shares by any one Person, who is considered to own more than 50% of the total voting power of the shares of the Company will not be considered an additional Change of Control; or

(ii) A change in the effective control of the Company that occurs on the date that a majority of members of the Board is replaced during any 12 month period by directors whose appointment or election is not endorsed by one of either the Executive or a majority of the members of the Board prior to the date of the appointment or election; or

(iii) A change in the ownership of a "substantial portion of the Company's assets", as defined herein. For this purpose, a "substantial portion of the Company's assets" will mean assets of the Company having a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such change in ownership. For purposes of this subsection (iii), a change in ownership of a substantial portion of the Company's assets occurs on the date that any Person acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Company that constitute a "substantial portion of the Company's assets." For purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (a) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (b) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, Persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change of control event within the meaning of Section 409A of the Code.

***Nontransferability of Awards.*** Unless otherwise determined by the Committee, an award will not be transferable or assignable by a participant otherwise than by will or by the laws of descent and distribution.

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*Federal Income Tax Consequences.* The current United States federal income tax treatment of awards under the 2025 Plan is generally described below. This description of tax consequences is not a complete description. There may be different income tax consequences under certain circumstances, and there may be gift and estate tax consequences. Local, state and other taxing authorities may also tax grants under the 2025 Plan. Tax laws are subject to change. Each award holder should consult with his or her personal tax advisor concerning the application of the general principles discussed below to his or her own situation and the application of other tax laws.

*Nonqualified Stock Options.* There generally are no federal income tax consequences upon the grant of a nonqualified stock option. Upon the exercise of a nonqualified stock option, the recipient recognizes ordinary income in an amount equal to the difference between the fair market value of the underlying stock on the date of exercise and the exercise price. Any gain or loss realized on disposition of shares purchased upon exercise of a nonstatutory stock option is treated as a capital gain or loss for federal income tax purposes. The capital gain tax rate will depend on the length of time the participant holds the shares and other factors. The Company generally is entitled to a corresponding federal income tax deduction.

If a participant surrenders shares underlying a nonqualified stock option to pay the exercise price, such person recognizes no gain or loss on the surrendered shares, and his or her basis and holding period for the surrendered shares continues to apply to that number of new shares equal to the surrendered shares. To the extent that the number of shares received upon the exercise of the option exceeds the number surrendered, the fair market value of the excess shares on the date of exercise, reduced by any cash paid by the participant upon exercise, is includible in gross income. The basis in the excess shares equals the sum of the cash paid upon the exercise of the stock option plus any amount included in the exercising person's gross income as a result of the exercise.

*Incentive Stock Options.* There generally are no federal income tax consequences upon the grant of an incentive stock option. A recipient does not recognize income for purposes of the regular federal income tax upon the exercise of an incentive stock option. However, for purposes of the alternative minimum tax, in the year in which an incentive stock option is exercised, the amount by which the fair market value of the shares acquired upon exercise exceeds the exercise price is included in alternative minimum taxable income.

Income is recognized upon the sale of stock acquired upon exercise of an incentive stock option. If the shares acquired upon exercise of an incentive stock option are disposed after two years from the date the option was granted and after one year from the date the shares were transferred upon the exercise of the option, the person recognizes long-term capital gain or loss in the amount of the difference between the amount realized on the sale and the exercise price. The Company is not entitled to any corresponding tax deduction.

If a participant disposes of shares acquired upon exercise of an incentive stock option before satisfying both holding period requirements (a disqualifying disposition), the gain recognized on the disposition is taxed as ordinary income to the extent of the difference between the fair market value of the shares on the date of exercise (or the amount realized on the disposition, if less) and the exercise price, and, generally, the Company is entitled to a deduction in that amount. The gain, if any, in excess of the amount recognized as ordinary income is long-term or short-term capital gain, depending upon the length of time the participant held the shares before the disposition.

If a participant surrenders shares received upon the exercise of a prior incentive stock option to pay the exercise price of any option within either the two-year or one-year holding periods described above, the disqualifying disposition of the shares used to pay the exercise price results in income (or loss) to the participant and, to the extent of recognized income, a tax deduction for the Company. If a participant surrenders the shares after the holding period requirements are met, or if a participant surrenders shares that were not received upon the exercise of an incentive stock option, the participant recognizes no gain or loss on the surrendered shares, and the basis and the holding period for the surrendered shares continues to apply to that number of new shares that is equal to the surrendered shares. The holding period for purposes of determining whether a participant has a disqualifying disposition for the new shares when the participant sells the shares begins on the date the shares were exercised. To the extent that the number of shares received exceeds the number of shares surrendered, the basis in the excess shares equals the amount of cash, if any, paid for such excess shares and the holding period with respect to the excess shares begins on the date the shares were exercised.

*Restricted Stock.* A participant will not recognize income at the time a restricted stock award is granted. When the restrictions lapse with regard to any installment of restricted stock, the participant will recognize ordinary income in an amount equal to the fair market value of the shares with respect to which the restrictions lapse, unless the participant elected to realize ordinary income in the year the award is granted in an amount equal to the fair market value of the restricted stock awarded, determined without regard to the restrictions.

*RSUs.* A participant will not recognize income at the time RSUs are granted. The participant will recognize ordinary income at the time the RSUs vest, in an amount equal to the fair market value of the shares delivered. The amount of ordinary income recognized by the participant is subject to payroll taxes. The Company is entitled to a deduction at the same time and in the same amount as the participant recognizes ordinary income.

*Tax Withholding.* The Company has the right to deduct from all grants or other compensation payable to a participant any taxes required to be withheld with respect to grants under the 2025 Plan. The Company may require that a participant pay to it the amount of any required withholding. The Committee may permit a participant to satisfy the Company's tax withholding obligation with respect to a grant by having shares withheld. However, the value of shares withheld may not exceed the minimum required tax withholding amount.

*Method of Valuation.* For purposes of determining the exercise price of stock options and the valuation of other equity awards under the 2025 Plan, the "fair market value" of the Company's common stock on a given date will generally be equal to the closing sales price per share of the Company's common stock as reported on the Nasdaq Capital Market (or such other national securities exchange on which the shares are then listed) on the date of grant. If the shares are not traded on such date, fair market value will be determined based on the closing price on the last preceding trading date, or by such other reasonable method as determined by the Compensation Committee in accordance with applicable law. For financial reporting purposes, the Company expects to determine the grant-date fair value of awards in accordance with ASC Topic 718 using commonly accepted valuation methodologies, such as the Black-Scholes option-pricing model for stock options. The valuation assumptions may include the stock price on the date of grant, expected stock price volatility, expected term of the award, risk-free interest rate, and expected dividend yield, among other factors.

*Amendment and Termination.* The Committee may amend, alter or discontinue the 2025 Plan, but no amendment, alteration or discontinuation will be made which, (i) without the approval of our stockholders, would (except as provided in the 2025 Plan in connection with adjustments in certain corporate events), increase the total number of shares reserved for the purposes of the 2025 Plan or change the maximum number of shares of common stock for which awards may be granted to any participant, or (ii) without the consent of a participant, would materially adversely impair any of the rights or obligations under any award theretofore granted to the participant under the 2025 Plan; provided, however, that the Committee may amend the 2025 Plan in such manner as it deems necessary to permit the granting of award meeting the requirements of the Code or other applicable laws, including, without limitation, to avoid adverse tax consequences to us or any participant. In no event may the Committee or any other entity reprice any option or substitute any outstanding option for a new option with a lower exercise price.

*Nasdaq Listing Rule 5635(c) Shareholder Approval Requirement.* Nasdaq Listing Rule 5635(c) requires shareholder approval of equity compensation plans or material amendments thereto when such plans provide for the issuance of equity securities to the Company's officers, directors, employees, or consultants. Because the proposed 2025 Plan would supersede the Company's existing equity compensation plan and authorize the issuance of additional shares of common stock to eligible participants, and because the proposed amendment to the Company's Amended and Restated 2022 Plan would materially increase the number of shares available for issuance thereunder, shareholder approval of this proposal is required under Rule 5635(c).

The amounts of future awards under the Amended and Restated 2025 Equity Compensation Plan are not determinable at this time, as awards under the plan will be made at the discretion of the Committee. No awards have been approved or granted under the Amended and Restated 2025 Equity Compensation Plan that are contingent upon stockholder approval.

## Required Vote

Approval of the 2025 Plan will require the affirmative vote of a majority of the votes cast on such proposal by the Shares present in person or represented by proxy at the Special Meeting and entitled to vote thereon. A quorum must be present at the Special Meeting for a valid vote.

## Recommendation of the Board of Directors

**THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE SECOND AMENDED AND RESTATED 2022 PLAN. PROXIES SOLICITED BY THE BOARD WILL BE VOTED “FOR” THE APPROVAL OF THE AMENDED AND RESTATED 2025 PLAN UNLESS STOCKHOLDERS SPECIFY A CONTRARY VOTE.**

## No Appraisal or Dissenters’ Rights

Under Delaware law and our Certificate of Incorporation and Bylaws, stockholders are not entitled to appraisal or dissenters’ rights with respect to the approval of the 2025 Plan.

## PROPOSAL 2 -APPROVAL OF 2025 DIRECTORS’ EQUITY COMPENSATION PLAN

On June 16, 2023, Company shareholders approved the Amended and Restated 2022 Directors’ Equity Compensation Plan (the “Amended and Restated 2022 Directors’ Plan”). As of July 25, 2025, there were 100,000 shares available for future issuance under the Amended and Restated 2022 Directors’ Plan, which our Board has determined to be insufficient for the Company’s growth. The Amended and Restated 2022 Directors’ Plan is attached hereto as Exhibit 4.

The Board recommends that shareholders approve the adoption of the new 2025 Directors’ Equity Compensation Plan (“2025 Directors’ Plan”) which will increase the number of shares reserved for issuance under the Company’s director equity compensation plan by 500,000 shares. The 2025 Directors’ Plan is attached as Exhibit 5 to this Proxy Statement.

*Interests of Directors.* Our non-employee directors have a direct interest in this proposal because they are eligible to receive awards under the 2025 Directors’ Plan. The Board was aware of these interests when it approved the 2025 Directors’ Plan and recommended that stockholders vote in favor of this proposal.

In setting the amount of shares proposed to be added to the Amended and Restated 2022 Directors’ Plan, our Compensation Committee and the Board considered the total amount of awards outstanding under existing grants and available for new awards, as well as anticipated stock award grants to directors in future years.

The 2025 Directors’ Plan as proposed is otherwise unchanged from the Amended and Restated 2022 Directors’ Plan as approved by the stockholders, except for the increase in the total authorized shares thereunder and a provision providing for the adjustment of the per share exercise price of stock options granted under the Amended and Restated 2025 Directors’ Plan in the event of any change in the outstanding shares of common stock of the Company as a result of, among other things, any distribution or special dividend to stockholders of shares, cash or other property.

The principal features of the Amended and Restated 2025 Directors’ Plan include:

- *No Discount Stock Options:* The Amended and Restated 2025 Directors’ Plan prohibits the grant of a stock option with an exercise price less than the fair market value of the Company’s stock on the date of grant.
- *No Repricing of Stock Options:* The Amended and Restated 2025 Directors’ Plan prohibits the repricing of stock options without stockholder approval.
- *Independent Committee Administration:* The Amended and Restated 2025 Directors’ Plan will be administered by the Compensation Committee of the Board, whose members satisfy the independence requirements of Rule 10A-3(b)(1) of the Exchange Act, and are “outside directors” as defined under Section 162(m) of the Code, “non-employee directors” as defined in Rule 16b-3 of the Exchange Act, and “independent directors” as required by Nasdaq.
- *No Evergreen Feature:* The Amended and Restated 2025 Directors’ Plan does not contain an “evergreen” provision that automatically increases the number of shares authorized for issuance under the Amended and Restated 2025 Directors’ Plan.
- *No Transfer for Value:* Participants are not permitted to transfer awards for value under the Amended and Restated 2025 Directors’ Plan.
- *Material Amendments to the Plan Require Stockholder Approval:* The Amended and Restated 2025 Directors’ Plan provides that a material amendment to the Amended and Restated 2025 Directors’ Plan will not be effective unless approved by the Company’s stockholders.

A description of the Amended and Restated 2025 Directors’ Plan is included below. It is not a complete statement of the Amended and Restated 2025 Directors’ Plan. The full text of the Amended and Restated 2025 Directors’ Plan, which has been marked to show changes to the existing 2025 Directors’ Plan, is attached as Appendix B to this Proxy Statement. The Amended and Restated 2022 Directors’ Plan will become effective immediately upon stockholder approval of this Proposal 2 at the Special Meeting.

*Purpose.* The purpose of the Second Amended and Restated 2022 Directors’ Plan is to attract and retain highly qualified individuals to serve on the Board, to relate Directors’ compensation more closely to the Company’s performance and its stockholders’ interests, and to increase Directors’ stock ownership in the Company. A primary purpose of the plan is to provide the Company with the ability to pay all or a portion of the fees of Directors in restricted stock instead of cash, thereby strengthening the cash flow position of the Company.

*Eligibility.* All of the Company’s directors are eligible to participate in the Amended and Restated 2025 Directors’ Plan.

The amounts of future awards under the Amended and Restated 2025 Directors’ Equity Compensation Plan are not determinable at this time, as awards under the plan will be made at the discretion of the Committee. No awards have been approved or granted under the Amended and Restated 2025 Directors’ Equity Compensation Plan that are contingent upon stockholder approval.

*Shares Subject to the Plan.* The 2025 Directors’ Plan currently authorizes the issuance of (i) 300,000 shares. Shares that are subject to awards under the 2025 Directors’ Plan which terminate, expire, forfeit or lapse without the payment of consideration (or awards settled in cash in lieu of shares) may be granted again under the 2025 Directors’ Plan.

If the Amended and Restated 2025 Directors' Plan is approved by our stockholders, the number of shares authorized for issuance will be (i) 500,000, plus (ii) the number of shares available under the Amended and Restated 2022 Directors' Plan immediately prior to stockholder approval of the Amended and Restated 2025 Directors' Plan (as of July 25, 2025, 100,000 shares were available under the 2022 Directors' Plan, subject to the counting, adjustment and substitution provisions of the Plan), plus (iii) , that number of shares that are represented by awards which previously have been granted and are outstanding under the Amended and Restated 2022 Directors' Plan (including those granted under the predecessor Equity Compensation Plans) on the date the Amended and Restated 2025 Directors' Plan is approved by stockholders of the Company and which subsequently expire or otherwise lapse, are terminated or forfeited, are settled in cash, or exchanged with the Administrator's permission, prior to the issuance of shares, for awards not involving shares of common stock, without the issuance of the underlying shares, all of which may be issued as ISOs to the extent approved or by prior stockholder approval.

*Administration.* The Amended and Restated 2025 Directors' Plan is administered by the "Committee," which is the Compensation Committee or such other committee of our Board to which the Board has delegated power. The Committee is authorized to interpret the Amended and Restated 2025 Directors' Plan to establish, amend and rescind any rules and policies relating to the Amended and Restated 2025 Directors' Plan and to make any other determinations that it deems necessary or advisable for the administration of the Amended and Restated 2025 Directors' Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Amended and Restated 2025 Directors' Plan in the manner and to the extent the Committee deems necessary or advisable. The Committee will have the full power and authority to establish the terms and conditions of any award consistent with the provisions of the Amended and Restated 2025 Directors' Plan and, except with respect to the provisions prohibiting repricing of any award granted under the Amended and Restated 2025 Directors' Plan, to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions). Determinations made by the Committee need not be uniform and may be made selectively among participants in the Amended and Restated 2025 Directors' Plan.

*Performance-Based Awards and Metrics.* Under the Amended and Restated 2025 Directors' Plan, the Compensation Committee may grant performance-based equity awards that are earned or vest upon the achievement of specified performance goals. These performance goals may be based on **company-wide** financial or strategic objectives, **individual performance criteria**, or a combination of both.

Company performance metrics may include, but are not limited to:

- Revenue growth
- EBITDA or adjusted EBITDA
- Net income
- Earnings per share (EPS)
- Total shareholder return (TSR)
- Return on equity (ROE)
- Strategic initiatives, such as product development milestones, operational efficiency goals, or M&A integration success

Individual performance metrics may include, but are not limited to:

- Achievement of role-specific objectives
- Individual, leadership, and team development
- Execution of strategic initiatives
- Cross-functional collaboration
- Operational or departmental efficiency improvements

Performance goals may be set on an absolute or relative basis and are determined by the Compensation Committee at the time of grant. The Committee may exercise discretion to adjust or modify goals to reflect extraordinary events or changed circumstances.

*Limitations.* No award may be granted under the Amended and Restated 2025 Directors' Plan after the tenth anniversary of the effective date (as defined therein), but awards theretofore granted may extend beyond that date.

*Options.* The Committee may grant non-qualified stock options, which will be subject to the terms and conditions as set forth in the Amended and Restated 2025 Directors' Plan, the related option agreement and any other terms, not inconsistent therewith, as determined by the Committee; provided that all stock options granted under the Amended and Restated 2025 Directors' Plan are required to have a per share exercise price that is not less than 100% of the fair market value of our common stock underlying such stock options on the date an option is granted (other than in the case of options granted in substitution of previously granted options). The maximum term for stock options granted under the Amended and Restated 2025 Directors' Plan will be seven years from the initial date of grant. The purchase price for the shares as to which a stock option is exercised will be paid to us, to the extent permitted by law (i) in cash or its equivalent at the time the stock option is exercised, (ii) in shares having a fair market value equal to the aggregate exercise price for the shares being purchased and satisfying any requirements that may be imposed by the Committee, so long as the shares have been held for no less than six months (or such other period established by the Committee in order to avoid adverse accounting treatment), (iii) partly in cash and partly in shares (as described above), (iv) if there is a public market for the shares at such time, through the delivery of irrevocable instructions to a broker to sell the shares being acquired upon the exercise of the stock option and to deliver to us the amount of the proceeds of such sale equal to the aggregate exercise price for the shares being purchased, or (v) to the extent the Committee has provided in the option agreement or otherwise, through net settlement in shares.

*Restricted Stock.* Restricted stock awards may be granted under the Amended and Restated 2025 Directors' Plan. Restricted stock awards are grants of shares that vest in accordance with terms and conditions established by the Committee. The Committee will determine the number of restricted stock granted to a director and, subject to the provisions of the Amended and Restated 2025 Directors' Plan, will determine the terms and conditions of such awards. The Committee, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted stock awards generally will have voting and dividend rights with respect to such shares upon grant without regard to vesting, unless the Committee provides otherwise. Shares of restricted stock that do not vest are subject to the Company's right of repurchase or forfeiture.

*Restricted Stock Units.* Awards of RSUs may be granted under the Amended and Restated 2025 Directors' Plan. An RSU is the right to receive shares at a future date. The Committee determines the terms and conditions of RSUs, including the vesting criteria (which may include accomplishing specified performance criteria or continued service to us) and the form and timing of payment. Notwithstanding the foregoing, the Committee, in its sole discretion, may accelerate the time at which RSUs will vest.

*Other Stock-Based Awards.* In addition to stock options, restricted stock and RSUs, the Committee may grant or sell awards of shares, including performance-based awards. Prior to the payment of any performance-based award, the Committee, or its delegate, will certify that the applicable performance goals have been met. In connection with such certification, the Committee, or its delegate, may decide to pay amounts, which are less than the award otherwise payable for achievement of the applicable performance goals; provided that the Committee will have the authority to waive any applicable performance goal. In the event the applicable performance goals are not waived by the Committee, payment of an award to a participant will occur only after certification and will be made as determined by our Committee in its sole discretion after the end of the applicable performance period.

*Clawback.* Awards under the Amended and Restated 2025 Directors' Plan are subject to the Company's clawback policy as may be in effect from time to time, including any policy adopted pursuant to Rule 10D-1 under the Securities Exchange Act of 1934 and applicable listing standards of The Nasdaq Stock Market. In addition, the

*Effect of Certain Events on Amended and Restated 2025 Directors' Plan.* In the event of any change in the outstanding shares of our common stock by reason of any stock dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other corporate exchange or change in capital structure, any distribution or special dividend to stockholders of shares, cash or other property (other than regular cash dividends) or any similar event, the Committee without liability to any person will make such substitution or adjustment, if any, as it deems to be equitable, as to the number or kind of shares or other securities that may be issued as set forth in the Amended and Restated 2025 Directors' Plan or pursuant to outstanding awards; provided that the Committee will determine in its sole discretion the manner in which such substitution or adjustment will be made. Except as otherwise provided in an award agreement or otherwise determined by the Committee, in the event of a Change of Control (as defined below) or similar corporate transaction (whether or not involving a permitted holder), with respect to any outstanding award then held by participants which are unexercisable or otherwise unvested or subject to lapse restrictions, the Committee will accelerate, vest, or cause the restrictions to lapse with all or any portion of an award, and may (i) cancel award for fair value (as determined in the sole discretion of the Committee), which, in the case of stock options, may equal the excess, if any, of the value of the consideration to be paid in the Change of Control transaction to holders of the same number of shares subject to such stock options over the aggregate exercise price of such stock options, (ii) provide for the issuance of substitute awards, or (iii) provide that the stock options will be exercisable for all shares subject thereto for a period of at least 10 days prior to the Change of Control and that upon the occurrence of the Change of Control, the stock options will terminate and be of no further force or effect. For the avoidance of doubt, the Committee may cancel stock options for no consideration if the fair market value of the shares subject to such options is less than or equal to the aggregate exercise price of such stock options.

For purposes of the Amended and Restated 2025 Directors' Plan, a Change of Control means the occurrence of any one of the following events:

(i) A change in the ownership of the Company that occurs on the date that any one person, or more than one person acting as a group (for purposes of SEC Rule 13d) ("Person"), acquires ownership of the shares that, together with the shares held by such Person, constitutes more than 50% of the total voting power of the shares of the Company. No Change of Control will have occurred in the event Ted Karkus (the "Executive") or a group which includes Executive acquires more than 50% of the voting control of the Company. The acquisition of additional shares by any one Person, who is considered to own more than 50% of the total voting power of the shares of the Company will not be considered an additional Change of Control; or

(ii) A change in the effective control of the Company that occurs on the date that a majority of members of the Board is replaced during any 12 month period by directors whose appointment or election is not endorsed by one of either the Executive or a majority of the members of the Board prior to the date of the appointment or election; or

(iii) A change in the ownership of a "substantial portion of the Company's assets", as defined herein. For this purpose, a "substantial portion of the Company's assets" will mean assets of the Company having a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such change in ownership. For purposes of this subsection (iii), a change in ownership of a substantial portion of the Company's assets occurs on the date that any Person acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Company that constitute a "substantial portion of the Company's assets." For purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (a) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (b) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change of control event within the meaning of Section 409A.

*Nontransferability of Awards.* Unless otherwise determined by the Committee, an award will not be transferable or assignable by a participant otherwise than by will or by the laws of descent and distribution.

*Federal Income Tax Consequences.* The current United States federal income tax treatment of awards under the Amended and Restated 2025 Directors' Plan is generally described below. This description of tax consequences is not a complete description. There may be different income tax consequences under certain circumstances, and there may be gift and estate tax consequences. Local, state and other taxing authorities may also tax grants under the Amended and Restated 2025 Directors' Plan. Tax laws are subject to change. Each award holder should consult with his or her personal tax advisor concerning the application of the general principles discussed below to his or her own situation and the application of other tax laws.

*Nonqualified Stock Options.* There generally are no federal income tax consequences upon the grant of a nonqualified stock option. Upon the exercise of a nonqualified stock option, the recipient recognizes ordinary income in an amount equal to the difference between the fair market value of the underlying stock on the date of exercise and the exercise price. Any gain or loss realized on disposition of shares purchased upon exercise of a nonstatutory stock option is treated as a capital gain or loss for federal income tax purposes. The capital gain tax rate will depend on the length of time the participant holds the shares and other factors. The Company generally is entitled to a corresponding federal income tax deduction.

If a participant surrenders shares underlying a nonqualified stock option to pay the exercise price, such person recognizes no gain or loss on the surrendered shares, and his or her basis and holding period for the surrendered shares continues to apply to that number of new shares equal to the surrendered shares. To the extent that the number of shares received upon the exercise of the option exceeds the number surrendered, the fair market value of the excess shares on the date of exercise, reduced by any cash paid by the participant upon exercise, is includible in gross income. The basis in the excess shares equals the sum of the cash paid upon the exercise of the stock option plus any amount included in the exercising person's gross income as a result of the exercise.

*Restricted Stock.* A participant will not recognize income at the time a restricted stock award is granted. When the restrictions lapse with regard to any installment of restricted stock, the participant will recognize ordinary income in an amount equal to the fair market value of the shares with respect to which the restrictions lapse, unless the participant elected to realize ordinary income in the year the award is granted in an amount equal to the fair market value of the restricted stock awarded, determined without regard to the restrictions.

*RSUs.* A participant will not recognize income at the time RSUs are granted. The participant will recognize ordinary income at the time the RSUs vest, in an amount equal to the fair market value of the shares delivered. The amount of ordinary income recognized by the participant is subject to payroll taxes. The Company is entitled to a deduction at the same time and in the same amount as the participant recognizes ordinary income.

**Tax Withholding.** The Company has the right to deduct from all grants or other compensation payable to a participant any taxes required to be withheld with respect to grants under the Amended and Restated 2025 Directors' Plan. The Company may require that a participant pay to it the amount of any required withholding. The Committee may permit a participant to satisfy the Company's tax withholding obligation with respect to a grant by having shares withheld. However, the value of shares withheld may not exceed the minimum required tax withholding amount.

**Method of Valuation.** For purposes of determining the exercise price of stock options and the valuation of other equity awards under the Amended and Restated 2025 Directors' Plan, the "fair market value" of the Company's common stock on a given date will generally be equal to the closing sales price per share of the Company's common stock as reported on the Nasdaq Capital Market (or such other national securities exchange on which the shares are then listed) on the date of grant. If the shares are not traded on such date, fair market value will be determined based on the closing price on the last preceding trading date, or by such other reasonable method as determined by the Compensation Committee in accordance with applicable law. For financial reporting purposes, the Company expects to determine the grant-date fair value of awards in accordance with ASC Topic 718 using commonly accepted valuation methodologies, such as the Black-Scholes option-pricing model for stock options. The valuation assumptions may include the stock price on the date of grant, expected stock price volatility, expected term of the award, risk-free interest rate, and expected dividend yield, among other factors.

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**Amendment and Termination.** The Committee may amend, alter or discontinue the Amended and Restated 2025 Directors' Plan, but no amendment, alteration or discontinuation will be made which, (i) without the approval of our stockholders, would (except as provided in the Amended and Restated 2025 Directors' Plan in connection with adjustments in certain corporate events), increase the total number of shares of our common stock reserved for the purposes of the Amended and Restated 2025 Directors' Plan or change the maximum number of shares for which awards may be granted to any participant, or (ii) without the consent of a participant, would materially adversely impair any of the rights or obligations under any award theretofore granted to the participant under the Amended and Restated 2025 Directors' Plan; provided, however, that the Committee may amend the Amended and Restated 2025 Directors' Plan in such manner as it deems necessary to permit the granting of award meeting the requirements of the Code or other applicable laws, including, without limitation, to avoid adverse tax consequences to us or any participant. In no event may the Committee or any other entity reprice any option or substitute and outstanding option for a new option with a lower exercise price.

**Nasdaq Listing Rule 5635(c) Shareholder Approval Requirement.** Nasdaq Listing Rule 5635(c) requires shareholder approval of equity compensation plans or material amendments thereto when such plans provide for the issuance of equity securities to the Company's officers, directors, employees, or consultants. Because the proposed Amended and Restated 2025 Directors' Plan would supersede the Company's existing equity compensation plan and authorize the issuance of additional shares of common stock to eligible participants, and because the proposed amendment to the Company's Amended and Restated 2022 Equity Directors' Plan would materially increase the number of shares available for issuance thereunder, shareholder approval of this proposal is required under Rule 5635(c).

#### **No Appraisal or Dissenters' Rights**

Under Delaware law, stockholders are not entitled to appraisal or dissenters' rights in connection with the approval of the Second Amended and Restated 2022 Directors' Equity Compensation Plan.

A copy of the full text of the Second Amended and Restated 2022 Directors' Equity Compensation Plan is attached as Appendix B to this Proxy Statement.

At this time, no specific grants under the Second Amended and Restated 2022 Directors' Equity Compensation Plan have been made or determined for the current fiscal year or any future fiscal years.

The future benefits or amounts that would be received under the Second Amended and Restated 2022 Directors' Equity Compensation Plan by executive officers, non-executive officer employees, and non-employee directors are discretionary and are therefore not determinable at this time. The following table provides information with respect to benefits under the plan:

#### **Required Vote**

Approval of the Second Amended and Restated 2022 Directors' Plan will require the affirmative vote of a majority of the votes cast on such proposal by the Shares present in person or represented by proxy at the Special Meeting and entitled to vote thereon. A quorum must be present at the Special Meeting for a valid vote.

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#### **Recommendation of the Board of Directors**

**THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE SECOND AMENDED AND RESTATED 2023 DIRECTORS' PLAN. PROXIES SOLICITED BY THE BOARD WILL BE VOTED "FOR" THE APPROVAL OF THE AMENDED AND RESTATED 2025 DIRECTORS' PLAN UNLESS STOCKHOLDERS SPECIFY A CONTRARY VOTE.**

#### **PROPOSAL 3 – AMEND THE CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK**

##### **Introduction**

The Company Certificate of Incorporation, as amended, currently authorizes the issuance of up to 50,000,000 shares of common stock. Proposal 3 would increase the number of authorized shares of common stock from 50,000,000 to 1,000,000,000 shares.

The proposed form of Certificate of Amendment to the Certificate of Incorporation to effect the increase in our authorized common stock is attached as [Exhibit 4](#) to this Proxy Statement.

Following the increase in authorized shares as contemplated in the Certificate of Amendment to the Certificate of Incorporation (the "Certificate of Amendment"), 1,000,000,000 shares of common stock will be authorized. There will be no changes to the issued and outstanding shares of common stock or preferred stock as a result of the amendment.

##### **Reasons for the Increase in Authorized Shares of Common Stock in the Certificate of Amendment**

The Board has determined that the increase in our authorized shares of Common Stock is in the best interests of the Company and unanimously recommends approval by the stockholders. First, the Board has determined that it is in the best interest of the Company to explore the adoption and execution of a crypto treasury strategy, positioning the Company as a pioneer in the intersection between life sciences and financial innovation. An increase in the authorized shares of common stock will provide the Company with the necessary flexibility in capital structure to effectively implement such a strategy. By increasing the authorized shares to 1 billion shares, it transforms the structure of the Company to have the flexibility to attract and execute on the optimal crypto treasury strategy. The Company is currently working with a team of expert crypto treasury advisors to execute on such a strategy.



Formulation and execution of an effective crypto treasury strategy will bolster Company efforts to diversify its treasury assets and leverage the potential of blockchain-based digital currencies. The Company's crypto treasury strategy may include the acquisition and long-term holding of select digital assets, including Bitcoin, giving Company investors regulated access to the rapidly evolving digital asset landscape.

The Company may also evaluate acquisitions, asset purchases, or business combinations involving digital-asset focused operating companies. The increased availability of authorized shares of common stock will allow the Company to respond quickly to such opportunities through equity consideration, joint ventures, or minority investments.

As previously disclosed in the Company's Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission (the "SEC") on July 28, 2025 (the "8-K"), the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") dated July 22, 2025 with certain institutional investors, pursuant to which the Company agreed to seek stockholder approval to increase its authorized shares of common stock to allow for the issuance of shares upon conversion or exercise of securities issued in the financing.

The full text of the 8-K, including the Purchase Agreement and related transaction documents, is incorporated by reference into this proxy statement and is available without charge on the SEC's website at <https://www.sec.gov/Archives/edgar/data/868278/000164117225021109/0001641172-25-021109-index.html>

The proposed increase in authorized shares of common stock will also preserve headroom to support the Company's equity compensation plans, satisfy equity reserve requirements under Nasdaq Listing Rule 5635(c), and ensure compliance with potential equity issuance requirements associated with debt or warrant instruments issued in connection with any future financing transactions.

The Board also believes that the availability of additional authorized shares of common stock is required for additional flexibility to issue common stock for a variety of general corporate purposes as the Board may determine to be desirable including, without limitation, future financings, investment opportunities, acquisitions, or other distributions and stock splits (including splits effected through the declaration of stock dividends).

As of the Record Date 41,541,205 shares of our Common Stock were outstanding out of the 50,000,000 shares that we are authorized to issue.

If the Company issues additional shares of common stock or other securities convertible into shares of our common stock in the future, it could dilute the voting rights of existing stockholders and could also dilute earnings per share and book value per share of existing stockholders. The increase in authorized number of common stock could also discourage or hinder efforts by other parties to obtain control of the Company, thereby having an anti-takeover effect. The increase in authorized number of common stock is not being proposed in response to any known threat to acquire control of the Company.

The Company remains committed to prudent financial management while exploring innovative avenues to drive stockholder value.

In addition, pursuant to the terms of certain convertible notes and warrants issued by the Company, the Company is required to maintain a sufficient number of authorized but unissued shares of common stock to satisfy potential conversion and exercise requirements of these instruments. The proposed increase in authorized shares is necessary to comply with these obligations.

The increase in the authorized common shares would also be necessary to allow for the issuance of shares of our common stock pursuant to the offerings described below in Proposal 5.

The CEO, Ted Karkus, and an additional investor, both will be issued warrants in connection with a loan they made to the Company, as previously disclosed by the Company on [sec.gov](https://www.sec.gov). The full text of the 8-K, including the Purchase Agreement and related transaction documents, is incorporated by reference into this proxy statement and is available without charge on the SEC's website at <https://www.sec.gov/Archives/edgar/data/868278/000164117225016815/0001641172-25-016815-index.html>

In addition, Proposal 1 and Proposal 2 herein are both contingent upon approval of Proposal 3.

Other than as set forth herein, the Company has no current plans, proposals or arrangements, written or oral, to issue any of the additional authorized shares of common stock that would become available as a result of the filing of the Certificate of Incorporation, as amended and restated.

In addition, following the approval and filing of the amendment, the Company may explore additional financing opportunities or strategic transactions that would require the issuance of additional shares of common stock, but no such plans are currently in existence and the Company has not begun any negotiations with any party related thereto. If we issue additional shares, the ownership interest of holders of our capital stock will be diluted.

#### **Effects of the Increase in Authorized Common Stock**

Following the filing of the Certificate of Amendment with the Secretary of State of the State of Delaware, we will have the authority to issue up to an additional 950,000,000 shares of common stock. These shares may be issued without stockholder approval at any time, in the sole discretion of the Board. The authorized and unissued shares may be issued for cash or for any other purpose that is deemed in the best interests of the Company.

The increase in our authorized common stock could have a number of effects on the Company's stockholders depending upon the exact nature and circumstances of any actual issuances of authorized but unissued shares. If we issue additional shares of common stock or other securities convertible into shares of our common stock in the future, it could dilute the voting rights of existing stockholders and could also dilute earnings per share and book value per share of existing stockholders. The increase in authorized number of common stock could also discourage or hinder efforts by other parties to obtain control of the Company, thereby having an anti-takeover effect. The increase in authorized number of common stock is not being proposed in response to any known threat to acquire control of the Company.

The increase in our authorized common stock will not change the number of shares of common stock issued and outstanding, nor will it have any immediate dilutive effect or change the rights of current holders of our common stock.

#### **Advantages and Disadvantages of Increasing Authorized Common Stock**

There are certain advantages and disadvantages of increasing the Company's authorized common stock.

The advantages include:

- The ability to raise capital by issuing capital stock under future financing transactions, if any.
- Having shares of common stock available to pursue business expansion opportunities, if any.

The disadvantages include:

- In the event that additional shares of common stock are issued, dilution to the existing stockholders, including a decrease in our net income per share in future periods. This could cause the per-share market price of our stock to decline.
- The issuance of authorized but unissued stock could be used to deter a potential takeover of the Company that may otherwise be beneficial to stockholders by diluting the shares held by a potential suitor or issuing shares to a stockholder that will vote in accordance with the desires of the Board, at that time. A takeover may be beneficial to independent stockholders because, among other reasons, a potential suitor may offer such stockholders a premium for their shares of stock compared to the then-existing market price. The Company does not have any plans or proposals to adopt provisions or enter into agreements that may have material anti-takeover consequences.

#### **Procedure for Implementing the Amendment**

The increase in the number of shares of our authorized common stock will become effective upon the filing of the Certificate of Amendment or such later time as specified in the filing with the Secretary of State of the State of Delaware. The form of the Certificate of Amendment is attached hereto as Appendix C. The exact timing of the filing of the Certificate of Amendment will be determined by the Board based on its evaluation as to when such action will be the most advantageous to the Company and its stockholders.

#### **Interests of Officers and Directors in this Proposal**

Other than as disclosed above, the officers and directors of the Company do not have any substantial interest, direct or indirect, in this proposal.

#### **No Appraisal or Dissenters' Rights**

Under Delaware law, stockholders are not entitled to appraisal or dissenters' rights in connection with the amendment to the Certificate of Incorporation to increase the number of authorized shares of common stock.

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#### **Required Vote**

Approval of the Amendment to the Certificate of Incorporation to increase the number of authorized common stock shares to 1,000,000,000 will require the affirmative vote of a majority of the votes cast on such proposal by the Shares present in person or represented by proxy at the Special Meeting and entitled to vote thereon. A quorum must be present at the Special Meeting for a valid vote.

#### **Recommendation of the Board of Directors**

**THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL TO AMEND THE CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK TO 1,000,000,000 SHARES. PROXIES SOLICITED BY THE BOARD WILL BE VOTED "FOR" THE APPROVAL OF THE AMENDMENT TO INCREASE THE NUMBER OF AUTHORIZED SHARES UNLESS STOCKHOLDERS SPECIFY A CONTRARY VOTE.**

#### **PROPOSAL 4 - ADVISORY VOTE TO APPROVE SHARE REPURCHASE PROGRAM**

##### **Background and Purpose**

The Board believes a share repurchase authorization will enable the Company to utilize excess capital to return value to shareholders, offset dilution from equity compensation, and enhance stockholder value over time by taking advantage of attractive market opportunities when available.

##### **Description of the Program**

Under the proposed program, the Company would be authorized to repurchase, in its discretion, up to \$15million of its outstanding common stock at prevailing market prices or via privately negotiated transactions at times deemed appropriate by the Board, subject to compliance with all applicable securities laws, stock exchange requirements, and consideration of the Company's financial condition.

##### **Methods of Repurchase**

Repurchases under the program may be made from time to time through a variety of methods, including open market purchases, privately negotiated transactions, block trades, accelerated share repurchase programs, or pursuant to plans adopted in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The timing and manner of any repurchases will be subject to market conditions, trading restrictions, and other factors, including compliance with Rule 10b-18 under the Exchange Act, which provides a non-exclusive safe harbor from liability for market manipulation in connection with certain repurchases. The Company is not obligated to repurchase any specific number of shares, and the program may be suspended or discontinued at any time at the Company's discretion.

##### **Timeframe and Duration**

The share repurchase program does not obligate the Company to repurchase any specific number of shares and does not have a fixed expiration date. The timing, amount, and pace of repurchases, if any, will be determined by the Company's management in its discretion and may be influenced by general business and market conditions, the trading price of the Company's common stock, alternative investment opportunities, and other factors. The program may be suspended, modified, or terminated at any time without prior notice and without further action by the Company's stockholders.

##### **Factors Considered in Determining Repurchase Timing**

In determining whether, when, and in what amounts to repurchase shares under the program, the Board of Directors and the Company's management may consider a variety of factors, including the current and projected financial condition of the Company, the market price of the Company's common stock, general economic and market conditions, the availability and cost of capital, the potential return on investment from repurchases relative to other strategic opportunities, and applicable legal and regulatory requirements. The Board and management may also consider the impact of repurchases on the Company's capital structure, earnings per share, and overall shareholder value. In particular, the Board may evaluate the timing of repurchases in light of anticipated corporate developments, including any potential mergers the Board believes could enhance the long-term value of the Company's common stock. Any decisions regarding the timing or amount of share repurchases will be made in compliance with applicable securities laws, including those relating to the use of material nonpublic information, and may be effected pursuant to a Rule 10b5-1 trading plan to help ensure compliance with insider trading restrictions.

## **Regulatory and Financial Limitations.**

The Company's ability to repurchase shares under the program is subject to a number of regulatory and financial limitations. All repurchases will be made in compliance with applicable federal securities laws, including Regulation M and Rule 10b-18 under the Securities Exchange Act of 1934, as amended, which provides a non-exclusive safe harbor for issuers engaged in repurchases. In addition, the Company must comply with any applicable state corporate law restrictions, including limitations on the use of capital for share repurchases and requirements that the Company remain solvent after giving effect to any repurchase. The Company's ability to repurchase shares may also be constrained by covenants or restrictions in its existing or future financing arrangements, capital needs for operational or strategic initiatives, and the availability of cash on hand or other sources of liquidity. The Board and management will assess these factors in determining the scope and timing of any repurchases.

## **Risks and Limitations**

While the share repurchase program is intended to enhance long-term shareholder value, there can be no assurance as to the actual number of shares that will be repurchased or the timing of any such repurchases. The program is entirely discretionary and may be suspended, modified, or terminated by the Company at any time without prior notice. In addition, repurchases may be limited or delayed due to market conditions, applicable legal requirements, or other corporate considerations. The program may also impact the Company's liquidity or capital allocation flexibility and may reduce the funds available for other purposes, such as reinvestment in the business, strategic acquisitions, or the payment of dividends. Shareholders should also be aware that repurchases will not guarantee any particular outcome with respect to the market price of the Company's common stock.

## **Tax and Accounting Treatment**

Any repurchased shares would be retired (or held as treasury shares) under the Company's Certificate of Incorporation and repurchases would be reflected within the Company's financial statements as a reduction to shareholders' equity and cash.

## **No Appraisal or Dissenters' Rights**

Under Delaware law, stockholders are not entitled to appraisal or dissenters' rights in connection with the approval of the share repurchase program.

## **Interests of Directors and Officers in this Proposal**

Our executive officers and directors may be deemed to have an interest in this proposal to the extent they own shares of our common stock that could potentially increase in value as a result of the share repurchase program. The Board was aware of these interests and considered them, among other matters, when approving this proposal.

## **Required Vote**

Notices of intention to present proposals at the 2026 Annual Meeting should be addressed to the Secretary, ProPhase Labs, Inc., 626 RXR Plaza, 6th Floor, Uniondale, New York 11556.

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## **Transactions with Related Persons**

### **Certain Relationships and Related Party Transactions**

In accordance with the terms of the charter of our Audit Committee, the Audit Committee must review and approve the terms and conditions of all related party transactions. "Related party transactions," as described in Item 404(a) of Regulation S-K promulgated by the SEC generally refer to any transaction, arrangement or other relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, where the amount involved exceeds the lesser of (i) \$120,000 and (ii) one percent (1%) of the average of our total assets at year-end for the prior two fiscal years (which was approximately \$77.6 million), and in which any director, executive officer or holder of more than five percent (5%) of our voting securities (or affiliates or immediate family members of such persons) had or will have a material interest.

Since January 1, 2024, there have been no related party transactions except as described below.

Jason Karkus, President of Nebula Genomics, a wholly-owned subsidiary of the Company, since January 2024, and prior to that Executive Vice President and Co-Chief Operations Officer of ProPhase Diagnostics, Inc., a wholly-owned subsidiary of the Company, is the son of Ted Karkus, our Chairman and Chief Executive Officer. For 2024, Mr. Jason Karkus received an annual base salary of \$320,000, a bonus of \$100,000 for his significant contributions related to the growth of ProPhase Diagnostics, Inc., a \$7,800 vehicle allowance, and a \$16,800 matching contribution in the Company's 401(k) defined contribution plan. He also received stock options with a value of \$1,220,000 in 2024 that vest in four equal installments starting on the grant date. The compensation paid to Mr. Karkus was approved by the Company's compensation committee and audit committee.

Ted Karkus, the Company's Chief Executive Officer and the Chairman of the Board of Directors, entered into a loan agreement with the Company on June 22, 2025 (the "Loan Agreement") for a \$500,000 cash investment, with a 20% original issue discount (OID). The loan bears interest at a rate of 10% per annum and matures twelve (12) months from the execution date. The loan is secured by the Company but subordinate to other potential lenders up to \$6,000,000 and may be prepaid by the Company at any time without penalty. The Company entered into agreements with identical terms with one other investor ("Lender") for a total of \$500,000 additional invested cash. The loans are not convertible.

In connection with the Loan Agreement, the Company also issued 500,000 warrants to purchase shares of the Company's common stock as a term of the Loan Agreement for Mr. Karkus, as well as issued warrants on the same terms to the Lender, all of which such warrants do not vest until a future shareholders' approval of an increase in the Company's authorized shares of common stock (the "Unvested Warrants"). The Unvested Warrants have an exercise price of \$0.60 and are underwater as of the closing of the common stock on the last market trading day prior to the issuance.

As of the date of this Proxy Statement, the Unvested Warrants have not vested or become exercisable. The vesting of these warrants is subject to a condition outside of the holder's control and will not occur within 60 days, thus, the underlying shares are not deemed beneficially owned for purposes of this Schedule DEF 14A in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934. The Company has not reserved any shares for this purpose at this time.

The Loan Agreement and the terms of the transaction were reviewed and approved by the disinterested members of the Board of Directors, in accordance with the Company's policies for related party transactions and Item 404(a) of Regulation S-K. The Board determined that the terms of the transaction were fair and reasonable to the Company and on terms no less favorable than those that could have been obtained from an unaffiliated third party under similar circumstances.

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## INFORMATION ABOUT DIRECTORS AND EXECUTIVE OFFICERS

### Biographical Information

#### DIRECTORS

The following table and the paragraphs following the table set forth information regarding the current ages, positions, and business experience of the directors of the Company as of the date of this Proxy Statement.

| Name                                   | Position  | Age | Initial Year in Office |
|--|---|-----|------------------------|
| Ted Karkus <sup>(1)</sup>              | Chairman of the Board and Chief Executive Officer | 66  | 2009                   |
| Louis Gleckel, MD <sup>(1)</sup>       | Director  | 69  | 2009                   |
| Warren Hirsch <sup>(1)</sup>           | Director  | 67  | 2019                   |
| Carolina Abenante, Esq. <sup>(1)</sup> | Director  | 55  | 2025                   |

(1) Director nominee

**TED KARKUS** has been the Chairman of the Board and the Chief Executive Officer of the Company since June 2009. Mr. Karkus was instrumental in assisting the turnaround of ID Biomedical, an influenza vaccine manufacturer, which in 2005 was sold to GlaxoSmithKline plc for over \$1.4 billion. Mr. Karkus has twenty-five years of experience in securities and capital markets including two years with Fahnestock & Co. Inc., a full-service brokerage firm, where he was Senior Vice President, Director of Institutional Equities, and four years at S.G. Warburg, an investment bank, where he was an institutional equity salesman and developed a large network of institutional investors. Mr. Karkus graduated with an MBA from Columbia University Graduate School of Business in 1984 where he received Beta Gamma Sigma honors. He graduated Magna Cum Laude from Tufts University in 1981.

Mr. Karkus brings extensive financial structuring as well as operational and marketing strategy experience to our Board, including successful restructuring and turn-around scenarios in the pharmaceutical industry. Among his accomplishments, in 2010/2011 he led the restructuring and streamlining of our operations, which resulted in improved sales and margins of our Cold-EEZE brand, and in 2017 succeeded in selling the Cold-EEZE brand for \$50 million to Mylan, a multibillion-dollar pharmaceutical company. These skills, as well as Mr. Karkus' experience as our Chairman and Chief Executive Officer, along with his deep knowledge of and genuine interest in our Company, management skills and business savvy, and his performance as a Board member of the Company, led the Board to conclude that he should be nominated to serve another term as a director.

**LOUIS GLECKEL, MD**, has been a member of our Board since June 2009 and currently serves as a member of the Audit Committee, Compensation Committee, and as chairman of the Nominating and Corporate Governance Committee. In 1997, Dr. Gleckel co-founded ProHealth Care Associates, a comprehensive state of the art multi-specialty physician group practice with offices in Long Island and Bronx, New York. At ProHealth, he is the Division Chief of Cardiology and Internal Medicine specializing in Preventative Cardiology, Metabolic Syndrome and Internal Medicine with particular emphasis on high-risk patients with complications from diabetes and heart disease. He was named to New York Magazine's Best Doctors list for three years, New York Metro Area Best Doctors list for 14 years and the 2008 Nassau County Best Doctors list. For over ten years Dr. Gleckel has been a team physician for the New York Jets and New York Islanders as well as for the tennis players at the US Open. Dr. Gleckel also served as Chairman of the Board of Invicta Corporation, a development stage company that designed, manufactured and marketed photochromic eyeglass lenses, for approximately four years until his resignation in February 2005.

Dr. Gleckel brings to the Board extensive knowledge of the medical, pharmaceutical and related industries as a distinguished doctor, as well as experience in successful business development and board service. This experience, as well as his independence and his performance as a Board member, member of our Compensation Committee, and chairman of our Nominating and Corporate Governance Committee, led the Board to conclude that he should be nominated to serve another term as a director. Dr. Gleckel has also been determined by the Board to be independent under the applicable rules of the Nasdaq and the Securities and Exchange Commission.

**WARREN HIRSCH** has been a member of our Board since 2019 and currently serves as a member of the Compensation Committee, Nominating and Corporate Governance Committee, and as chairman of the Audit Committee. Mr. Hirsch has over 35 years of experience as a Certified Public Accountant. Mr. Hirsch owns and operates Hirsch and Hirsch CPA PLLC, which offers a full range of accounting, tax and small business consulting services. From 2000 to May 2019, Mr. Hirsch served as a registered representative of Royal Alliance, a national financial advisory firm. Mr. Hirsch graduated with a bachelor's degree in accounting from Hofstra University in 1980.

Mr. Hirsch has extensive knowledge and background related to accounting and financial reporting rules and regulations as well as the evaluation of financial results, internal controls and business processes. Based on these qualifications, our Board has determined that Mr. Hirsch should be nominated to serve another term as a director. Mr. Hirsch has also been determined by the Board to be independent under the applicable rules of the Nasdaq and the Securities and Exchange Commission.

**CAROLINA ABENANTE, ESQ.** was appointed to our Board as of June 20, 2025 to fill a vacancy and currently serves as a member of our Nominating and Corporate Governance Committee and Chair of the Compensation Committee. In 2012, Ms. Abenante founded NYIAX, Inc., a financial and advertising technology company. At NYIAX, Inc. she serves as Vice Chairperson since 2016 and prior to the time she served as the sole director NYIAX from 2011 to 2016. Ms. Abenante served as President of NYIAX from June 2012 to April 2018 and later became NYIAX's Chief Strategy Officer and General Counsel in April 2018. Starting from May 23, 2022, Ms. Abenante has served as Chief Evangelist and Chief Strategy Officer of NYIAX, and at the same time ceased to be General Counsel. She has been in the New York City technology and advertising industry since 1999, when she was the Director of Corporate Development for Juno Online Services, Inc. from 1999 to 2000, focusing on corporate development, mergers and acquisitions and domestic and international strategic partnerships. In 2001-2005, she became the Senior Director of Business Development and was part of the digital advertising tech and advertising team for Reed Elsevier Ltd (Reed Business Information), in the U.S. (NYSE and LSE listed) working with creating and developing partnership for business-to-business publishing through the Reed Elsevier family of digital publications and bringing Reed Business Publications to foreign markets. In 2005-2009, she held the position of Vice President/Sr. Director of Business Development, Legal and Policy for Phorm Inc. (AIM: PHRM), developing strategy and legal framework in US and foreign jurisdictions, namely the United Kingdom, Brazil, Italy, Spain, and China, and made inroads into internationalization of its brand and products for behavioral advertising collaborating with companies such as British Telecom. Ms. Abenante later became a consultant and legal counsel in strategy and business development from 2009 to 2015 for US and International start-ups and traditional publishers seeking to develop new strategies for the development and creation of Programmatic advertising platforms, advertisement operation and compliance, e-commerce, and privacy. Ms. Abenante holds a Bachelor of Science degree in Management and Finance from Seton Hall University in May 1992, a J.D. from New York Law School in May 1997, an M.B.A. in General Management with a concentration in financial management from SDA Bocconi School of Management, Università Luigi Bocconi in Milan, Italy in December 1998, an LLM in Corporate Taxation from New York Law School in May 2007, and an LLM in Commercial Real Estate Financing from New York Law School in May 2009. She is a practicing attorney and a member of the Bar of the State of New Jersey. She sits on various New Jersey Bar and committees of the New Jersey Bar Association (Tax and Media) and is a member of the American Bar Association. She has been a featured speaker at Imperial College London, England, Web Summit in Lisbon, Portugal, IAB Blockchain and other forums multiple times in the area of advertising, blockchain as a technology for compliance in advertising, and the intersection of AdTech to FinTech. She has spoken multiple times as a featured speaker for TechUpForWomen on advertising, hiring, crypto currency and blockchain. Additionally, she is one of the inventors of the series of NYIAX/Nasdaq AB US patents on "Systems and Methods for Electronic Continuous Trading of Variant Inventories" (Patent No. 10,607,291).

Based on Ms. Abenante's tax, finance, and legal qualifications as well as her extensive knowledge and experience relating to accounting and financial reporting rules and regulations and internal controls, our Board has determined that Ms. Abenante should be nominated to serve as director of the Company. Ms. Abenante has also been

determined by the Board to be independent under the applicable rules of the Nasdaq and the Securities and Exchange Commission.

## EXECUTIVE OFFICERS

The following table and the paragraphs following the table set forth information regarding the current ages, positions, and business experience of the current executive officers of the Company.

| Name               | Position  | Age |
|--------------------|---|-----|
| Ted Karkus         | Chairman of the Board and Chief Executive Officer | 66  |
| Stuart Hollenshead | Chief Operating Officer                           | 41  |

See “*Proposal 1 – Election of Board of Directors*” for Mr. Karkus’ biography.

**STUART HOLLENSHEAD** is a seasoned C-level executive with 15+ years of experience in media, e-commerce, marketing, and technology. Mr. Hollenshead has led growth, monetization, and audience engagement for top digital brands. At TheStreet, Mr. Hollenshead scaled DTC subscriptions to \$30M and pioneered AI-driven content automation. At Business Insider, he drove audience growth, contributing to its \$442M acquisition by Axel Springer. At WWE, Mr. Hollenshead helped WWE Network reach nearly 2M subscribers. As COO & CBO of Barstool Sports, Mr. Hollenshead led record-breaking expansion, culminating in its \$551M acquisition by Penn Entertainment. Now simultaneously CEO of 10PM Curfew, a female-centric platform with an audience of 70M+, Mr. Hollenshead continues to build and scale high-growth businesses each and every day.

## EXECUTIVE AND DIRECTOR COMPENSATION

### Summary Compensation Table (2024 and 2023)

The following summary compensation table sets forth the total compensation paid or accrued for the years ended December 31, 2024 and 2023 to our Chief Executive Officer, our former Chief Accounting Officer and our former Chief Financial Officers. We refer to these officers as our “named executive officers” for 2024 and 2023.

### NOTE REGARDING VALUATION OF OPTION AWARDS

The amounts reported in the “Option Awards” column represent the aggregate grant-date fair value of stock option awards calculated in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, “Compensation—Stock Compensation.” The fair value of each option award is based on the Black-Scholes option pricing model and reflects accounting assumptions required under U.S. generally accepted accounting principles (GAAP), not the actual economic value realized by the executive. These accounting-based values are intended to reflect the estimated cost to the Company at the time of grant and are not necessarily indicative of any value the executive has received or will ultimately receive. Importantly, the stock options granted to our named executive officers, including our Chief Executive Officer, have consistently had exercise prices equal to or greater than the market price of our common stock on the date of grant. As of the date of this filing, all such options remain underwater, meaning the current market price of our stock is below the exercise price of the options. Accordingly, these options have no intrinsic value and provide no economic benefit to the executives unless and until the Company’s stock price increases materially above the grant price.

The following stock option grants were made in 2023 and 2024 and are included in the compensation valuation disclosures:

- Ted Karkus (CEO): 400,000 options granted on March 17, 2024, with an exercise price of \$6.00 per share.
- Ted Karkus (CEO): 400,000 options granted on April 4, 2023, with an exercise price of \$9.00 per share.
- Robert Morse (CFO): 50,000 options granted on April 4, 2023, with an exercise price of \$9.00 per share.

The values disclosed in the compensation tables should be interpreted as accounting estimates—not as current or guaranteed compensation to the executive officers. These options currently have no intrinsic value.

| Name and Principal Position   | Year | Salary (\$) | Bonus (\$) <sup>(1)</sup> | Option Awards (\$) | All Other Compensation (\$) <sup>(2)</sup> | Total (\$) |
|---|------|-------------|---------------------------|--------------------|--|------------|
| Ted Karkus<br><i>Chief Executive Officer</i>                          | 2024 | 675,000     | 200,000                   | 1,220,000          | 28,200                                     | 2,123,200  |
|   | 2023 | 675,000     | 200,000                   | 2,465,000          | 27,200                                     | 3,367,200  |
| Jed Latkin <sup>(3)</sup><br><i>Former Chief Operating Officer</i>    | 2024 | 350,000     | 80,000                    | 1,315,000          | 27,200                                     | 1,772,200  |
|   | 2023 | —           | —                         | —                  | —  | —          |
| Robert Morse <sup>(4)</sup><br><i>Former Chief Financial Officer</i>  | 2024 | 126,827     | —                         | —                  | —  | —          |
|   | 2023 | 275,000     | 19,890                    | 246,500            | —  | 541,390    |
| Monica Brady <sup>(5)</sup><br><i>Former Chief Accounting Officer</i> | 2024 | —           | —                         | —                  | —  | —          |
|   | 2023 | 200,000     | —                         | —                  | 10,680                                     | 210,680    |

(1) For Mr. Karkus, the amount reported for 2024 consists of a \$200,000 discretionary bonus awarded to Mr. Karkus in April 2024 for his 2023 contributions to the Company and for 2023 consists of a \$200,000 discretionary bonus awarded to Mr. Karkus in March 2023 for his 2022 contributions to the Company.

For Mr. Latkin, the amount reported for 2024 consists of a \$80,000 sign-on bonus awarded to Mr. Latkin in January 2024, which was in conjunction with his employment agreement.

For Mr. Morse, the amount reported for 2023 consists of a \$19,890 discretionary bonus awarded to Mr. Morse in March 2023 for his 2022 contributions to the Company.

(2) For Mr. Karkus, the amounts reported for 2024 2023 consists of a \$15,000 vehicle allowance and a \$13,200 matching contribution to the Company's 401(k) defined contribution plan and 2023 consists of a \$15,000 vehicle allowance and a \$12,200 matching contribution to the Company's 401(k) defined contribution plan.

For Mr. Latkin, the amount reported for 2024 consists of a \$10,800 vehicle allowance and a \$16,400 matching contribution to the Company's 401(k) defined contribution plan.

For Ms. Brady, the amount reported for 2023 consists of a \$5,000 vehicle allowance and a \$5,680 matching contribution in the Company's 401(k) defined contribution plan.

(3) Mr. Latkin served as Chief Operating Officer effective January 1, 2024. Mr. Latkin resigned as Chief Operating Officer effective February 14, 2025.

(4) Mr. Morse resigned as Chief Financial Officer and resumed his role as Controller, effective January 1, 2024. Although Mr. Morse continues to work for the Company, he is no longer the principal financial officer and principal accounting officer of the Company.

(5) Ms. Brady resigned as Chief Accounting Officer effective January 13, 2023.

Approval of the Amended and Restated 2025 Directors' Plan will require the affirmative vote of a majority of the votes cast on such proposal by the Shares present in person or represented by proxy at the Special Meeting and entitled to vote thereon. A quorum must be present at the Special Meeting for a valid vote.

#### **Vote Required for Non-Binding Advisory Vote**

This advisory vote is not binding on the Board. However, the Board intends to consider the outcome of this vote in determining whether to proceed with the program in accordance with corporate governance best practices and responsiveness to stockholder sentiment.

Approval of the Amended and Restated 2025 Directors' Plan will require the affirmative vote of a majority of the votes cast on such proposal by the Shares present in person or represented by proxy at the Special Meeting and entitled to vote thereon. A quorum must be present at the Special Meeting for a valid vote.

#### **Recommendation of the Board of Directors**

**THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE SHARE REPURCHASE PROGRAM. PROXIES SOLICITED BY THE BOARD WILL BE VOTED "FOR" THE APPROVAL OF THE SHARE REPURCHASE PROGRAM UNLESS STOCKHOLDERS SPECIFY A CONTRARY VOTE.**

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### **PROPOSAL 5 – ISSUANCE OF SHARES OF COMMON STOCK IN NON-PUBLIC OFFERINGS (NASDAQ RULE 5635(d) PROPOSAL)**

#### **What am I voting on and how should I vote?**

You are being asked to approve the issuance of in excess of 20% of our common stock that may be issuable upon conversion or exercise of notes and warrants in a convertible note offering that could result in shares of common stock being deemed sold at a price below the "Minimum Price" as defined under Nasdaq Listing Rule 5635(d).

The Company raised \$3 million in senior secured convertible notes with accompanying warrants issued at a 20% original issue discount secured by Company assets. The notes cannot be converted for the first four months, and the warrants are exercisable at \$0.50 per share; the agreement at issue also allows for an additional \$3 million in future investment. Proceeds will be used for working capital, general purposes, and debt repayment, with transaction documents to be filed in a Form 8-K. The transaction includes customary investor protections and penalties and is designed to align long-term interests including providing the Company with flexible capital to support its strategic objectives. The Board believes that this capital raise, coupled with the Company's forward-looking digital asset strategy, positions the Company to unlock significant shareholder value by gaining early exposure to blockchain-based financial infrastructure. In executing this strategy, the Company intends to become a unique public market vehicle for investors seeking regulated access to both life sciences innovation and the growth potential of digital assets. Nasdaq Listing Rule 5635(d) requires shareholder approval. At this time, the Company reserved 1,000,000 shares. By agreement of the Company and the investors, an additional 226,310,704 shares, or 400% of the maximum aggregate number of Underlying Shares based on the OID face amount of \$3,750,000.

The Board of Directors believes voting For this Proposal 5 is in the best interests of the Company as it will allow the Company to comply with the contractual obligations described herein and potentially also raise additional capital, and thus provide us with the necessary capital to support the Company's Crypto Treasury Strategy and existing business lines and initiatives.

*The Board of Directors therefore recommends you vote "FOR" the approval of the issuance in excess of 20% of the Company's common stock.*

We are seeking stockholder approval for the issuance of in excess of 20% of the Company's common stock either the sale and issuance of common stock at a price less than the "Minimum Price" or upon sale and subsequent conversion of convertible notes and exercise of warrants stock. The Company requires such approval in order to ensure that we will be able to successfully obtain funding through a private placement of our securities in light of current market conditions.

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#### **Potential Effects on Current Stockholders**

The issuance of shares of common stock (and/or securities convertible into or exercisable for common stock) pursuant to this Proposal could have a dilutive effect on the ownership interests and voting power of existing stockholders. Depending on the number of shares issued and the price at which they are issued, current stockholders may experience a significant reduction in their relative ownership and earnings per share. This could cause dilution of both the intrinsic value of shares and relative voting power.

In addition to dilution, the issuance of a substantial number of new shares could also adversely affect the market price of the Company's common stock. Any such decline could occur regardless of the Company's actual operating performance or prospects. Further, if securities are issued to one or more large investors, those investors may obtain rights, preferences, or privileges not available to existing stockholders and could gain a measure of influence or control over Company matters, particularly if the Company issues a number of shares sufficient to constitute a significant percentage of its outstanding stock.

It is not assured that any capital raised will result in the intended financial or strategic benefits. Moreover, any future capital raised through non-public offerings may be perceived by the market as a sign of liquidity pressure or a lack of access to public markets, which could negatively affect investor sentiment and the Company's stock price.

#### **Interest of Certain Persons in Matter to Be Acted Upon**

No director or executive officer has any substantial interest, direct or indirect, by security holdings or otherwise, in this Proposal that is not shared by all of our other

stockholders.

#### **Vote Required**

Approval of this Proposal 5 requires the affirmative vote of the majority of the votes cast on this proposal. Abstentions and broker non-votes are not considered votes cast and will have no effect on the outcome of Proposal 5.

**THE BOARD RECOMMENDS A VOTE “FOR” APPROVAL, FOR PURPOSES OF COMPLYING WITH NASDAQ LISTING RULE 5635(D) IN CONNECTION WITH THE COMPANY’S NOTE AND WARRANT OFFERING DESCRIBED HEREIN THAT MAY BE CONVERTIBLE INTO COMMON STOCK IN EXCESS OF 20% OF OUR COMMON STOCK PRESENTLY OUTSTANDING (OR OUTSTANDING AT THE TIME SUCH OFFERING OCCURS) AND ANY OTHER POTENTIAL OFFERING THAT COULD HAVE A SIMILAR EFFECT.**

#### **Background and Rationale**

Nasdaq Listing Rule 5635(d) requires the Company to obtain stockholder approval before issuing, in a transaction other than a public offering, shares (or securities convertible into shares) representing 20% or more of our outstanding common stock at a price less than the “Minimum Price” — defined as the greater of book value or market value per share, based on Nasdaq rules

This proposal seeks that approval in advance.

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#### **Description of the Proposal**

If approved, the Company may issue, in one or more private offerings, shares of common stock and/or securities convertible into or exercisable for common stock, in an aggregate amount that may exceed 20% of the common stock outstanding as of each issuance. The securities may be sold at a price per share below the greater of book or market value, all in accordance with Nasdaq Listing Rule 5635(d).

The actual terms of any issuance—including price, timing, investor(s), and amount—will be determined by the Board and management based on market conditions, the Company’s capital needs, and other strategic objectives.

#### **Why Your Vote Matters**

Compliance: Obtaining shareholder approval in advance enables the Company to proceed with future non-public financings without risking Nasdaq listing status.

Capital flexibility: Approval ensures the Board can act swiftly and efficiently in future capital markets.

Dilution disclosure: The Company will fully disclose dilution impact and pricing details when such offerings occur.

#### **Voting Mechanics**

Vote required: This proposal must be approved by a majority of votes cast at the meeting. Abstentions and broker non-votes will have no effect.

#### **Board Recommendation**

**THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE ISSUANCE OF COMMON STOCK IN NON-PUBLIC OFFERINGS IN AN AMOUNT THAT MAY EXCEED 20% OF OUTSTANDING COMMON STOCK. PROXIES SOLICITED BY THE BOARD WILL BE VOTED “FOR” THE APPROVAL OF THE ISSUANCE OF COMMON STOCK IN NON-PUBLIC OFFERINGS UNLESS STOCKHOLDERS SPECIFY A CONTRARY VOTE.**

#### **No Appraisal or Dissenters’ Rights**

Under Delaware law, stockholders are not entitled to appraisal or dissenters’ rights in connection with this proposal to approve the issuance of shares of common stock in non-public offerings.

#### **PROPOSAL 6 - APPROVAL OF AMENDMENT TO COMPANY’S BYLAWS TO DESIGNATE THE ADDRESS OF ITS PRINCIPAL EXECUTIVE OFFICES**

To approve an amendment to the Company’s By-Laws to change the address of its principal executive offices to 626 RXR Plaza, 6th Floor, Uniondale, NY 11556 (this proposal is considered a routine matter for which brokers may exercise discretionary voting authority).

#### **Background and Rationale**

The Board of Directors has determined that relocating the Company’s principal executive offices to 626 RXR Plaza, 6th Floor, Uniondale, NY 11556 is in the best interests of the Company and its shareholders. The new location will better support the Company’s ongoing operations and future growth objectives.

This amendment may be effected by shareholder approval. The proposed change to the Bylaws solely designates the address of the principal executive offices and does not affect other provisions of the Bylaws or the rights of shareholders.

#### **Text of the Proposed Amendment**

Current Bylaws do not designate the address of the principal executive offices.

The proposed amendment would therefore add the following language to the end of Article I:

Section 3. The Company’s principal executive offices are located at 626 RXR Plaza, 6th Floor, Uniondale, NY 11556.

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#### **Effect of the Amendment**

If approved, the amendment will take effect immediately following the Special Meeting, and the Company will update its records with the Delaware Secretary of State and other



relevant authorities as required. The designation of address is administrative in nature and will not impact the Company's operations, financial position, or shareholder rights. This amendment does not affect any governance provisions of the By-Laws. The Company will update its filings with the Securities and Exchange Commission to reflect the new address of its principal executive offices.

#### Vote Required

Under Article XIII of the Company's Bylaws, amendment of the Bylaws of the Company by shareholder vote, requires the affirmative vote of at least 66 2/3% of the Company's outstanding voting stock. Because this proposal contemplates an amendment of the Bylaws, its approval requires the affirmative vote of at least 66 2/3% of the Company's outstanding voting stock for approval. Abstentions will have the same effect as a vote against the proposal. Because this proposal regards a matter that is deemed "routine," broker non-votes will have the effect of giving pertinent brokers discretionary authority to vote on this matter.

The presence, in person or by proxy, of the holders of a majority of the Company's outstanding shares entitled to vote at the Special Meeting will constitute a quorum for the transaction of business. This quorum requirement is set forth in Section 8 of the Company's By-Laws and applies to all matters presented at the meeting.

However, Proposal 6 seeks shareholder approval to amend the Company's By-Laws. Pursuant to Section 1 of the By-Laws, such an amendment requires the affirmative vote of at least 66 2/3% of the Company's outstanding voting stock, not merely a majority of votes cast. As a result, abstentions and broker non-votes will have the same effect as votes against the proposal. The quorum requirement governs whether the meeting may proceed; the supermajority vote requirement governs whether this specific proposal may be approved.

If this proposal is not approved by the requisite vote of the Company's shareholders, the Company's By-Laws will not be amended to reflect the address of its principal executive offices. However, this will have no effect on the Company's ability to operate from its current location or to reflect that address in public filings, correspondence, or other business records. The amendment is administrative in nature and intended to provide consistency and clarity within the Company's governing documents.

#### Board Recommendation

**THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS THAT STOCKHOLDERS VOTE FOR APPROVAL TO AMEND THE BYLAWS TO DESIGNATE 626 RXR PLAZA, 6TH FLOOR, UNIONDALE, NY 11556, AS THE COMPANY'S PRINCIPAL EXECUTIVE OFFICE.**

#### OTHER INFORMATION

##### Attending the Special Meeting

The Special Meeting will take place at 273 Merrick Road, Lynbrook, NY 11563, on Friday, August 29, 2025, at 4:00 p.m., Eastern Time. If you have questions about attending the Annual Meeting, please contact the Company by phone at (516) 464-6121.

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##### Expenses and Solicitation

All expenses in connection with this solicitation will be borne by the Company. In addition to the use of the mail, proxy solicitation may be made by telephone, telegraph and personal interview by officers, directors and employees of the Company. The Company will, upon request, reimburse brokerage houses and persons holding shares in the names of their nominees for their reasonable expenses in sending soliciting material to their principals.

##### Householding of Proxy Materials

In some cases, only one copy of this Proxy Statement is being delivered to multiple stockholders sharing an address. However, this delivery method, called "householding," is not being used if the Company has received contrary instructions from one or more of the stockholders. The Company will deliver promptly, upon written or oral request, a separate copy of this Proxy Statement to a stockholder at a shared address to which a single copy of the documents were delivered. To obtain a separate copy of our Proxy Statement and our 2024 Annual Report, send such request to Lance Bisesar, Controller, at our offices located at 626 RXR Plaza, 6th Floor, Uniondale, New York 11556.

##### Other Business

The Board knows of no business that will be presented for consideration at the Special Meeting other than those items stated above. If any other business should come before the Special Meeting, votes may be cast pursuant to Proxies in respect to any such business in the best judgment of the person or persons acting under the Proxies. The final results of the balloting at the Special Meeting will appear in the Company's Current Report on Form 8-K within four business days of the meeting.

This Proxy Statement and the Notice of Special Meeting are available online at: [www.proxyvote.com](http://www.proxyvote.com)

#### YOUR VOTE IS IMPORTANT!

**You are cordially invited to attend the Special Meeting. However, to ensure that your shares are represented at the meeting, please submit your proxy card or voting instructions by mail. Please see the instructions on the proxy card and voting instruction card. Submitting a proxy card or voting instructions will not prevent you from attending the Special Meeting and voting in person, if you so desire, but will help the Company secure a quorum and reduce the expense of additional proxy solicitation.**

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#### SIGNATURES

By: /s/ Ted Karkus  
Title: Chief Executive Officer and Chairman of the Board of Directors  
Date: July 28, 2025

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| Exhibit No. | Description |
|-------------|-------------|
|-------------|-------------|

- |   |  |
|---|--|
| 1 | <a href="#">Proxy Card</a>   |
| 2 | <a href="#">Amended and Restated 2025 Employee Equity Compensation Plan (Proposal 1)</a> |

- 3        [2025 Employee Equity Plan \(redlined to show changes from Amended and Restated 2022 Employee Equity Plan\) \(Proposal 1\)](#)
- 4        [Amended and Restated 2025 Directors' Equity Compensation Plan \(Proposal 2\)](#)
- 5        [2025 Directors' Equity Plan \(redlined to show changes from Amended and Restated 2022 Directors' Equity Plan\) \(Proposal 2\)](#)
- 6        [Certificate of Amendment to the Certificate of Incorporation \(Proposal 3\)](#)
- 7        [Amended and Restated Bylaws \(reflecting change of principal executive office address\) \(Proposal 6\)](#)

PROPHASE LABS, INC.  
626 RXR PLAZA, 6TH FLOOR  
UNIONDALE, NEW YORK 11556



**SCAN TO**  
**VIEW MATERIALS & VOTE**



**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com) or scan the QR Barcode above**  
Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

V77441-S18481

KEEP THIS PORTION FOR YOUR RECORDS

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

DETACH AND RETURN THIS PORTION ONLY

PROPHASE LABS, INC.

**The Board of Directors recommends you vote FOR the following proposals:**

|    |  | For                      | Against                  | Abstain                  |
|----|--|--------------------------|--------------------------|--------------------------|
| 1. | An amendment to the Company's Amended and Restated 2022 Equity Compensation Plan to increase the number of shares authorized for issuance thereunder by 3,000,000 shares, and (ii) the adoption of the Company's new 2025 Equity Compensation Plan, as approved by the Board of Directors, to supersede said 2022 Plan.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | An amendment to the Company's Amended and Restated 2022 Directors' Equity Compensation Plan to increase the number of shares authorized for issuance thereunder by 500,000 shares, and (ii) the adoption of the Company's new 2025 Directors' Equity Compensation Plan, as approved by the Board of Directors, to supersede said 2022 Directors' Plan.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. | An amendment to Article FOURTH of the Company's Certificate of Incorporation, as amended, to increase the number of authorized shares of common stock from 50,000,000 to 1,000,000,000 shares, as recommended by the Board of Directors to transform the structure of the Company to have the flexibility to attract and execute on the optimal crypto treasury strategy.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. | The approval of, on a non-binding, advisory basis, the Board of Directors' adoption of a share repurchase program authorizing the Company, in its discretion, to repurchase up to \$15 million of its outstanding common stock from time to time in the open market or through privately negotiated transactions, subject to applicable law and the Company's financial condition.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. | The approval of the issuance by the Company of shares of its common stock (and/or securities convertible into or exercisable for common stock), in one or more non-public offerings, in an aggregate amount that may exceed 20% of the total number of shares of the Company's common stock outstanding as of the date of issuance, at a price that may be less than the greater of book value or market value of the common stock, as determined in accordance with Nasdaq rules. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. | The approval of an amendment to the Company's By-Laws to add the address of its principal executive offices to 626 RXR Plaza, 6th Floor, Uniondale, NY 11556 (this proposal is considered a routine matter for which brokers may exercise discretionary voting authority).   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]      Date

Signature (Joint Owners)      Date

**Important Notice Regarding the Availability of Proxy Materials for the Special Meeting:**

The Notice and Proxy Statement is available at [www.proxyvote.com](http://www.proxyvote.com).

V77442-S18481

**PROPHASE LABS, INC.  
SPECIAL MEETING OF STOCKHOLDERS  
AUGUST 29, 2025 4:00 P.M., EASTERN TIME  
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The stockholder(s) hereby appoint(s) Ted Karkus and Lance Bisesar, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of PROPHASE LABS, INC. that the stockholder(s) is/are entitled to vote at the Special Meeting of Stockholders to be held at 4:00 p.m., Eastern Time, on Friday, August 29, 2025, at 273 Merrick Road, Lynbrook, NY 11563, and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

**Continued and to be signed on reverse side**

## THE PROPHASE LABS, INC.

## AMENDED AND RESTATED

## 2022 EQUITY COMPENSATION PLAN

## 1. PURPOSE OF THE PLAN

The purpose of the Plan is to aid ProPhase Labs, Inc. (the “Company”) and its Affiliates in recruiting and retaining employees, consultants and advisors of outstanding ability and to motivate them to exert their best efforts on behalf of the Company and its stockholders by providing incentives through the granting of Awards. The Company expects that it and the Company’s stockholders will benefit from the added interest which such employees, consultants and advisors will have in the welfare of the Company as a result of their proprietary interest in the Company’s success.

## 2. AMENDMENT AND RESTATEMENT; EFFECTIVE DATE

The Plan, originally titled *The Quigley Corporation 2010 Equity Compensation Plan*, was ratified by the Company’s stockholders at the Company’s Annual Meeting of Stockholders on May 5, 2010. The Plan was subsequently amended by the Board, titled the Amended and Restated 2010 Equity Compensation Plan, and ratified by the Company’s stockholders at the Company’s Annual Meeting of Stockholders on May 6, 2013, May 24, 2016, May 23, 2018, and May 20, 2021. As renamed, the Amended and Restated 2022 Equity Compensation Plan became effective on April 11, 2022 and, as further amended and restated herein, this Amended and Restated 2022 Equity Compensation Plan became effective on the Effective Date, subject to approval of the Company’s stockholders, and amends and restates the 2022 Equity Compensation Plan in its entirety.

## 3. DEFINITIONS

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

a) Affiliate: With respect to the Company, any entity directly or indirectly controlling, controlled by or under common control with the Company or any other entity designated by the Board in which the Company or an Affiliate has an interest.

b) Award: An Option, Restricted Stock, Restricted Stock Unit, or Other Stock Based Award granted pursuant to the Plan.

c) Beneficial Owner: A “beneficial owner,” as such term is defined in Rule 13(d)(3) of the Exchange Act (or any successor rule thereto).

d) Board: The Board of Directors of the Company.

e) Change of Control: The occurrence of any one of the following events:

(i) A change in the ownership of the Company that occurs on the date that any one person, or more than one person acting as a group (for purposes of SEC Rule 13d) (“Person”), acquires ownership of the Shares that, together with the Shares held by such Person, constitutes more than 50% of the total voting power of the Shares of the Company. No Change of Control shall have occurred in the event Ted Karkus (the “Executive”) or a group which includes Executive acquires more than 50% of the voting control of the Company. The acquisition of additional Shares by any one Person, who is considered to own more than 50% of the total voting power of the Shares of the Company will not be considered an additional Change of Control; or

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(ii) A change in the effective control of the Company that occurs on the date that a majority of members of the Board is replaced during any 12 month period by directors whose appointment or election is not endorsed by one of either the Executive or a majority of the members of the Board prior to the date of the appointment or election; or

(iii) A change in the ownership of a “substantial portion of the Company’s assets”, as defined herein. For this purpose, a “substantial portion of the Company’s assets” shall mean assets of the Company having a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such change in ownership. For purposes of this subsection (iii), a change in ownership of a substantial portion of the Company’s assets occurs on the date that any Person acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Company that constitute a “substantial portion of the Company’s assets.” For purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company’s assets: (a) a transfer to an entity that is controlled by the Company’s stockholders immediately after the transfer, or (b) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company’s stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event within the meaning of Section 409A of the Code.

Further and for the avoidance of doubt, a transaction will not constitute a Change of Control if its primary purpose is to: (1) change the state of the Company’s incorporation, or (2) create a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such transaction.

f) Code: The Internal Revenue Code of 1986, as amended, or any successor thereto.

g) Committee: The Compensation Committee of the Board (or a subcommittee thereof as provided under Section 5), or such other committee of the Board (including, without limitation, the full Board) to which the Board has delegated power to act under or pursuant to the provisions of the Plan.

h) Company: ProPhase Labs, Inc., a Delaware corporation.

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i) Director: A non-employee member of the Board.

j) Disability: Inability of a Participant to perform in all material respects his duties and responsibilities to the Company or any Subsidiary of the Company, by reason of a physical or mental disability or infirmity which inability is reasonably expected to be permanent and has continued (i) for a period of six consecutive months or (ii) such shorter period as the Committee may reasonably determine in good faith. The Disability determination shall be in the sole discretion of the Committee and a Participant (or his representative) shall furnish the Committee with medical evidence documenting the Participant's disability or infirmity which is satisfactory to the Committee.

k) Effective Date: April 23, 2023, subject to the approval of the Company's stockholders.

l) Employment: The term "Employment" as used herein shall be deemed to refer to (i) a Participant's employment if the Participant is an employee of the Company or any of its Affiliates, (ii) a Participant's services as a consultant, advisor or other service provider, if the Participant is a consultant, advisor or other service provider to the Company or its Affiliates, and (iii) a Participant's services as a non-employee director, if the Participant is a non-employee member of the Board.

m) Exchange Act: The Securities Exchange Act of 1934, as amended, or any successor thereto.

n) Fair Market Value: On a given date, (i) if there should be a public market for the Shares on such date, the closing price of the Shares as reported on such date on the composite tape of the principal national securities exchange on which such Shares are listed or admitted to trading or, if no composite tape exists for such national securities exchange on such date, then the closing price on the principal national securities exchange on which such Shares are listed or admitted to trading, (ii) if the Shares are not listed or admitted on a national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such other market in which such prices for the Shares are regularly quoted) or (iii) if there is no market on which the Shares are regularly quoted, the Fair Market Value shall be the value established by the Committee in good faith and consistent with Section 409A of the Code; provided, however that in determining the Fair Market value, the Committee shall not apply a discount for any minority interest. With respect to (i) and (ii) above, if no sale of Shares shall have been reported on such composite tape or such national securities exchange on such date or quoted on the National Association of Securities Dealer Automated Quotation System or other applicable market on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used.

o) ISO: An Option that is also an incentive stock option granted pursuant to Section 7(d) of the Plan.

p) Option: A stock option granted pursuant to Section 7 of the Plan.

q) Option Price: The purchase price per Share of an Option, as determined pursuant to Section 7(a) of the Plan.

r) Participant: An employee, director, consultant, advisor or other service provider of the Company or any of its Affiliates who is selected by the Committee to participate in the Plan.

s) Permitted Holder(s): "Permitted Holder" means, as of the date of determination, any and all of (i) an employee benefit plan (or trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person of which a majority of its voting power of its voting equity securities or equity interest is owned, directly or indirectly, by the Company or (ii) any stockholder of the Company who, together with its affiliates, owns 50% or more of the total voting power of all classes of voting stock of the Company as of the Effective Date, or any affiliate(s) of such stockholder.

t) Person: A "person," as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act (or any successor section thereto).

u) Plan: The ProPhase Labs, Inc. Amended and Restated 2022 Equity Compensation Plan as set forth herein.

v) Restricted Stock: An Award granted pursuant to Section 8(b) of the Plan.

w) Restricted Stock Unit: An Award granted pursuant to Section 8(b) of the Plan.

x) Shares: Shares of common stock of the Company.

y) Subsidiary: A subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

#### 4. SHARES SUBJECT TO THE PLAN

Subject to this Section 4 and Section 9 of the Plan, the total number of Shares which may be issued under the Plan is the sum of (i) the number of Shares available under the Plan immediately prior to stockholder approval of this Plan (as of April 23, 2023, 3,285 Shares were available under this Plan, subject to the counting, adjustment and substitution provisions of the Plan) and (ii) 700,000 Shares, plus (iii) that number of Shares that are represented by awards which previously have been granted and are outstanding under the Plan (including those granted under the predecessor 2010 Equity Compensation Plan) on the date the Plan, as amended and restated, is approved by stockholders of the Company and which subsequently expire or otherwise lapse, are terminated or forfeited, are settled in cash, or exchanged with the Committee's permission, prior to the issuance of Shares, for Awards not involving shares of Common Stock, without the issuance of the underlying Shares, all of which may be issued as ISOs to the extent approved hereunder or by prior shareholder approval. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Shares or in consideration of the cancellation or termination of an Award shall reduce the total number of Shares available under the Plan, as applicable. Shares which are subject to Awards under this Plan which terminate, expire, forfeit or lapse without the payment of consideration (or Awards settled in cash in lieu of Shares) may be granted again under the Plan. If the exercise price of an Award is paid by delivering to the Company Shares previously owned by the Participant or if Shares are delivered or withheld for purposes of satisfying a tax withholding obligation, the number of Shares covered by the Award equal to the number of Shares so delivered or withheld shall, however, be counted against the number of Shares granted and shall not again be available for Awards under the Plan. Stock Appreciation Rights to be settled in Shares shall be counted in full against the number of Shares available for award under the Plan regardless of the number of Shares issued upon settlement of the Stock Appreciation Right. All of the Options that are available for issuance under the Plan may be issued as ISOs.

#### 5. ADMINISTRATION

The Plan shall be administered by the Committee. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or advisable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or advisable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors). The Committee shall have the full power and authority to establish the terms and conditions of any Award consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions). Determinations made by the Committee under the Plan need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated. Awards may, in the discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding Awards previously granted by the Company, any of its Affiliates or any of their respective predecessors, or any entity acquired by the Company or with which the Company combines.

The number of Shares underlying such substitute Awards shall be counted against the aggregate number of Shares available for Awards under the Plan. The Committee shall require payment of any minimum amount it may determine to be necessary to withhold for federal, state, local or other, taxes as a result of the exercise, vesting or grant of an Award. Unless the Committee specifies otherwise, the Participant may elect to pay a portion or all of such withholding taxes by (a) delivery in Shares or (b) having Shares withheld by the Company from any Shares that would have otherwise been received by the Participant. The number of Shares so delivered or withheld shall have an aggregate Fair Market Value sufficient to satisfy the applicable withholding taxes.

## 6. LIMITATIONS

No Award may be granted under the Plan after the tenth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

## 7. TERMS AND CONDITIONS OF OPTIONS

Options granted under the Plan shall be, as determined by the Committee, non-qualified or incentive stock options for federal income tax purposes, as evidenced by the related Option agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

a) Option Price. The Option Price per Share shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of a Share on the date an Option is granted (other than in the case of Options granted in substitution of previously granted Options, as described in Section 5).

b) Exercisability. Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than seven years after the date it is granted. Each Option agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's employment or service with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the applicable Option agreements, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

c) Exercise of Options. Except as otherwise provided in the Plan or in an Option agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 7 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to clauses (i), (ii), (iii) or (iv) in the following sentence. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company to the extent permitted by law, (i) in cash or its equivalent (e.g., by personal check) at the time the Option is exercised, (ii) in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided that such Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles), (iii) partly in cash and partly in Shares (as described in (ii) above), (iv) if there is a public market for the Shares at such time, and provided that a sale of Shares by the Participant is permitted at such time under the Company's insider trading policy then in effect, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such Sale equal to the aggregate Option Price for the Shares being purchased or (v) to the extent the Committee shall approve in the Option agreement or otherwise, through "net settlement" in Shares. In the case of a "net settlement" of an Option, the Company will not require a cash payment of the Option Price of the Option set forth in the Option agreement, but will reduce the number of Shares issued upon the exercise by the largest number of whole Shares that have a Fair Market Value that does not exceed the aggregate Option Price set forth in the Option agreement. With respect to any remaining balance of the aggregate Option Price, the Company shall accept a cash payment. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

d) ISOs. The Committee may grant Options under the Plan that are intended to be ISOs. Such ISOs shall comply with the requirements of Section 422 of the Code (or any successor section thereto). No ISO may be granted to any Participant who at the time of such grant owns more than 10% of the total combined voting power of all classes of stock of the Company or of any Subsidiary, unless (i) the Option Price for such ISO is at least 110% of the Fair Market Value of a Share on the date the ISO is granted and (ii) the date on which such ISO terminates is a date not later than the day preceding the fifth anniversary of the date on which the ISO is granted. Any Participant who disposes of Shares acquired upon the exercise of an ISO either (i) within two years after the date of grant of such ISO or (ii) within one year after the transfer of such Shares to the Participant, shall notify the Company of such disposition and of the amount realized upon such disposition. All Options granted under the Plan are intended to be nonqualified stock options unless the applicable Option agreement expressly states that the Option is intended to be an ISO. If an Option is intended to be an ISO, and if for any reason such Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a nonqualified stock option granted under the Plan; provided that such Option (or portion thereof) otherwise complies with the Plan's requirements relating to nonqualified stock options. In no event shall any member of the Committee, the Company or any of its Affiliates (or their respective employees, officers or directors) have any liability to any Participant (or any other Person) due to the failure of an Option to qualify for any reason as an ISO.

e) Attestation. Wherever in this Plan or in any agreement evidencing an Option a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall, as appropriate, (i) treat the Option as exercised without further payment and/or (ii) withhold such number of Shares from the Shares acquired by the exercise of the Option.

## 8. OTHER STOCK BASED AWARDS

a) Generally. The Committee, in its sole discretion, may grant or sell Awards of Shares, Awards of restricted Shares and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares ("Other Stock Based Awards"). Such Other Stock Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock Based Awards may be granted alone or in addition to any other Awards granted under the Plan. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock Based Awards will be made, the number of Shares to be awarded under (or otherwise related to) such Other Stock Based Awards; whether such Other Stock Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof and provisions ensuring that all Shares so awarded and issued shall be fully paid and non-assessable).

b) Restricted Stock Awards and Restricted Stock Units. The Committee may grant Restricted Stock or Restricted Stock Units at any time and from time to time prior to the expiration of the Plan to eligible Participants selected by the Committee. A Participant shall have rights as a stockholder with respect to any Shares subject to a Restricted Stock award hereunder only to the extent specified in the Restricted Stock agreement evidencing such Award. Awards of Restricted Stock or Restricted Stock Units shall be evidenced only by such agreements, notices and/or terms or conditions documented in such form (including by electronic communications) as may be approved by the



Committee. Awards of Restricted Stock or Restricted Stock Units granted pursuant to the Plan need not be identical but each must contain or be subject to the following terms and conditions:

(i) *Terms and Conditions.* Each Restricted Stock agreement and each Restricted Stock Unit agreement shall contain provisions regarding (a) the number of Shares subject to such Award or a formula for determining such, (b) the purchase price of the Shares, if any, and the means of payment for the Shares, (c) the performance criteria, if any, and level of achievement versus these criteria that shall determine the number of Shares granted, issued, retainable and/or vested, (d) such terms and conditions on the grant, issuance, vesting and/or forfeiture of the Shares as may be determined from time to time by the Committee, (e) restrictions on the transferability of the Shares and (f) such further terms and conditions as may be determined from time to time by the Committee, in each case not inconsistent with this Plan.

(ii) *Restricted Stock Units.* Except to the extent this Plan or the Committee specifies otherwise, Restricted Stock Units represent an unfunded and unsecured obligation of the Company and do not confer any of the rights of a stockholder until Shares are issued thereunder. Settlement of Restricted Stock Units upon expiration of the deferral or vesting period shall be made in Shares or otherwise as determined by the Committee. Dividends or dividend equivalent rights shall be payable in cash or in additional shares with respect to Restricted Stock Units only to the extent specifically provided for by the Committee. Until a Restricted Stock Unit is settled, the number of Shares represented by a Restricted Stock Unit shall be subject to adjustment pursuant to Section 9. Any Restricted Stock Units that are settled after the Participant's death shall be distributed to the Participant's designated beneficiary(ies) or, if none was designated, the Participant's estate.

(iii) *Share Vesting.* The grant, issuance, retention and/or vesting of Shares under Restricted Stock or Restricted Stock Unit Awards shall be at such time and in such installments as determined by the Committee or under criteria established by the Committee. The Committee shall have the right to make the timing of the grant and/or the issuance, ability to retain and/or vesting of Shares under Restricted Stock or Restricted Stock Unit Awards subject to continued employment, passage of time and/or such performance criteria (as described in more detail in Section 8(c) below).

c) *Performance Based Awards.* Notwithstanding anything to the contrary herein, certain Other Stock Based Awards granted under this Section 8 may be based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee ("Performance Based Awards"). The Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given participant and, if they have, shall so certify. In connection with such certification, the Committee, or its delegate, may decide that the amount of the Performance Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula; provided that the Committee shall have the authority to waive any applicable performance goals. In the event the applicable performance goals are not waived by the Committee, payment of a Performance Based Award will occur only after certification and will be made as determined by the Committee in its sole discretion after the end of the applicable performance period.

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## 9. ADJUSTMENTS UPON CERTAIN EVENTS

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

a) Generally. In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other corporate exchange or change in capital structure, any distribution or special dividend to stockholders of Shares, cash or other property (other than regular cash dividends) or any similar event, the Committee without liability to any person shall make such substitution or adjustment, if any, as it deems to be equitable (subject to Section 17), as to the number or kind of Shares or other securities issued or reserved for issuance as set forth in Section 4 of the Plan or pursuant to outstanding Awards and the per share exercise price thereof, as applicable; provided that the Committee shall determine in its sole discretion the manner in which such substitution or adjustment shall be made.

b) Change of Control. In the event of a Change of Control (or similar corporate transaction, whether or not including any Permitted Holder) after the Effective Date, the Committee shall accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an Award. With respect to any Awards that are vested pursuant to the preceding sentence, the Committee may (A) cancel such Awards for fair value (as determined in the sole discretion of the Committee) which, in the case of Awards, may equal the excess, if any, of value of the consideration to be paid in the Change of Control transaction to holders of the same number of Shares subject to such Awards (or, if no consideration is paid in any such transaction, the Fair Market Value of the Shares subject to such Awards) over the aggregate exercise price of such Awards, (B) provide for the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder as determined by the Committee in its sole discretion or (C) provide that for a period of at least 10 days prior to the Change of Control, such Awards shall be exercisable as to all shares subject thereto and that upon the occurrence of the Change of Control, such Awards shall terminate and be of no further force or effect. For the avoidance of doubt, pursuant to (A) above, the Committee may cancel Awards for no consideration if the aggregate Fair Market Value of the Shares subject to such Awards is less than or equal to the aggregate Award Price of such Awards.

## 10. NO RIGHT TO EMPLOYMENT OR AWARDS

The granting of an Award under the Plan shall impose no obligation on the Company or any of its Affiliates to continue the Employment of a Participant and shall not lessen or affect the Company's or any Affiliate's right to terminate the Employment of such Participant. No Participant or other Person shall have any claim to be granted any Award and there is no obligation for uniformity of treatment of Participants, holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

## 11. SUCCESSORS AND ASSIGNS

The Plan shall be binding on all successors and assigns of the Company and the Participants, including, without limitation, the estate of each such Participant and the executor, administrator or trustee of such estate, and any receiver or trustee in bankruptcy or any other representative of the Participant's creditors.

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## 12. NONTRANSFERABILITY OF AWARDS

Unless otherwise determined by the Committee, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

## 13. AMENDMENTS OR TERMINATION

The Committee may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which (a) without the approval of the stockholders of the Company, would (except as is provided in Section 11 of the Plan) increase the total number of Shares reserved for the purposes of the Plan or change the maximum number of Shares for which Awards may be granted to any Participant or (b) without the consent of a Participant, would materially adversely impair any of the rights under any Award theretofore granted to such Participant under the Plan; provided, however, that the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws (including, without limitation, to avoid adverse tax consequences to the Company or any Participant). Except as set forth in Section 9 hereof, in no event may the Committee or any other entity reprice any Award or substitute an outstanding Award for a new Award with a lower exercise price.

Without limiting the generality of the foregoing, to the extent applicable, notwithstanding anything herein to the contrary, this Plan and Awards issued hereunder shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any amounts payable hereunder will be taxable to a Participant under Section 409A of the Code and related Department of Treasury guidance prior to payment to such Participant of such amount, the Company may (a) adopt such amendments to the Plan and Awards and adopt such appropriate policies and procedures, including amendments and policies or procedures with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Awards hereunder and/or (b) take such other actions as the Committee determines necessary or appropriate to avoid the imposition of an additional tax under Section 409A of the Code.

#### **14. INTERNATIONAL PARTICIPANTS**

With respect to Participants who reside or work outside the United States of America, the Committee may, in its sole discretion, amend the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the requirements of local law or to obtain more favorable tax or other treatment for a Participant, the Company or an Affiliate.

#### **15. CHOICE OF LAW**

The Plan shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of laws.

#### **16. EFFECTIVENESS OF THE PLAN**

The Plan shall be effective as of the Effective Date, subject to the approval of the Company's stockholders.

#### **17. SECTION 409A**

Notwithstanding other provisions of the Plan or any Award agreements thereunder, no Award shall be granted, deferred, accelerated, extended, paid out or modified under this Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant. In the event that it is reasonably determined by the Committee that, as a result of Section 409A of the Code, any payment or delivery of Shares in respect of any Award under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Award agreement, as the case may be, without causing the Participant holding such Award to be subject to taxation under Section 409A of the Code, the Company will make such payment or delivery of Shares on the first day that would not result in the Participant incurring any tax liability under Section 409A of the Code. In the case of a Participant who is a "specified employee" (within the meaning of Section 409A(a)(2)(B)(i) of the Code), any payment and/or delivery of Shares in respect of any Award subject to Section 409A of the Code that are linked to the date of the Participant's separation from service shall not be made prior to the date which is six (6) months after the date of such Participant's separation from service from the Company and its affiliates, determined in accordance with Section 409A of the Code and the regulations promulgated thereunder. The Company shall use commercially reasonable efforts to implement the provisions of this Section 17 in good faith; provided that neither the Company, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 17.

## THE PROPHASE LABS, INC.

## AMENDED AND RESTATED

## 2025 EQUITY COMPENSATION PLAN

## 1. PURPOSE OF THE PLAN

The purpose of the Plan is to aid ProPhase Labs, Inc. (the “Company”) and its Affiliates in recruiting and retaining employees, consultants and advisors of outstanding ability and to motivate them to exert their best efforts on behalf of the Company and its stockholders by providing incentives through the granting of Awards. The Company expects that it and the Company’s stockholders will benefit from the added interest which such employees, consultants and advisors will have in the welfare of the Company as a result of their proprietary interest in the Company’s success.

## 2. AMENDMENT AND RESTATEMENT; EFFECTIVE DATE

The Plan, originally titled *The Quigley Corporation 2010 Equity Compensation Plan*, was ratified by the Company’s stockholders at the Company’s Annual Meeting of Stockholders on May 5, 2010. The Plan was subsequently amended by the Board, titled the Amended and Restated 2010 Equity Compensation Plan, and ratified by the Company’s stockholders at the Company’s Annual Meeting of Stockholders on May 6, 2013, May 24, 2016, May 23, 2018, May 20, 2021, and June 16, 2023 (the “Amended and Restated 2022 Equity Compensation Plan”). As renamed, the Amended and Restated 2025 Equity Compensation Plan became effective immediately upon stockholder approval at the August 29, 2025, Special Meeting; and amends and restates the Amended and Restated 2022 Equity Compensation Plan in its entirety.

## 3. DEFINITIONS

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

a) Affiliate: With respect to the Company, any entity directly or indirectly controlling, controlled by or under common control with the Company or any other entity designated by the Board in which the Company or an Affiliate has an interest.

b) Award: An Option, Restricted Stock, Restricted Stock Unit, or Other Stock Based Award granted pursuant to the Plan.

c) Beneficial Owner: A “beneficial owner,” as such term is defined in Rule 13(d)(3) of the Exchange Act (or any successor rule thereto).

d) Board: The Board of Directors of the Company.

e) Change of Control: The occurrence of any one of the following events:

(i) A change in the ownership of the Company that occurs on the date that any one person, or more than one person acting as a group (for purposes of SEC Rule 13d) (“Person”), acquires ownership of the Shares that, together with the Shares held by such Person, constitutes more than 50% of the total voting power of the Shares of the Company. No Change of Control shall have occurred in the event Ted Karkus (the “Executive”) or a group which includes Executive acquires more than 50% of the voting control of the Company. The acquisition of additional Shares by any one Person, who is considered to own more than 50% of the total voting power of the Shares of the Company will not be considered an additional Change of Control; or

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(ii) A change in the effective control of the Company that occurs on the date that a majority of members of the Board is replaced during any 12 month period by directors whose appointment or election is not endorsed by one of either the Executive or a majority of the members of the Board prior to the date of the appointment or election; or

(iii) A change in the ownership of a “substantial portion of the Company’s assets”, as defined herein. For this purpose, a “substantial portion of the Company’s assets” shall mean assets of the Company having a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such change in ownership. For purposes of this subsection (iii), a change in ownership of a substantial portion of the Company’s assets occurs on the date that any Person acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Company that constitute a “substantial portion of the Company’s assets.” For purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company’s assets: (a) a transfer to an entity that is controlled by the Company’s stockholders immediately after the transfer, or (b) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company’s stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event within the meaning of Section 409A of the Code.

Further and for the avoidance of doubt, a transaction will not constitute a Change of Control if its primary purpose is to: (1) change the state of the Company’s incorporation, or (2) create a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such transaction.

f) Code: The Internal Revenue Code of 1986, as amended, or any successor thereto.

g) Committee: The Compensation Committee of the Board (or a subcommittee thereof as provided under Section 5), or such other committee of the Board (including, without limitation, the full Board) to which the Board has delegated power to act under or pursuant to the provisions of the Plan.

h) Company: ProPhase Labs, Inc., a Delaware corporation.

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i) Director: A non-employee member of the Board.

j) Disability: Inability of a Participant to perform in all material respects his duties and responsibilities to the Company or any Subsidiary of the Company, by reason of a physical or mental disability or infirmity which inability is reasonably expected to be permanent and has continued (i) for a period of six consecutive months or (ii) such shorter period as the Committee may reasonably determine in good faith. The Disability determination shall be in the sole discretion of the Committee and a Participant (or his representative) shall furnish the Committee with medical evidence documenting the Participant's disability or infirmity which is satisfactory to the Committee.

k) Effective Date: August 29, 2025, subject to the approval of the Company's stockholders.

l) Employment: The term "Employment" as used herein shall be deemed to refer to (i) a Participant's employment if the Participant is an employee of the Company or any of its Affiliates, (ii) a Participant's services as a consultant, advisor or other service provider, if the Participant is a consultant, advisor or other service provider to the Company or its Affiliates, and (iii) a Participant's services as a non-employee director, if the Participant is a non-employee member of the Board.

m) Exchange Act: The Securities Exchange Act of 1934, as amended, or any successor thereto.

n) Fair Market Value: On a given date, (i) if there should be a public market for the Shares on such date, the closing price of the Shares as reported on such date on the composite tape of the principal national securities exchange on which such Shares are listed or admitted to trading or, if no composite tape exists for such national securities exchange on such date, then the closing price on the principal national securities exchange on which such Shares are listed or admitted to trading, (ii) if the Shares are not listed or admitted on a national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such other market in which such prices for the Shares are regularly quoted) or (iii) if there is no market on which the Shares are regularly quoted, the Fair Market Value shall be the value established by the Committee in good faith and consistent with Section 409A of the Code; provided, however that in determining the Fair Market value, the Committee shall not apply a discount for any minority interest. With respect to (i) and (ii) above, if no sale of Shares shall have been reported on such composite tape or such national securities exchange on such date or quoted on the National Association of Securities Dealer Automated Quotation System or other applicable market on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used.

o) ISO: An Option that is also an incentive stock option granted pursuant to Section 7(d) of the Plan.

p) Option: A stock option granted pursuant to Section 7 of the Plan.

q) Option Price: The purchase price per Share of an Option, as determined pursuant to Section 7(a) of the Plan.

r) Participant: An employee, director, consultant, advisor or other service provider of the Company or any of its Affiliates who is selected by the Committee to participate in the Plan.

s) Permitted Holder(s): "Permitted Holder" means, as of the date of determination, any and all of (i) an employee benefit plan (or trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person of which a majority of its voting power of its voting equity securities or equity interest is owned, directly or indirectly, by the Company or (ii) any stockholder of the Company who, together with its affiliates, owns 50% or more of the total voting power of all classes of voting stock of the Company as of the Effective Date, or any affiliate(s) of such stockholder.

t) Person: A "person," as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act (or any successor section thereto).

u) Plan: The ProPhase Labs, Inc. Amended and Restated 2025 Equity Compensation Plan as set forth herein.

v) Restricted Stock: An Award granted pursuant to Section 8(b) of the Plan.

w) Restricted Stock Unit: An Award granted pursuant to Section 8(b) of the Plan.

x) Shares: Shares of common stock of the Company.

y) Subsidiary: A subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

#### 4. SHARES SUBJECT TO THE PLAN

Subject to this Section 4 and Section 9 of the Plan, the total number of Shares which may be issued under the Plan is the sum of (i) the number of Shares available under the Plan immediately prior to stockholder approval of this Plan (as of July 25, 2025, 33,750 Shares were available under this Plan, subject to the counting, adjustment and substitution provisions of the Plan) and (ii) 3,000,000 Shares, plus (iii) that number of Shares that are represented by awards which previously have been granted and are outstanding under the Plan (including those granted under the predecessor Equity Compensation Plans) on the date the Plan, as amended and restated, is approved by stockholders of the Company and which subsequently expire or otherwise lapse, are terminated or forfeited, are settled in cash, or exchanged with the Committee's permission, prior to the issuance of Shares, for Awards not involving shares of Common Stock, without the issuance of the underlying Shares, all of which may be issued as ISOs to the extent approved hereunder or by prior shareholder approval. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Shares or in consideration of the cancellation or termination of an Award shall reduce the total number of Shares available under the Plan, as applicable. Shares which are subject to Awards under this Plan which terminate, expire, forfeit or lapse without the payment of consideration (or Awards settled in cash in lieu of Shares) may be granted again under the Plan. If the exercise price of an Award is paid by delivering to the Company Shares previously owned by the Participant or if Shares are delivered or withheld for purposes of satisfying a tax withholding obligation, the number of Shares covered by the Award equal to the number of Shares so delivered or withheld shall, however, be counted against the number of Shares granted and shall not again be available for Awards under the Plan. Stock Appreciation Rights to be settled in Shares shall be counted in full against the number of Shares available for award under the Plan regardless of the number of Shares issued upon settlement of the Stock Appreciation Right. All of the Options that are available for issuance under the Plan may be issued as ISOs.

#### 5. ADMINISTRATION

The Plan shall be administered by the Committee. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or advisable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or advisable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors). The Committee shall have the full power and authority to establish the terms and conditions of any Award consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions). Determinations made by the Committee under the Plan need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated. Awards may, in the discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding Awards previously granted by the Company, any of its Affiliates or any of their respective predecessors, or any entity acquired by the Company or with which the Company combines. The number of Shares underlying such substitute Awards shall be counted against the aggregate number of Shares available for Awards under the Plan. The Committee shall

require payment of any minimum amount it may determine to be necessary to withhold for federal, state, local or other, taxes as a result of the exercise, vesting or grant of an Award. Unless the Committee specifies otherwise, the Participant may elect to pay a portion or all of such withholding taxes by (a) delivery in Shares or (b) having Shares withheld by the Company from any Shares that would have otherwise been received by the Participant. The number of Shares so delivered or withheld shall have an aggregate Fair Market Value sufficient to satisfy the applicable withholding taxes.

## 6. LIMITATIONS

No Award may be granted under the Plan after the tenth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

## 7. TERMS AND CONDITIONS OF OPTIONS

Options granted under the Plan shall be, as determined by the Committee, non-qualified or incentive stock options for federal income tax purposes, as evidenced by the related Option agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

a) Option Price. The Option Price per Share shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of a Share on the date an Option is granted (other than in the case of Options granted in substitution of previously granted Options, as described in Section 5).

b) Exercisability. Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than seven years after the date it is granted. Each Option agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's employment or service with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the applicable Option agreements, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

c) Exercise of Options. Except as otherwise provided in the Plan or in an Option agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 7 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to clauses (i), (ii), (iii) or (iv) in the following sentence. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company to the extent permitted by law, (i) in cash or its equivalent (e.g., by personal check) at the time the Option is exercised, (ii) in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided that such Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles), (iii) partly in cash and partly in Shares (as described in (ii) above), (iv) if there is a public market for the Shares at such time, and provided that a sale of Shares by the Participant is permitted at such time under the Company's insider trading policy then in effect, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such Sale equal to the aggregate Option Price for the Shares being purchased or (v) to the extent the Committee shall approve in the Option agreement or otherwise, through "net settlement" in Shares. In the case of a "net settlement" of an Option, the Company will not require a cash payment of the Option Price of the Option set forth in the Option agreement, but will reduce the number of Shares issued upon the exercise by the largest number of whole Shares that have a Fair Market Value that does not exceed the aggregate Option Price set forth in the Option agreement. With respect to any remaining balance of the aggregate Option Price, the Company shall accept a cash payment. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

d) ISOs. The Committee may grant Options under the Plan that are intended to be ISOs. Such ISOs shall comply with the requirements of Section 422 of the Code (or any successor section thereto). No ISO may be granted to any Participant who at the time of such grant owns more than 10% of the total combined voting power of all classes of stock of the Company or of any Subsidiary, unless (i) the Option Price for such ISO is at least 110% of the Fair Market Value of a Share on the date the ISO is granted and (ii) the date on which such ISO terminates is a date not later than the day preceding the fifth anniversary of the date on which the ISO is granted. Any Participant who disposes of Shares acquired upon the exercise of an ISO either (i) within two years after the date of grant of such ISO or (ii) within one year after the transfer of such Shares to the Participant, shall notify the Company of such disposition and of the amount realized upon such disposition. All Options granted under the Plan are intended to be nonqualified stock options unless the applicable Option agreement expressly states that the Option is intended to be an ISO. If an Option is intended to be an ISO, and if for any reason such Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a nonqualified stock option granted under the Plan; provided that such Option (or portion thereof) otherwise complies with the Plan's requirements relating to nonqualified stock options. In no event shall any member of the Committee, the Company or any of its Affiliates (or their respective employees, officers or directors) have any liability to any Participant (or any other Person) due to the failure of an Option to qualify for any reason as an ISO.

e) Attestation. Wherever in this Plan or in any agreement evidencing an Option a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall, as appropriate, (i) treat the Option as exercised without further payment and/or (ii) withhold such number of Shares from the Shares acquired by the exercise of the Option.

## 8. OTHER STOCK BASED AWARDS

a) Generally. The Committee, in its sole discretion, may grant or sell Awards of Shares, Awards of restricted Shares and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares ("Other Stock Based Awards"). Such Other Stock Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock Based Awards may be granted alone or in addition to any other Awards granted under the Plan. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock Based Awards will be made, the number of Shares to be awarded under (or otherwise related to) such Other Stock Based Awards; whether such Other Stock Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof and provisions ensuring that all Shares so awarded and issued shall be fully paid and non-assessable).

b) Restricted Stock Awards and Restricted Stock Units. The Committee may grant Restricted Stock or Restricted Stock Units at any time and from time to time prior to the expiration of the Plan to eligible Participants selected by the Committee. A Participant shall have rights as a stockholder with respect to any Shares subject to a Restricted Stock award hereunder only to the extent specified in the Restricted Stock agreement evidencing such Award. Awards of Restricted Stock or Restricted Stock Units shall be evidenced only by such agreements, notices and/or terms or conditions documented in such form (including by electronic communications) as may be approved by the Committee. Awards of Restricted Stock or Restricted Stock Units granted pursuant to the Plan need not be identical but each must contain or be subject to the following terms

and conditions:

(i) *Terms and Conditions.* Each Restricted Stock agreement and each Restricted Stock Unit agreement shall contain provisions regarding (a) the number of Shares subject to such Award or a formula for determining such, (b) the purchase price of the Shares, if any, and the means of payment for the Shares, (c) the performance criteria, if any, and level of achievement versus these criteria that shall determine the number of Shares granted, issued, retainable and/or vested, (d) such terms and conditions on the grant, issuance, vesting and/or forfeiture of the Shares as may be determined from time to time by the Committee, (e) restrictions on the transferability of the Shares and (f) such further terms and conditions as may be determined from time to time by the Committee, in each case not inconsistent with this Plan.

(ii) *Restricted Stock Units.* Except to the extent this Plan or the Committee specifies otherwise, Restricted Stock Units represent an unfunded and unsecured obligation of the Company and do not confer any of the rights of a stockholder until Shares are issued thereunder. Settlement of Restricted Stock Units upon expiration of the deferral or vesting period shall be made in Shares or otherwise as determined by the Committee. Dividends or dividend equivalent rights shall be payable in cash or in additional shares with respect to Restricted Stock Units only to the extent specifically provided for by the Committee. Until a Restricted Stock Unit is settled, the number of Shares represented by a Restricted Stock Unit shall be subject to adjustment pursuant to Section 9. Any Restricted Stock Units that are settled after the Participant's death shall be distributed to the Participant's designated beneficiary(ies) or, if none was designated, the Participant's estate.

(iii) *Share Vesting.* The grant, issuance, retention and/or vesting of Shares under Restricted Stock or Restricted Stock Unit Awards shall be at such time and in such installments as determined by the Committee or under criteria established by the Committee. The Committee shall have the right to make the timing of the grant and/or the issuance, ability to retain and/or vesting of Shares under Restricted Stock or Restricted Stock Unit Awards subject to continued employment, passage of time and/or such performance criteria (as described in more detail in Section 8(c) below).

c) *Performance Based Awards.* Notwithstanding anything to the contrary herein, certain Other Stock Based Awards granted under this Section 8 may be based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee ("Performance Based Awards"). The Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given participant and, if they have, shall so certify. In connection with such certification, the Committee, or its delegate, may decide that the amount of the Performance Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula; provided that the Committee shall have the authority to waive any applicable performance goals. In the event the applicable performance goals are not waived by the Committee, payment of a Performance Based Award will occur only after certification and will be made as determined by the Committee in its sole discretion after the end of the applicable performance period.

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## 9. ADJUSTMENTS UPON CERTAIN EVENTS

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

a) *Generally.* In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other corporate exchange or change in capital structure, any distribution or special dividend to stockholders of Shares, cash or other property (other than regular cash dividends) or any similar event, the Committee without liability to any person shall make such substitution or adjustment, if any, as it deems to be equitable (subject to Section 17), as to the number or kind of Shares or other securities issued or reserved for issuance as set forth in Section 4 of the Plan or pursuant to outstanding Awards and the per share exercise price thereof, as applicable; provided that the Committee shall determine in its sole discretion the manner in which such substitution or adjustment shall be made.

b) *Change of Control.* In the event of a Change of Control (or similar corporate transaction, whether or not including any Permitted Holder) after the Effective Date, the Committee shall accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an Award. With respect to any Awards that are vested pursuant to the preceding sentence, the Committee may (A) cancel such Awards for fair value (as determined in the sole discretion of the Committee) which, in the case of Awards, may equal the excess, if any, of value of the consideration to be paid in the Change of Control transaction to holders of the same number of Shares subject to such Awards (or, if no consideration is paid in any such transaction, the Fair Market Value of the Shares subject to such Awards) over the aggregate exercise price of such Awards, (B) provide for the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder as determined by the Committee in its sole discretion or (C) provide that for a period of at least 10 days prior to the Change of Control, such Awards shall be exercisable as to all shares subject thereto and that upon the occurrence of the Change of Control, such Awards shall terminate and be of no further force or effect. For the avoidance of doubt, pursuant to (A) above, the Committee may cancel Awards for no consideration if the aggregate Fair Market Value of the Shares subject to such Awards is less than or equal to the aggregate Award Price of such Awards.

## 10. NO RIGHT TO EMPLOYMENT OR AWARDS

The granting of an Award under the Plan shall impose no obligation on the Company or any of its Affiliates to continue the Employment of a Participant and shall not lessen or affect the Company's or any Affiliate's right to terminate the Employment of such Participant. No Participant or other Person shall have any claim to be granted any Award and there is no obligation for uniformity of treatment of Participants, holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

## 11. SUCCESSORS AND ASSIGNS

The Plan shall be binding on all successors and assigns of the Company and the Participants, including, without limitation, the estate of each such Participant and the executor, administrator or trustee of such estate, and any receiver or trustee in bankruptcy or any other representative of the Participant's creditors.

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## 12. NONTRANSFERABILITY OF AWARDS

Unless otherwise determined by the Committee, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

## 13. AMENDMENTS OR TERMINATION

The Committee may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which (a) without the approval of the stockholders of the Company, would (except as is provided in Section 11 of the Plan) increase the total number of Shares reserved for the purposes of the Plan or change the maximum number of Shares for which Awards may be granted to any Participant or (b) without the consent of a Participant, would materially adversely impair any of the rights under any Award theretofore granted to such Participant under the Plan; provided, however, that the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws (including, without limitation, to avoid adverse tax consequences to the Company or any Participant). Except as set forth in Section 9 hereof, in no event may the Committee or any other entity reprice any Award or substitute an outstanding Award for a new Award with a lower exercise price.

Without limiting the generality of the foregoing, to the extent applicable, notwithstanding anything herein to the contrary, this Plan and Awards issued hereunder shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any amounts payable hereunder will be taxable to a Participant under Section 409A of the Code and related Department of Treasury guidance prior to payment to such Participant of such amount, the Company may (a) adopt such amendments to the Plan and Awards and adopt such appropriate policies and procedures, including amendments and policies or procedures with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Awards hereunder and/or (b) take such other actions as the Committee determines necessary or appropriate to avoid the imposition of an additional tax under Section 409A of the Code.

#### **14. INTERNATIONAL PARTICIPANTS**

With respect to Participants who reside or work outside the United States of America, the Committee may, in its sole discretion, amend the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the requirements of local law or to obtain more favorable tax or other treatment for a Participant, the Company or an Affiliate.

#### **15. CHOICE OF LAW**

The Plan shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of laws.

#### **16. EFFECTIVENESS OF THE PLAN**

The Plan shall be effective as of the Effective Date, subject to the approval of the Company's stockholders.

#### **17. SECTION 409A**

Notwithstanding other provisions of the Plan or any Award agreements thereunder, no Award shall be granted, deferred, accelerated, extended, paid out or modified under this Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant. In the event that it is reasonably determined by the Committee that, as a result of Section 409A of the Code, any payment or delivery of Shares in respect of any Award under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Award agreement, as the case may be, without causing the Participant holding such Award to be subject to taxation under Section 409A of the Code, the Company will make such payment or delivery of Shares on the first day that would not result in the Participant incurring any tax liability under Section 409A of the Code. In the case of a Participant who is a "specified employee" (within the meaning of Section 409A(a)(2)(B)(i) of the Code), any payment and/or delivery of Shares in respect of any Award subject to Section 409A of the Code that are linked to the date of the Participant's separation from service shall not be made prior to the date which is six (6) months after the date of such Participant's separation from service from the Company and its affiliates, determined in accordance with Section 409A of the Code and the regulations promulgated thereunder. The Company shall use commercially reasonable efforts to implement the provisions of this Section 17 in good faith; provided that neither the Company, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 17.



## THE PROPHASE LABS, INC.

## AMENDED AND RESTATED

## 2022 DIRECTORS' EQUITY COMPENSATION PLAN

## 1. PURPOSE OF THE PLAN

The purpose of the Plan is to attract and retain highly qualified individuals to serve on the Board of Directors of the Company, to relate Directors' compensation more closely to the Company's performance and its stockholders' interests, and to increase Directors' stock ownership in the Company. The Company expects that it will benefit from the added interest which such Directors will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

## 2. AMENDMENT AND RESTATEMENT; EFFECTIVE DATE

The Plan, originally titled *The Quigley Corporation 2010 Directors' Equity Compensation Plan*, was ratified by the Company's stockholders at the Company's Annual Meeting of Stockholders on May 5, 2010. The Plan was subsequently amended by the Board, titled the 2010 Directors' Equity Compensation Plan, and ratified by the Company's stockholders at the Company's Annual Meeting of Stockholders on May 6, 2013, May 23, 2018 and May 20, 2021. As renamed, the Amended and Restated 2022 Directors' Equity Compensation Plan became effective on April 11, 2022 and, as further amended and restated herein, this Amended and Restated 2022 Directors' Equity Compensation Plan became effective on the Effective Date, subject to the approval of the Company's stockholders; and amends and restates the 2022 Directors' Equity Compensation Plan in its entirety.

## 3. DEFINITIONS

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

(a) Affiliate: With respect to the Company, any entity directly or indirectly controlling, controlled by or under common control with, the Company or any other entity designated by the Board in which the Company or an Affiliate has an interest.

(b) Award: An Option, Restricted Stock, Restricted Stock Unit, or Other Stock Based Award granted pursuant to the Plan.

(c) Beneficial Owner: A "beneficial owner," as such term is defined in Rule 13d-3 under the Exchange Act (or any successor rule thereto).

(d) Board: The Board of Directors of the Company.

(e) Change of Control: The occurrence of any of the following events:

(i) A change in the ownership of the Company that occurs on the date that any one Person, or more than one Person acting as a group, acquires ownership of the Shares that, together with the Shares held by such Person, constitutes more than 50% of the total voting power of the Shares of the Company. No Change of Control shall have occurred in the event Ted Karkus (the "Executive") or a group which includes Executive acquires more than 50% of the voting control of the Company. The acquisition of additional Shares by any one Person, who is considered to own more than 50% of the total voting power of the Shares of the Company will not be considered an additional Change of Control; or

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(ii) A change in the effective control of the Company that occurs on the date that a majority of members of the Board is replaced during any 12 month period by directors whose appointment or election is not endorsed by one of either the Executive or a majority of the members of the Board prior to the date of the appointment or election; or

(iii) A change in the ownership of a "substantial portion of the Company's assets", as defined herein. For this purpose, a "substantial portion of the Company's assets" shall mean assets of the Company having a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such change in ownership. For purposes of this subsection (iii), a change in ownership of a substantial portion of the Company's assets occurs on the date that any Person acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Company that constitute a "substantial portion of the Company's assets." For purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (a) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (b) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event within the meaning of Section 409A of the Code.

For the avoidance of doubt, a transaction will not constitute a Change of Control if its primary purpose is to: (1) change the state of the Company's incorporation, (2) create a holding company that will be owned in substantially the same proportions by the Persons who hold the Company's securities immediately before such transaction.

(f) Code: The Internal Revenue Code of 1986, as amended, or any successor thereto.

(g) Committee: The compensation committee of the Board (or a subcommittee thereof as provided under Section 5, or such other committee of the Board (including, without limitation, the full Board) to which the Board has delegated power to act under or pursuant to the provisions of the Plan.

(h) Company: ProPhase Labs, Inc., a Delaware corporation.

(i) Director: A non-employee member of the Board.

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(j) Disability: Inability of a Participant to perform in all material respects his duties and responsibilities to the Company, or any Subsidiary of the Company, by reason of a physical or mental disability or infirmity which inability is reasonably expected to be permanent and has continued (i) for a period of six consecutive months or (ii) such shorter period as the Committee may reasonably determine in good faith. The Disability determination shall be in the sole discretion of the Committee and a Participant (or his representative) shall furnish the Committee with medical evidence documenting the Participant's disability or infirmity which is satisfactory to the Committee.

(k) Effective Date: April 23, 2023, subject to the approval of the Company's stockholders.

(l) Exchange Act: The Securities Exchange Act of 1934, as amended, or any successor thereto.

(m) Fair Market Value: On a given date, (i) if there should be a public market for the Shares on such date, the closing price of the Shares as reported on such date on the composite tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if no composite tape exists for such national securities exchange on such date, then the closing price on the principal national securities exchange on which such Shares are listed or admitted to trading, or, (ii) if the Shares are not listed or admitted on a national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such other market in which such prices for the Shares are regularly quoted), or, (iii) if there is no market on which the Shares are regularly quoted, the Fair Market Value shall be the value established by the Committee in good faith and consistent with Section 409A of the Code; provided, however that in determining the Fair Market value, the Committee shall not apply a discount for any minority interest. With respect to (i) and (ii) above, if no sale of Shares shall have been reported on such composite tape or such national securities exchange on such date or quoted on the National Association of Securities Dealer Automated Quotation System or other applicable market on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used.

(n) Option: A stock option granted pursuant to Section 7 of the Plan.

(o) Option Price: The purchase price per Share of an Option, as determined pursuant to Section 7(a) of the Plan.

(p) Participant: A Director of the Company or any of its Affiliates who is selected by the Committee to participate in the Plan.

(q) Permitted Holders: "Permitted Holder" means, as of the date of determination, any and all of (i) an employee benefit plan (or trust forming a part thereof) maintained by (A) the Company, or (B) any corporation or other Person of which a majority of its voting power of its voting equity securities or equity interest is owned, directly or indirectly, by the Company, or (ii) any stockholder of the Company who, together with its affiliates, owns 50% or more of the total voting power of all classes of voting stock of the Company as of the Effective Date, or any affiliate(s) of such stockholder.

(r) Person: A "person," as such term is used for purposes of Section 13(d) or 14(d) of the Act (or any successor section thereto).

(s) Plan: The ProPhase Labs, Inc. Amended and Restated 2022 Directors' Equity Compensation Plan.

(t) Restricted Stock: An Award granted pursuant to Section 8(b) of the Plan.

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(u) Restricted Stock Unit: An Award granted pursuant to Section 8(b) of the Plan.

(v) Shares: Shares of common stock of the Company.

(w) Subsidiary: A subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

#### 4. SHARES SUBJECT TO THE PLAN

Subject to this Section 4 and Section 9 of the Plan, the total number of Shares which may be issued under the Plan is the sum of (i) the number of Shares available under the Plan immediately prior to stockholder approval of this Plan (as of April 23, 2023, 180,000 Shares were available under this Plan subject to the counting adjustment and substitution provisions of the Plan) and (ii) 150,000 Shares, plus (iii) that number of Shares that are represented by awards which previously have been granted and are outstanding under the Plan (including those granted under the predecessor 2010 Directors' Equity Compensation Plan) on the date the Plan, as amended and restated, is approved by stockholders of the Company and which subsequently expire or otherwise lapse, are terminated or forfeited, are settled in cash, or exchanged with the Committee's permission, prior to the issuance of Shares, for Awards not involving shares of Common Stock, without the issuance of the underlying Shares. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Shares or in consideration of the cancellation or termination of an Award shall reduce the total number of Shares available under the Plan, as applicable. Shares which are subject to Awards which terminate, expire, forfeit, or lapse without the payment of consideration (or Awards settled in cash in lieu of Shares) may be granted again under the Plan. If the exercise price of an Award is paid by delivering to the Company Shares previously owned by the Participant or if Shares are delivered or withheld for purposes of satisfying a tax withholding obligation, the number of Shares covered by the Award equal to the number of Shares so delivered or withheld shall, however, be counted against the number of Shares granted and shall not again be available for Awards under the Plan.

#### 5. ADMINISTRATION

The Plan shall be administered by the Committee. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or advisable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or advisable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors). The Committee shall have the full power and authority to establish the terms and conditions of any Award consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions). Determinations made by the Committee under the Plan need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated. Awards may, in the discretion of the Committee, be awarded under the Plan in assumption of, or in substitution for, outstanding Awards previously granted by the Company, any of its Affiliates or any of their respective predecessors, or any entity acquired by the Company or with which the Company combines. The number of Shares underlying such substitute Awards shall be counted against the aggregate number of Shares available for Awards under the Plan. The Committee shall require payment of any minimum amount it may determine to be necessary to withhold for federal, state, local or other, taxes as a result of the exercise, vesting or grant of an Award. Unless the Committee specifies otherwise, the Participant may elect to pay a portion or all of such withholding taxes by (a) delivery in Shares or (b) having Shares withheld by the Company from any Shares that would have otherwise been received by the Participant. The number of Shares so delivered or withheld shall have an aggregate Fair Market Value sufficient to satisfy the applicable withholding taxes.

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#### 6. LIMITATIONS

No Award may be granted under the Plan after the tenth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

## 7. TERMS AND CONDITIONS OF OPTIONS

Options granted under the Plan shall be, as determined by the Committee, non-qualified or incentive stock options for federal income tax purposes, as evidenced by the related Option agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

(a) Option Price. The Option Price per Share shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of a Share on the date an Option is granted (other than in the case of Options granted in substitution of previously granted Options, as described in Section 4).

(b) Exercisability. Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than seven years after the date it is granted. Each Option agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's service with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the applicable Option agreements, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

(c) Exercise of Options. Except as otherwise provided in the Plan or in an Option agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 7 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to clauses (i), (ii), (iii) or (iv) in the following sentence. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company to the extent permitted by law, (i) in cash or its equivalent (e.g., by personal check) at the time the Option is exercised, (ii) in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided that such Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles), (iii) partly in cash and partly in Shares (as described in (ii) above), (iv) if there is a public market for the Shares at such time, and provided that a sale of Shares by the Participant is permitted at such time under the Company's insider trading policy then in effect, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such Sale equal to the aggregate Option Price for the Shares being purchased or (v) to the extent the Committee shall approve in the Option agreement or otherwise, through "net settlement" in Shares. In the case of a "net settlement" of an Option, the Company will not require a cash payment of the Option Price of the Option set forth in the Option agreement, but will reduce the number of Shares issued upon the exercise by the largest number of whole Shares that have a Fair Market Value that does not exceed the aggregate Option Price set forth in the Option agreement. With respect to any remaining balance of the aggregate Option Price, the Company shall accept a cash payment. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

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(d) Attestation. Wherever in this Plan or in any agreement evidencing an Option a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall, as appropriate, (i) treat the Option as exercised without further payment and/or (ii) withhold such number of Shares from the Shares acquired by the exercise of the Option.

## 8. OTHER STOCK-BASED AWARDS

(a) Generally. The Committee, in its sole discretion, may grant or sell Awards of Shares, Awards of restricted Shares and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares ("Other Stock-Based Awards"). Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards granted under the Plan. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock-Based Awards will be made, the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof and provisions ensuring that all Shares so awarded and issued shall be fully paid and non-assessable).

(b) Restricted Stock Awards and Restricted Stock Units. The Committee may grant Restricted Stock or Restricted Stock Units at any time and from time to time prior to the expiration of the Plan to eligible Participants selected by the Committee. A Participant shall have rights as a stockholder with respect to any Shares subject to a Restricted Stock award hereunder only to the extent specified in the Restricted Stock agreement evidencing such Award. Awards of Restricted Stock or Restricted Stock Units shall be evidenced only by such agreements, notices and/or terms or conditions documented in such form (including by electronic communications) as may be approved by the Committee. Awards of Restricted Stock or Restricted Stock Units granted pursuant to the Plan need not be identical but each must contain or be subject to the following terms and conditions:

(i) Terms and Conditions. Each Restricted Stock agreement and each Restricted Stock Unit agreement shall contain provisions regarding (A) the number of Shares subject to such Award or a formula for determining such, (B) the purchase price of the Shares, if any, and the means of payment for the Shares, (C) the performance criteria, if any, and level of achievement versus these criteria that shall determine the number of Shares granted, issued, retainable and/or vested, (D) such terms and conditions on the grant, issuance, vesting and/or forfeiture of the Shares as may be determined from time to time by the Committee, (E) restrictions on the transferability of the Shares and (F) such further terms and conditions as may be determined from time to time by the Committee, in each case not inconsistent with this Plan.

(ii) Restricted Stock Units. Except to the extent this Plan or the Committee specifies otherwise, Restricted Stock Units represent an unfunded and unsecured obligation of the Company and do not confer any of the rights of a stockholder until Shares are issued thereunder. Settlement of Restricted Stock Units upon expiration of the deferral or vesting period shall be made in Shares or otherwise as determined by the Committee. Dividends or dividend equivalent rights shall be payable in cash or in additional shares with respect to Restricted Stock Units only to the extent specifically provided for by the Committee. Until a Restricted Stock Unit is settled, the number of Shares represented by a Restricted Stock Unit shall be subject to adjustment pursuant to Section 9. Any Restricted Stock Units that are settled after the Participant's death shall be distributed to the Participant's designated beneficiary(ies) or, if none was designated, the Participant's estate.

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(iii) Share Vesting. The grant, issuance, retention and/or vesting of Shares under Restricted Stock or Restricted Stock Unit Awards shall be at such time and in such installments as determined by the Committee or under criteria established by the Committee. The Committee shall have the right to make the timing of the grant and/or the issuance, ability to retain and/or vesting of Shares under Restricted Stock or Restricted Stock Unit Awards subject to continued employment, passage of time and/or such performance criteria (as described in more detail in Section 8(c) below).

(c) Performance Based Awards. Notwithstanding anything to the contrary herein, certain Other Stock Based Awards granted under this Section 8 may be based on the

attainment of written performance goals approved by the Committee for a performance period established by the Committee ("Performance Based Awards"). The Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given participant and, if they have, shall so certify. In connection with such certification, the Committee, or its delegate, may decide that the amount of the Performance Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula; provided that the Committee shall have the authority to waive any applicable performance goals. In the event the applicable performance goals are not waived by the Committee, payment of a Performance Based Award will occur only after certification and will be made as determined by the Committee in its sole discretion after the end of the applicable performance period.

## **9. ADJUSTMENTS UPON CERTAIN EVENTS**

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

(a) Generally. In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other corporate exchange or change in capital structure, any distribution or special dividend to stockholders of Shares, cash or other property (other than regular cash dividends) or any similar event, the Committee without liability to any person shall make such substitution or adjustment, if any, as it deems to be equitable (subject to Section 17), as to the number or kind of Shares or other securities issued or reserved for issuance as set forth in Section 4 of the Plan or pursuant to outstanding Awards and the per share exercise price, as applicable; provided that the Committee shall determine in its sole discretion the manner in which such substitution or adjustment shall be made.

(b) Change of Control. In the event of a Change of Control (or similar corporate transaction, whether or not including any Permitted Holder) after the Effective Date, the Committee shall accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an Award. With respect to any Awards that are vested pursuant to the preceding sentence, the Committee may (A) cancel such Awards for fair value (as determined in the sole discretion of the Committee) which, in the case of Awards, may equal the excess, if any, of value of the consideration to be paid in the Change of Control transaction to holders of the same number of Shares subject to such Awards (or, if no consideration is paid in any such transaction, the Fair Market Value of the Shares subject to such Awards) over the aggregate exercise price of such Awards, (B) provide for the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder as determined by the Committee in its sole discretion or (C) provide that for a period of at least 10 days prior to the Change of Control, such Awards shall be exercisable as to all shares subject thereto and that upon the occurrence of the Change of Control, such Awards shall terminate and be of no further force or effect. For the avoidance of doubt, pursuant to (A) above, the Committee may cancel Awards for no consideration if the aggregate Fair Market Value of the Shares subject to such Awards is less than or equal to the aggregate Award Price of such Awards.

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## **10. NO RIGHT TO AWARDS**

No Participant or other Person shall have any claim to be granted any Award and there is no obligation for uniformity of treatment of Participants, holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

## **11. SUCCESSORS AND ASSIGNS**

The Plan shall be binding on all successors and assigns of the Company and the Participants, including, without limitation, the estate of each such Participant and the executor, administrator or trustee of such estate, and any receiver or trustee in bankruptcy or any other representative of the Participant's creditors.

## **12. NONTRANSFERABILITY OF AWARDS**

Unless otherwise determined by the Committee, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

## **13. AMENDMENTS OR TERMINATION**

The Committee may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which (a) without the approval of the stockholders of the Company, would (except as is provided in Section 9 of the Plan) increase the total number of Shares reserved for the purposes of the Plan or change the maximum number of Shares for which Awards may be granted to any Participant, or (b) without the consent of a Participant, would materially adversely impair any of the rights under any Award theretofore granted to such Participant under the Plan; provided, however, that the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws (including, without limitation, to avoid adverse tax consequences to the Company or any Participant). Except as set forth in Section 9 hereof, in no event may the Committee or any other entity reprice any Award or substitute an outstanding Award for a new Award with a lower exercise price.

Without limiting the generality of the foregoing, to the extent applicable, notwithstanding anything herein to the contrary, this Plan and Awards issued hereunder shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any amounts payable hereunder will be taxable to a Participant under Section 409A of the Code and related Department of Treasury guidance prior to payment to such Participant of such amount, the Company may (a) adopt such amendments to the Plan and Awards and adopt appropriate policies and procedures, including amendments and policies or procedures with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Awards hereunder and/or (b) take such other actions as the Committee determines necessary or appropriate to avoid the imposition of an additional tax under Section 409A of the Code.

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## **14. INTERNATIONAL PARTICIPANTS**

With respect to Participants who reside or work outside the United States of America, the Committee may, in its sole discretion, amend the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the requirements of local law or to obtain more favorable tax or other treatment for a Participant, the Company or an Affiliate.

## **15. CHOICE OF LAW**

The Plan shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of laws.

## **16. EFFECTIVENESS OF THE PLAN**

The Plan shall be effective as of the Effective Date, subject to the approval of the Company's stockholders.

## 17. SECTION 409A

Notwithstanding other provisions of the Plan or any Award agreements thereunder, no Award shall be granted, deferred, accelerated, extended, paid out or modified under this Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant. In the event that it is reasonably determined by the Committee that, as a result of Section 409A of the Code, any payment or delivery of Shares in respect of any Award under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Award agreement, as the case may be, without causing the Participant holding such Award to be subject to taxation under Section 409A of the Code, the Company will make such payment or delivery of Shares on the first day that would not result in the Participant incurring any tax liability under Section 409A of the Code. In the case of a Participant who is a "specified employee" (within the meaning of Section 409A(a)(2)(B)(i) of the Code), any payment and/or delivery of Shares in respect of any Award subject to Section 409A of the Code that are linked to the date of the Participant's separation from service shall not be made prior to the date which is six (6) months after the date of such Participant's separation from service from the Company and its affiliates, determined in accordance with Section 409A of the Code and the regulations promulgated thereunder. The Company shall use commercially reasonable efforts to implement the provisions of this Section 17 in good faith; provided that neither the Company, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 17.

## THE PROPHASE LABS, INC.

## AMENDED AND RESTATED

## 2025 DIRECTORS' EQUITY COMPENSATION PLAN

## 1. PURPOSE OF THE PLAN

The purpose of the Plan is to attract and retain highly qualified individuals to serve on the Board of Directors of the Company, to relate Directors' compensation more closely to the Company's performance and its stockholders' interests, and to increase Directors' stock ownership in the Company. The Company expects that it will benefit from the added interest which such Directors will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

## 2. AMENDMENT AND RESTATEMENT; EFFECTIVE DATE

The Plan, originally titled *The Quigley Corporation 2010 Directors' Equity Compensation Plan*, was ratified by the Company's stockholders at the Company's Annual Meeting of Stockholders on May 5, 2010. The Plan was subsequently amended by the Board, titled the 2010 Directors' Equity Compensation Plan, and ratified by the Company's stockholders at the Company's Annual Meeting of Stockholders on May 6, 2013, May 23, 2018, May 20, 2021, and June 16, 2023 (the "Amended and Restated 2022 Directors' Equity Compensation Plan"). As renamed, the Amended and Restated 2025 Directors' Equity Compensation Plan became effective immediately upon stockholder approval at the August 29, 2025, Special Meeting; and amends and restates the Amended and Restated 2022 Directors' Equity Compensation Plan in its entirety.

## 3. DEFINITIONS

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

(a) Affiliate: With respect to the Company, any entity directly or indirectly controlling, controlled by or under common control with, the Company or any other entity designated by the Board in which the Company or an Affiliate has an interest.

(b) Award: An Option, Restricted Stock, Restricted Stock Unit, or Other Stock Based Award granted pursuant to the Plan.

(c) Beneficial Owner: A "beneficial owner," as such term is defined in Rule 13d-3 under the Exchange Act (or any successor rule thereto).

(d) Board: The Board of Directors of the Company.

(e) Change of Control: The occurrence of any of the following events:

(i) A change in the ownership of the Company that occurs on the date that any one Person, or more than one Person acting as a group, acquires ownership of the Shares that, together with the Shares held by such Person, constitutes more than 50% of the total voting power of the Shares of the Company. No Change of Control shall have occurred in the event Ted Karkus (the "Executive") or a group which includes Executive acquires more than 50% of the voting control of the Company. The acquisition of additional Shares by any one Person, who is considered to own more than 50% of the total voting power of the Shares of the Company will not be considered an additional Change of Control; or

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(ii) A change in the effective control of the Company that occurs on the date that a majority of members of the Board is replaced during any 12 month period by directors whose appointment or election is not endorsed by one of either the Executive or a majority of the members of the Board prior to the date of the appointment or election; or

(iii) A change in the ownership of a "substantial portion of the Company's assets", as defined herein. For this purpose, a "substantial portion of the Company's assets" shall mean assets of the Company having a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such change in ownership. For purposes of this subsection (iii), a change in ownership of a substantial portion of the Company's assets occurs on the date that any Person acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Company that constitute a "substantial portion of the Company's assets." For purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (a) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (b) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event within the meaning of Section 409A of the Code.

For the avoidance of doubt, a transaction will not constitute a Change of Control if its primary purpose is to: (1) change the state of the Company's incorporation, (2) create a holding company that will be owned in substantially the same proportions by the Persons who hold the Company's securities immediately before such transaction.

(f) Code: The Internal Revenue Code of 1986, as amended, or any successor thereto.

(g) Committee: The compensation committee of the Board (or a subcommittee thereof as provided under Section 5, or such other committee of the Board (including, without limitation, the full Board) to which the Board has delegated power to act under or pursuant to the provisions of the Plan.

(h) Company: ProPhase Labs, Inc., a Delaware corporation.

(i) Director: A non-employee member of the Board.

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(j) Disability: Inability of a Participant to perform in all material respects his duties and responsibilities to the Company, or any Subsidiary of the Company, by reason of a physical or mental disability or infirmity which inability is reasonably expected to be permanent and has continued (i) for a period of six consecutive months or (ii) such shorter period as the Committee may reasonably determine in good faith. The Disability determination shall be in the sole discretion of the Committee and a Participant (or his representative) shall furnish the Committee with medical evidence documenting the Participant's disability or infirmity which is satisfactory to the Committee.

(k) Effective Date: August 29, 2025, subject to the approval of the Company's stockholders.

(l) Exchange Act: The Securities Exchange Act of 1934, as amended, or any successor thereto.

(m) Fair Market Value: On a given date, (i) if there should be a public market for the Shares on such date, the closing price of the Shares as reported on such date on the composite tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if no composite tape exists for such national securities exchange on such date, then the closing price on the principal national securities exchange on which such Shares are listed or admitted to trading, or, (ii) if the Shares are not listed or admitted on a national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such other market in which such prices for the Shares are regularly quoted), or, (iii) if there is no market on which the Shares are regularly quoted, the Fair Market Value shall be the value established by the Committee in good faith and consistent with Section 409A of the Code; provided, however that in determining the Fair Market value, the Committee shall not apply a discount for any minority interest. With respect to (i) and (ii) above, if no sale of Shares shall have been reported on such composite tape or such national securities exchange on such date or quoted on the National Association of Securities Dealer Automated Quotation System or other applicable market on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used.

(n) Option: A stock option granted pursuant to Section 7 of the Plan.

(o) Option Price: The purchase price per Share of an Option, as determined pursuant to Section 7(a) of the Plan.

(p) Participant: A Director of the Company or any of its Affiliates who is selected by the Committee to participate in the Plan.

(q) Permitted Holders: "Permitted Holder" means, as of the date of determination, any and all of (i) an employee benefit plan (or trust forming a part thereof) maintained by (A) the Company, or (B) any corporation or other Person of which a majority of its voting power of its voting equity securities or equity interest is owned, directly or indirectly, by the Company, or (ii) any stockholder of the Company who, together with its affiliates, owns 50% or more of the total voting power of all classes of voting stock of the Company as of the Effective Date, or any affiliate(s) of such stockholder.

(r) Person: A "person," as such term is used for purposes of Section 13(d) or 14(d) of the Act (or any successor section thereto).

(s) Plan: The ProPhase Labs, Inc. Amended and Restated 2025 Directors' Equity Compensation Plan.

(t) Restricted Stock: An Award granted pursuant to Section 8(b) of the Plan.

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(u) Restricted Stock Unit: An Award granted pursuant to Section 8(b) of the Plan.

(v) Shares: Shares of common stock of the Company.

(w) Subsidiary: A subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

#### 4. SHARES SUBJECT TO THE PLAN

Subject to this Section 4 and Section 9 of the Plan, the total number of Shares which may be issued under the Plan is the sum of (i) the number of Shares available under the Plan immediately prior to stockholder approval of this Plan (as of July 25, 2025, 100,000 Shares were available under this Plan subject to the counting adjustment and substitution provisions of the Plan) and (ii) 500,000 Shares, plus (iii) that number of Shares that are represented by awards which previously have been granted and are outstanding under the Plan (including those granted under the predecessor Equity Compensation Plans) on the date the Plan, as amended and restated, is approved by stockholders of the Company and which subsequently expire or otherwise lapse, are terminated or forfeited, are settled in cash, or exchanged with the Committee's permission, prior to the issuance of Shares, for Awards not involving shares of Common Stock, without the issuance of the underlying Shares. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Shares or in consideration of the cancellation or termination of an Award shall reduce the total number of Shares available under the Plan, as applicable. Shares which are subject to Awards which terminate, expire, forfeit, or lapse without the payment of consideration (or Awards settled in cash in lieu of Shares) may be granted again under the Plan. If the exercise price of an Award is paid by delivering to the Company Shares previously owned by the Participant or if Shares are delivered or withheld for purposes of satisfying a tax withholding obligation, the number of Shares covered by the Award equal to the number of Shares so delivered or withheld shall, however, be counted against the number of Shares granted and shall not again be available for Awards under the Plan.

#### 5. ADMINISTRATION

The Plan shall be administered by the Committee. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or advisable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or advisable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors). The Committee shall have the full power and authority to establish the terms and conditions of any Award consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions). Determinations made by the Committee under the Plan need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated. Awards may, in the discretion of the Committee, be awarded under the Plan in assumption of, or in substitution for, outstanding Awards previously granted by the Company, any of its Affiliates or any of their respective predecessors, or any entity acquired by the Company or with which the Company combines. The number of Shares underlying such substitute Awards shall be counted against the aggregate number of Shares available for Awards under the Plan. The Committee shall require payment of any minimum amount it may determine to be necessary to withhold for federal, state, local or other, taxes as a result of the exercise, vesting or grant of an Award. Unless the Committee specifies otherwise, the Participant may elect to pay a portion or all of such withholding taxes by (a) delivery in Shares or (b) having Shares withheld by the Company from any Shares that would have otherwise been received by the Participant. The number of Shares so delivered or withheld shall have an aggregate Fair Market Value sufficient to satisfy the applicable withholding taxes.

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#### 6. LIMITATIONS

## 7. TERMS AND CONDITIONS OF OPTIONS

Options granted under the Plan shall be, as determined by the Committee, non-qualified or incentive stock options for federal income tax purposes, as evidenced by the related Option agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

(a) Option Price. The Option Price per Share shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of a Share on the date an Option is granted (other than in the case of Options granted in substitution of previously granted Options, as described in Section 4).

(b) Exercisability. Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than seven years after the date it is granted. Each Option agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's service with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the applicable Option agreements, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

(c) Exercise of Options. Except as otherwise provided in the Plan or in an Option agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 7 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to clauses (i), (ii), (iii) or (iv) in the following sentence. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company to the extent permitted by law, (i) in cash or its equivalent (e.g., by personal check) at the time the Option is exercised, (ii) in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided that such Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles), (iii) partly in cash and partly in Shares (as described in (ii) above), (iv) if there is a public market for the Shares at such time, and provided that a sale of Shares by the Participant is permitted at such time under the Company's insider trading policy then in effect, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such Sale equal to the aggregate Option Price for the Shares being purchased or (v) to the extent the Committee shall approve in the Option agreement or otherwise, through "net settlement" in Shares. In the case of a "net settlement" of an Option, the Company will not require a cash payment of the Option Price of the Option set forth in the Option agreement, but will reduce the number of Shares issued upon the exercise by the largest number of whole Shares that have a Fair Market Value that does not exceed the aggregate Option Price set forth in the Option agreement. With respect to any remaining balance of the aggregate Option Price, the Company shall accept a cash payment. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

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(d) Attestation. Wherever in this Plan or in any agreement evidencing an Option a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall, as appropriate, (i) treat the Option as exercised without further payment and/or (ii) withhold such number of Shares from the Shares acquired by the exercise of the Option.

## 8. OTHER STOCK-BASED AWARDS

(a) Generally. The Committee, in its sole discretion, may grant or sell Awards of Shares, Awards of restricted Shares and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares ("Other Stock-Based Awards"). Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards granted under the Plan. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock-Based Awards will be made, the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof and provisions ensuring that all Shares so awarded and issued shall be fully paid and non-assessable).

(b) Restricted Stock Awards and Restricted Stock Units. The Committee may grant Restricted Stock or Restricted Stock Units at any time and from time to time prior to the expiration of the Plan to eligible Participants selected by the Committee. A Participant shall have rights as a stockholder with respect to any Shares subject to a Restricted Stock award hereunder only to the extent specified in the Restricted Stock agreement evidencing such Award. Awards of Restricted Stock or Restricted Stock Units shall be evidenced only by such agreements, notices and/or terms or conditions documented in such form (including by electronic communications) as may be approved by the Committee. Awards of Restricted Stock or Restricted Stock Units granted pursuant to the Plan need not be identical but each must contain or be subject to the following terms and conditions:

(i) Terms and Conditions. Each Restricted Stock agreement and each Restricted Stock Unit agreement shall contain provisions regarding (A) the number of Shares subject to such Award or a formula for determining such, (B) the purchase price of the Shares, if any, and the means of payment for the Shares, (C) the performance criteria, if any, and level of achievement versus these criteria that shall determine the number of Shares granted, issued, retainable and/or vested, (D) such terms and conditions on the grant, issuance, vesting and/or forfeiture of the Shares as may be determined from time to time by the Committee, (E) restrictions on the transferability of the Shares and (F) such further terms and conditions as may be determined from time to time by the Committee, in each case not inconsistent with this Plan.

(ii) Restricted Stock Units. Except to the extent this Plan or the Committee specifies otherwise, Restricted Stock Units represent an unfunded and unsecured obligation of the Company and do not confer any of the rights of a stockholder until Shares are issued thereunder. Settlement of Restricted Stock Units upon expiration of the deferral or vesting period shall be made in Shares or otherwise as determined by the Committee. Dividends or dividend equivalent rights shall be payable in cash or in additional shares with respect to Restricted Stock Units only to the extent specifically provided for by the Committee. Until a Restricted Stock Unit is settled, the number of Shares represented by a Restricted Stock Unit shall be subject to adjustment pursuant to Section 9. Any Restricted Stock Units that are settled after the Participant's death shall be distributed to the Participant's designated beneficiary(ies) or, if none was designated, the Participant's estate.

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(iii) Share Vesting. The grant, issuance, retention and/or vesting of Shares under Restricted Stock or Restricted Stock Unit Awards shall be at such time and in such installments as determined by the Committee or under criteria established by the Committee. The Committee shall have the right to make the timing of the grant and/or the issuance, ability to retain and/or vesting of Shares under Restricted Stock or Restricted Stock Unit Awards subject to continued employment, passage of time and/or such performance criteria (as described in more detail in Section 8(c) below).

(c) Performance Based Awards. Notwithstanding anything to the contrary herein, certain Other Stock Based Awards granted under this Section 8 may be based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee ("Performance Based Awards"). The Committee



shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given participant and, if they have, shall so certify. In connection with such certification, the Committee, or its delegate, may decide that the amount of the Performance Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula; provided that the Committee shall have the authority to waive any applicable performance goals. In the event the applicable performance goals are not waived by the Committee, payment of a Performance Based Award will occur only after certification and will be made as determined by the Committee in its sole discretion after the end of the applicable performance period.

## 9. ADJUSTMENTS UPON CERTAIN EVENTS

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

(a) Generally. In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other corporate exchange or change in capital structure, any distribution or special dividend to stockholders of Shares, cash or other property (other than regular cash dividends) or any similar event, the Committee without liability to any person shall make such substitution or adjustment, if any, as it deems to be equitable (subject to Section 17), as to the number or kind of Shares or other securities issued or reserved for issuance as set forth in Section 4 of the Plan or pursuant to outstanding Awards and the per share exercise price, as applicable; provided that the Committee shall determine in its sole discretion the manner in which such substitution or adjustment shall be made.

(b) Change of Control. In the event of a Change of Control (or similar corporate transaction, whether or not including any Permitted Holder) after the Effective Date, the Committee shall accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an Award. With respect to any Awards that are vested pursuant to the preceding sentence, the Committee may (A) cancel such Awards for fair value (as determined in the sole discretion of the Committee) which, in the case of Awards, may equal the excess, if any, of value of the consideration to be paid in the Change of Control transaction to holders of the same number of Shares subject to such Awards (or, if no consideration is paid in any such transaction, the Fair Market Value of the Shares subject to such Awards) over the aggregate exercise price of such Awards, (B) provide for the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder as determined by the Committee in its sole discretion or (C) provide that for a period of at least 10 days prior to the Change of Control, such Awards shall be exercisable as to all shares subject thereto and that upon the occurrence of the Change of Control, such Awards shall terminate and be of no further force or effect. For the avoidance of doubt, pursuant to (A) above, the Committee may cancel Awards for no consideration if the aggregate Fair Market Value of the Shares subject to such Awards is less than or equal to the aggregate Award Price of such Awards.

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## 10. NO RIGHT TO AWARDS

No Participant or other Person shall have any claim to be granted any Award and there is no obligation for uniformity of treatment of Participants, holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

## 11. SUCCESSORS AND ASSIGNS

The Plan shall be binding on all successors and assigns of the Company and the Participants, including, without limitation, the estate of each such Participant and the executor, administrator or trustee of such estate, and any receiver or trustee in bankruptcy or any other representative of the Participant's creditors.

## 12. NONTRANSFERABILITY OF AWARDS

Unless otherwise determined by the Committee, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

## 13. AMENDMENTS OR TERMINATION

The Committee may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which (a) without the approval of the stockholders of the Company, would (except as is provided in Section 9 of the Plan) increase the total number of Shares reserved for the purposes of the Plan or change the maximum number of Shares for which Awards may be granted to any Participant, or (b) without the consent of a Participant, would materially adversely impair any of the rights under any Award theretofore granted to such Participant under the Plan; provided, however, that the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws (including, without limitation, to avoid adverse tax consequences to the Company or any Participant). Except as set forth in Section 9 hereof, in no event may the Committee or any other entity reprice any Award or substitute an outstanding Award for a new Award with a lower exercise price.

Without limiting the generality of the foregoing, to the extent applicable, notwithstanding anything herein to the contrary, this Plan and Awards issued hereunder shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any amounts payable hereunder will be taxable to a Participant under Section 409A of the Code and related Department of Treasury guidance prior to payment to such Participant of such amount, the Company may (a) adopt such amendments to the Plan and Awards and adopt appropriate policies and procedures, including amendments and policies or procedures with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Awards hereunder and/or (b) take such other actions as the Committee determines necessary or appropriate to avoid the imposition of an additional tax under Section 409A of the Code.

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## 14. INTERNATIONAL PARTICIPANTS

With respect to Participants who reside or work outside the United States of America, the Committee may, in its sole discretion, amend the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the requirements of local law or to obtain more favorable tax or other treatment for a Participant, the Company or an Affiliate.

## 15. CHOICE OF LAW

The Plan shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of laws.

## 16. EFFECTIVENESS OF THE PLAN

The Plan shall be effective as of the Effective Date, subject to the approval of the Company's stockholders.

## 17. SECTION 409A

Notwithstanding other provisions of the Plan or any Award agreements thereunder, no Award shall be granted, deferred, accelerated, extended, paid out or modified under this Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant. In the event that it is reasonably determined by the Committee that, as a result of Section 409A of the Code, any payment or delivery of Shares in respect of any Award under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Award agreement, as the case may be, without causing the Participant holding such Award to be subject to taxation under Section 409A of the Code, the Company will make such payment or delivery of Shares on the first day that would not result in the Participant incurring any tax liability under Section 409A of the Code. In the case of a Participant who is a "specified employee" (within the meaning of Section 409A(a)(2)(B)(i) of the Code), any payment and/or delivery of Shares in respect of any Award subject to Section 409A of the Code that are linked to the date of the Participant's separation from service shall not be made prior to the date which is six (6) months after the date of such Participant's separation from service from the Company and its affiliates, determined in accordance with Section 409A of the Code and the regulations promulgated thereunder. The Company shall use commercially reasonable efforts to implement the provisions of this Section 17 in good faith; provided that neither the Company, the Committee nor any of the Company's employees, directors or representatives shall have any liability to Participants with respect to this Section 17.

# CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION

OF

## PROPHASE LABS, INC.

1. NAME. The name of the Corporation is PROPHASE LABS, INC. (the "Corporation").
2. ADDRESS. The address of the Corporation's registered office in the State of Delaware is 874 Walker Road, Suite C, Dover, Kent County, DE 19904. The name of its registered agent at such address is United Corporate Services, Inc.
3. PURPOSE. The nature of the business of the Corporation and the objects or purposes to be transacted, promoted or carried on by it are as follows: To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware,
4. CAPITAL STOCK.

A. Authorized Shares. The total number of shares of all classes of stock that the Corporation is authorized to issue is 1,001,000,000 defined as follows: 1,000,000,000 shares of Common Stock, with a par value of \$.0005 per share, and 1,000,000 shares of Preferred Stock, with a par value of \$.0005 per share.

B. Blank-Check Preferred Stock. "The Board of Directors is hereby expressly authorized to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers, if any, of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

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### 5. BOARD OF DIRECTORS.

A. Number. The number of directors of the Corporation shall be fixed from time to time by the Bylaws and the number may be increased or decreased as therein provided. In case of any increase in the number of directors, the additional directors shall be elected as provided by the Bylaws by the directors or by the stockholders at an annual or special meeting. In case of any vacancy in the Board of Directors for any cause, the remaining Directors, by affirmative vote of a majority of the whole Board of Directors, may elect a successor to hold office for the unexpired term of the Director whose place is vacant and until the election of his successor.

B. Powers. The Board of Directors is expressly authorized to make, alter or repeal the Bylaws of the Corporation.

C. Elections. Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

6. AMENDMENTS. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

### 7. LIABILITY OF DIRECTORS.

A. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, as the same exists or hereafter may be amended, or (iv) for any transaction from which the director derived an improper personal benefit.

B. If the Delaware General Corporation Law is hereafter amended or supplemented to authorize corporate action further limiting or eliminating the personal liability of directors, then the liability of a director to the Corporation or its stockholders shall be limited or eliminated to the fullest extent permitted by the Delaware General Corporation Law, as so amended or supplemented from time to time.

C. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

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### 8. INDEMNIFICATION.

A. The Corporation shall, to the fullest extent permitted by the Delaware General Corporation Law, as the same may be amended or supplemented from time to time, indemnify any and all past, present and future directors and officers of the Corporation, and any other persons to which the DGCL permits this Corporation to provide indemnification ("Indemnified Persons"), from and against any and all costs, expenses (including attorneys' fees), damages, judgments, penalties, fines, punitive damages, excise taxes assessed with respect to an employee benefit plan and amounts paid in settlement in connection with any action, suit or proceeding, whether by or in the right of the Corporation, a class of its security holders or otherwise, in which the director or officer may be involved as a party or otherwise, by reason of the fact that such person was serving as a director, officer, employee or agent of the Corporation, including service with respect to an employee benefit plan.

B. The Corporation is authorized to provide for the advancement of expenses to such Indemnified Persons as set forth in the Bylaws.

C. The right of indemnification provided in this Article shall not be exclusive, and shall be in addition to any rights to which any person may otherwise be entitled by law, under the Bylaws of the Corporation, or under any agreement, vote of stockholders or directors, or otherwise.

D. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect the rights of any person referred to in this Article for or with respect to acts or omissions occurring prior to such repeal or modification,

### 9. INCORPORATOR. The name and mailing address of the sole incorporator is as follows:

Name

Mailing Address

Robert Me Cuddy

621 N. Shady Retreat Road,  
Doylestown, PA 18901

10. EFFECTIVE DATE. This Certificate of Incorporation shall be effective as of June 18, 2015 at 5:00 PM eastern standard time.

I, the undersigned, being the sole incorporator herein before named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and, accordingly, have hereunto set my hands this 16th day of June, 2015.

**BYLAWS OF  
PROPHASE LABS, INC.**

**(This amendment shall become effective upon approval by the Company's shareholders at the 2025 Special Meeting of Shareholders.)**

**ARTICLE I – OFFICES**

Section 1. The registered office of Prophase Labs, Inc. (the "Corporation") in the State of Delaware is 874 Walker Road, Suite C, Dover, DE 19904. The name of its registered agent at such address is United Corporate Services, Inc.

Section 2. The Corporation may have such offices within or without the State of Delaware as the Board of Directors may designate or as the business of the Corporation may require from time to time. The Corporation's principal place of business is 626 RXR Plaza, 6<sup>th</sup> Floor, Uniondale, New York 11556, effective as of the date of shareholder approval.

**ARTICLE II – STOCKHOLDERS**

Section 1. ANNUAL MEETING: The annual meeting of stockholders shall be held each year on a date and a time designated by the Board of Directors. At each annual meeting directors shall be elected and any other proper business may be transacted.

Section 2. SPECIAL MEETINGS: In addition to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders may be called at any time by (a) the Chairman or (b) the Board of Directors pursuant to a resolution approved by a majority of the whole Board of Directors. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice to stockholders.

Section 3. PLACE OF MEETING: The Board of Directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law.

Section 4. NOTICE OF MEETING: Whenever stockholders are required or permitted to take any action at a meeting, a written notice of any such meeting shall be given which notice shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. The notice shall, unless otherwise prescribed by statute, be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the Chairman, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the stockholder at his address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid. Notice of any meeting of the stockholders shall not be required to be given to any stockholder who shall attend such meeting in person or by proxy without protesting, prior to or at the commencement of the meeting, the lack of proper notice to such stockholder, or who shall waive notice thereof as provided in Article XI of these Bylaws. Notice of adjournment of a meeting of the stockholders need not be given if the date, time and place, if any, to which it is adjourned, and any means of remote communication for such adjourned meeting, are (i) announced at the meeting at which the adjournment is taken, (ii) displayed during the time scheduled for such meeting on the same electronic network used to enable stockholders and proxy holders to participate in such meeting by means of remote communication or (iii) set forth in the notice of such meeting given in accordance with the provisions of this Article 2.4; *provided, however*, that if the adjournment is for more than 30 days or, after adjournment, a new record date is fixed for the adjourned meeting, then a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

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Section 5. NOTICE BY ELECTRONIC TRANSMISSION: Any notice to stockholder given by the Corporation pursuant to any provision of these Bylaws, the Exchange Act (as defined in Article 2.15(b) below) or the Certificate of Incorporation shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. The consent is revocable by the stockholder by written notice to the Corporation. The consent is revoked if:

- (a) The Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with the consent; and
- (b) The inability to deliver by electronic transmission becomes known to the secretary, assistant secretary, transfer agent or other agent of the Corporation responsible for the giving of notice. However, the inadvertent failure to treat the inability to deliver notice by electronic transmission as a revocation does not invalidate any meeting or other action.

Notice given pursuant to this Article 1.5 shall be deemed given if:

- (a) By facsimile machine, when directed to a number at which the stockholder has consented to receive notice;
- (b) By electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;
- (c) By posting on an electronic network together with separate notice to the stockholder of the specific posting, upon the later of:
  - (1) Such posting; and
  - (2) The giving of the separate notice; and
- (d) By any other form of electronic transmission, when directed to the stockholder.

As used in this Article 1.5, "electronic transmission" means any form of communication not directly involving the physical transmission of paper that:

- (a) Creates a record that may be retained, retrieved and reviewed by the recipient of the communication; and
- (b) May be directly reproduced in paper form by the recipient through an automated process.

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Section 6. CLOSING OF TRANSFER BOOKS OR FIXING OF RECORD DATE: For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or stockholders entitled to receive payment of any dividend, or in order to make a determination of stockholders for any other proper purpose, the Board of Directors of the Corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, sixty (60) days. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of stockholders, such date in

any case to be not more than sixty (60) days, and, in case of a meeting of stockholders, not less than ten (10) days prior to the date on which the particular action, requiring such determination of stockholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders, or stockholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of stockholders. But payment or allotment of dividends may not be made more than sixty days after the date on which the resolution is adopted. When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this Article 2.6, such determination shall apply to any adjournment thereof regardless of its length except where the determination has been made through the closing of the stock transfer books and the stated period of closing has expired.

Section 7. BOOKS AND ACCOUNTS: This Corporation shall keep and maintain at its principal office in this State:

(a) A certified copy of its Certificate of Incorporation, and all amendments thereto.

(b) A certified copy of its Bylaws, and all amendments thereto.

(c) A stock ledger or a duplicate stock ledger, revised annually, containing the names, alphabetically arranged, of all persons who are stockholders of the Corporation, showing their places of residence, if known, and the number of shares held by them respectively; or

(d) In lieu of the stock ledger or duplication stock ledger specified in paragraph (c), a statement setting out the name of the custodian of the stock ledger or duplicate stock ledger, and the present and complete post office address, including street and number, if any, where such stock ledger or duplicate stock ledger specified in this Article 1.7 is kept.

Section 8. QUORUM: A majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders; provided, however, that in the case of any vote to be taken by classes or series, the holders of a majority of the votes entitled to be cast by the stockholders of a particular class or series, present in person or by proxy, shall constitute a quorum of such class or series.

Section 9. ADJOURNMENTS; POSTPONEMENTS: In the absence of a quorum, holders of stock representing a majority of the voting power of all shares present in person or represented by proxy at the meeting, or the chairman of the meeting, may adjourn any meeting of stockholders (including an adjournment to address a technical failure to convene), from time to time, to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Furthermore, after the meeting has been duly organized, the chairman of the meeting may adjourn any meeting of stockholders, from time to time, to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the date, time and place, if any, thereof, and any means of remote communication for such meeting, are (i) announced at the meeting at which the adjournment is taken, (ii) displayed during the time scheduled for such meeting on the same electronic network used to enable stockholders and proxy holders to participate in such meeting by means of remote communication, or (iii) set forth in the notice of such meeting given in accordance with the provisions of Article 2.4. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. Any previously scheduled meeting of stockholders may be postponed by the Board of Directors prior to the date previously scheduled for such meeting and the Corporation shall publicly announce such postponement.

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Section 10. PROXIES: At any meeting of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or by his duly authorized attorney in fact. Proxies for use at any meeting of stockholders shall be in writing and filed with the Secretary, or such other officer as the Board of Directors may from time to time determine by resolution, before or at the time of the meeting. All proxies shall be received and taken charge of and all ballots shall be received and canvassed by the secretary of the meeting who shall decide all questions touching upon the qualification of voters, the validity of the proxies and the acceptance or rejection of votes, unless an inspector or inspectors shall have been appointed by the Chairman, in which event such inspector or inspectors shall decide all such questions. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board of Directors.

A proxy shall not be valid after six months from the date of its execution, unless coupled with an interest, but no proxy shall be valid after seven years from the date of its execution, unless renewed or extended at any time before its expiration.

Section 11. LIST OF STOCKHOLDERS ENTITLED TO VOTE: A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder, shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of ten (10) days ending on the day before the meeting date, (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to the stockholders of the Corporation.

Section 12. VOTING AND ELECTIONS: Each stockholder of record of any series of Preferred Stock shall be entitled at each meeting of the stockholders to such number of votes, if any, for each share of such stock as may be fixed in the Certificate of Incorporation or in the resolution or resolutions adopted by the Board of Directors provide for the issuance of such Preferred Stock, and each stockholder of record of Common Stock shall be entitled at each meeting of the stockholders to one vote for each share of such stock, in each case, registered in such stockholder's name on the books of the Corporation: (i) on the date fixed pursuant to Section 6 of Article II of these Bylaws as the record date for the determination of stockholders entitled to notice of and to vote at such meeting; or (ii) if no such record date shall have been so fixed, then at the close of business on the day next preceding the day on which notice of such meeting is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

At each meeting of the stockholders, all corporate actions to be taken by vote of the stockholders (other than the election of directors) shall be authorized by a majority of the votes cast by the stockholders entitled to vote thereon who are present in person or represented by proxy, and where a separate vote by class or series is required, a majority of the votes cast by the stockholders of such class or series who are present in person or represented by proxy shall be the act of such class or series. Directors shall be elected by a plurality of the votes cast at a meeting of the stockholders by the holders of stock entitled to vote in the election of directors, provided a quorum is present.

Section 13. VOTING OF SHARES BY CERTAIN HOLDERS: Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the bylaws or a resolution of the board of directors of such corporation may prescribe, and a certified copy of the by-law or resolution is presented at the meeting.

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Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of shares into his name. A stockholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Neither treasury shares of its own stock held by the Corporation, nor shares held by another corporation if a majority of the shares entitled to vote for the election of directors of such other corporation are held by the corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time for purposes of any meeting.

Section 14. VOTING TRUST: A stockholder, by agreement in writing, may transfer his stock to a voting trustee or trustees for the purpose of conferring the right to vote thereon for a period not exceeding 15 years upon the terms and conditions therein stated. The certificates of stock so transferred shall be surrendered and canceled and new certificates therefor issued to such trustee or trustees in which it shall appear that they are issued pursuant to such agreement, and in the entry of such ownership in the proper books of such corporation that fact shall also be noted, and thereupon such trustee or trustees may vote upon the stock so transferred during the terms of such agreement. A duplicate of every such agreement shall be filed in the principal office of the corporation and at all times during such terms be open to inspection by any stockholder or his attorney.

Section 15. NOMINATION OF DIRECTORS:

(a) In addition to the rights of the holders of any series of Preferred Stock, nominations of any person for election to the Board of Directors at an annual meeting or at a special meeting (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting) may be made at such meeting only (i) by or at the direction of the Board of Directors, including by any committee or persons appointed by the Board of Directors, or (ii) by a stockholder who (A) was a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such nomination is proposed to be made, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving the notice provided for in this Article 2.15 and at the time of the meeting, (B) is entitled to vote at the meeting for the election of directors, and (C) has complied with this Article 2.15 as to such nomination. The foregoing clause (ii) shall be the exclusive means for a stockholder to make any nomination of a person or persons for election to the Board of Directors at an annual meeting or special meeting.

(b) Without qualification, in addition to such stockholder complying with the provisions of Rule 14a-19 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations, the "Exchange Act"), for a stockholder to make any nomination of a person or persons for election to the Board of Directors at an annual meeting, the stockholder must (i) provide Timely Notice (as defined in Article 2.16) thereof in writing and in proper form to the Secretary of the Corporation either by personal delivery or by United States mail, postage prepaid, and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Article 2.15. Without qualification, if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting, then for a stockholder to make any nomination of a person or persons for election to the Board of Directors at a special meeting, the stockholder must (i) provide timely notice thereof in writing and in proper form to the Secretary of the Corporation at the principal executive offices of the Corporation either by personal delivery or by United States mail, postage prepaid, and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Article 2.15.

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To be timely, a stockholder's notice for nominations to be made at a special meeting must be delivered to, or mailed and received at, the principal executive offices of the Corporation not earlier than the one hundred twentieth (120th) day prior to such special meeting and not later than the ninetieth (90th) day prior to such special meeting or, if such special meeting is announced later than the ninetieth day prior to the date of such special meeting, the tenth (10th) day following the day on which public disclosure (as defined in Article 2.15) of the date of such special meeting was first made.

In no event shall any adjournment of an annual meeting or special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(c) To be in proper form for purposes of this Article 2.15, a stockholder's notice to the Secretary shall set forth:

(i) As to each Nominating Person (as defined below), the Stockholder Information (as defined in Article 2.16(c)(i), except that for purposes of this Article 2.15 the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Article 2.16(c)(i));

(ii) As to each Nominating Person, any Disclosable Interests (as defined in Article 2.16(c)(ii), except that for purposes of this Article 2.15 the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Article 2.16(c)(ii) and the disclosure in clause (L) of Article 2.16(c)(ii) shall be made with respect to the election of directors at the meeting);

(iii) A representation that the Nominating Person is a holder or record or beneficial owner of shares of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

(iv) A representation as to whether the Nominating Person intends to solicit proxies in support of such person's nominee(s) in accordance with Rule 14a-19 under the Exchange Act;

(v) A representation as to whether the Nominating Person intends to deliver a proxy statement and/or a form of proxy to holders of at least the percentage of the Corporation's outstanding stock reasonably believed by the Nominating Person to be sufficient to elect the nominee or nominees proposed to be nominating by the Nominating Person; (vi) As to each person whom a Nominating Person proposes to nominate for election as a director, (A) all information with respect to such proposed nominee that would be required to be set forth in a stockholder's notice pursuant to this Article 2.15 if such proposed nominee were a Nominating Person, (B) all information relating to such proposed nominee that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Article 14(a) under the Exchange Act (including such proposed nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (C) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among any Nominating Person, on the one hand, and each proposed nominee, his or her respective affiliates and associates and any other persons with whom such proposed nominee (or any of his or her respective affiliates and associates) is Acting in Concert (as defined in Article 2.16(c)), on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if such Nominating Person were the "registrant" for purposes of such rule and the proposed nominee were a director or executive officer of such registrant, and (D) a completed and signed questionnaire, representation and agreement as provided in Article 2.15(f); and (vi) The Corporation may require any proposed nominee to furnish such other information (A) as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation in accordance with the Corporation's corporate governance guidelines or (B) that could be material to a reasonable stockholder's understanding of the independence or lack of independence of such proposed nominee.

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For purposes of this Article 2.15, the term "Nominating Person" shall mean (i) the stockholder providing the notice of the nomination proposed to be made at the meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the nomination proposed to be made at the meeting is made, (iii) any affiliate or associate of such stockholder or beneficial owner, and (iv) any other person with whom such stockholder or such beneficial owner (or any of their respective affiliates or associates) is Acting in Concert.

(d) A stockholder providing notice of any nomination proposed to be made at a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Article 2.15 shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) business days prior to the date for the meeting, if practicable (or, if not practicable, on the first

practicable date prior to) any adjournment or postponement thereof (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(e) Notwithstanding anything in these Bylaws to the contrary, no person shall be eligible for election as a director of the Corporation unless nominated in accordance with this Article 2.15. The presiding officer at the meeting shall, if the facts warrant, determine that a nomination was not properly made in accordance with this Article 2.15, and if he or she should so determine, he or she shall so declare such determination to the meeting and the defective nomination shall be disregarded.

(f) To be eligible to be a nominee for election as a director of the Corporation, the proposed nominee must deliver (in accordance with the time periods prescribed for delivery of notice under this Article 2.15) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such proposed nominee (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in form provided by the Secretary upon written request) that such proposed nominee (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the Corporation, with such proposed nominee's fiduciary duties under applicable law, (ii) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation and (iii) in such proposed nominee's individual capacity and on behalf of the stockholder (or the beneficial owner, if different) on whose behalf the nomination is made, would be in compliance, if elected as a director of the Corporation, and will comply with applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

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(g) In addition to the requirements of this Article 2.15 with respect to any nomination proposed to be made at a meeting, each Nominating Person shall comply with all applicable requirements of the Exchange Act with respect to any such nominations. Unless otherwise required by law, (i) no Nominating Person shall solicit proxies in support of director nominees other than the Corporation's nominees unless such stockholder has complied with Rule 14a-19 under the Exchange Act in connection with the solicitation of such proxies, including the provision to the Corporation of notices required thereunder in a timely manner, and (ii) if such stockholder (1) provides notice pursuant to Rule 14a-19(b) under the Exchange Act and (2) subsequently fails to comply with all applicable requirements of Section 10 and this Article 2.15 and Rules 14a-19(a)(2) and 14a-19(a)(3) under the Exchange Act, then the Corporation shall disregard any proxies or votes solicited for such Nominating Person's director nominees. Upon request by the Corporation, if any such Nominating Person provides notice pursuant to Rule 14a-19(b) under the Exchange Act, such Nominating Person shall deliver to the Corporation, no later than five

(5) business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) under the Exchange Act.

#### Section 16. NOTICE OF BUSINESS AT ANNUAL MEETINGS:

(a) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) brought before the meeting by the Corporation and specified in the notice of meeting given by or at the direction of the Board of Directors, (ii) brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a stockholder who (A) was a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving the notice provided for in this Article 2.16 and at the time of the meeting, (B) is entitled to vote at the meeting, and (C) has complied with this Article 2.16 as to such business. Except for proposals properly made in accordance with Rule 14a-8 under the Exchange Act, and included in the notice of meeting given by or at the direction of the Board of Directors, the foregoing clause (iii) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of the stockholders. Stockholders shall not be permitted to propose business to be brought before a special meeting of the stockholders, and the only matters that may be brought before a special meeting are the matters specified in the notice of meeting given by or at the direction of the person calling the meeting. Stockholders seeking to nominate persons for election to the Board must comply with Article 2.15 and this Article 2.16 shall not be applicable to nominations except as expressly provided in Article 2.15.

(b) Without qualification, for business to be properly brought before an annual meeting by a stockholder, the stockholder must (i) provide Timely Notice (as defined below) thereof in writing and in proper form to the Secretary of the Corporation either by personal delivery or by United States mail, postage prepaid, and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Article 2.16. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the one-year anniversary of the preceding year's annual meeting; provided, however, that if the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder to be timely must be so delivered, or mailed and received, not later than the ninetieth (90th) day prior to such annual meeting or, if such annual meeting is announced later than the ninetieth day prior to the date of such annual meeting, the tenth (10th) day following the day on which public disclosure of the date of such annual meeting was first made (such notice within such time periods, "Timely Notice"). In no event shall any adjournment of an annual meeting or the announcement thereof commence a new time period for the giving of Timely Notice as described above.

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(c) To be in proper form for purposes of this Article 2.16, a stockholder's notice to the Secretary shall set forth:

(i) As to each Proposing Person (as defined below), (A) the name and address of such Proposing Person (including, if applicable, the name and address that appear on the Corporation's books and records); and (B) the class or series and number of shares of the Corporation that are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Persons, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future (the disclosures to be made pursuant to the foregoing clauses (i) and (ii) are referred to as "Stockholder Information");

(ii) As to each Proposing Person, (A) any derivative, swap or other transaction or series of transactions engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to give such Proposing Person economic risk similar to ownership of shares of any class or series of the Corporation, including due to the fact that the value of such derivative, swap or other transactions are determined by reference to the price, value or volatility of any shares of any class or series of the Corporation, or which derivative, swap or other transactions provide, directly or indirectly, the opportunity to profit from any increase in the price or value of shares of any class or series of the Corporation ("Synthetic Equity Interests"), which Synthetic Equity Interests shall be disclosed without regard to whether (x) the derivative, swap or other transactions convey any voting rights in such shares to such Proposing Person, (y) the derivative, swap or other transactions are required to be, or are capable of being, settled through delivery of such shares or (z) such Proposing Person may have entered into other transactions that hedge or mitigate the economic effect of such derivative, swap or other transactions (B) any proxy (other than a revocable proxy or consent given in response to a solicitation made pursuant to, and in accordance with, Article 14(a) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), agreement, arrangement, understanding or relationship pursuant to which such Proposing Person has or shares a right to vote any shares of any class or series of the Corporation, (C) any agreement, arrangement, understanding or relationship, including any repurchase or similar so-called "stock borrowing" agreement or arrangement, engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of shares of any class or series of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such Proposing Person with respect to the shares of any class or series of the Corporation, or which provides, directly or indirectly, the opportunity to profit from any decrease in the price or value of the shares of any class or series of the Corporation ("Short Interests"), (D) any rights to dividends on the shares of any class or series



of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, (E) any performance related fees (other than an asset based fee) that such Proposing Person is entitled to based on any increase or decrease in the price or value of shares of any class or series of the Corporation, or any Synthetic Equity Interests or Short Interests, if any, (F)(x) if such Proposing Person is not a natural person, the identity of the natural person or persons associated with such Proposing Person responsible for the formulation of and decision to propose the business to be brought before the meeting (such person or persons, the "Responsible Person"), the manner in which such Responsible Person was selected, any fiduciary duties owed by such Responsible Person to the equity holders or other beneficiaries of such Proposing Person, the qualifications and background of such Responsible Person and any material interests or relationships of such Responsible Person that are not shared generally by any other record or beneficial holder of the shares of any class or series of the Corporation and that reasonably could have influenced the decision of such Proposing Person to propose such business to be brought before the meeting, and (y) if such Proposing Person is a natural person, the qualifications and background of such natural person and any material interests or relationships of such natural person that are not shared generally by any other record or beneficial holder of the shares of any class or series of the Corporation and that reasonably could have influenced the decision of such Proposing Person to propose such business to be brought before the meeting, (G) any significant equity interests or any Synthetic Equity Interests or Short Interests in any principal competitor of the Corporation held by such Proposing Persons (H) any direct or indirect interest of such Proposing Person in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (I) any pending or threatened litigation in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (J) any material transaction occurring during the prior twelve months between such Proposing Person, on the one hand, and the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation, on the other hand, (K) a summary of any material discussions regarding the business proposed to be brought before the meeting (x) between or among any of the Proposing Persons or (y) between or among any Proposing Person and any other record or beneficial holder of the shares of any class or series of the Corporation (including their names), and (L) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Article 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (A) through (L) are referred to as "Disclosable Interests"); provided, however, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner;

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(iii) As to each item of business that the stockholder proposes to bring before the annual meeting, (A) a reasonably brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (B) the text of the proposal or business (including the text of any resolutions proposed for consideration), and (C) a reasonably detailed description of all agreements, arrangements and understandings (x) between or among any of the Proposing Persons or (y) between or among any Proposing Person and any other record or beneficial holder of the shares of any class or series of the Corporation (including their names) in connection with the proposal of such business by such stockholder;

(iv) A representation that the Proposing Person is a holder or record or beneficial owner of shares of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose the business specified in the notice; and

(v) A representation as to whether the Proposing Person intends to solicit proxies in support of such person's proposal.

For purposes of this Article 2.16, the term "Proposing Person" shall mean (i) the stockholder providing the notice of business proposed to be brought before an annual meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made, (iii) any affiliate or associate (each within the meaning of Rule 12b-2 under the Exchange Act for purposes of these Bylaws) of such stockholder or beneficial owner, and (iv) any other person with whom such stockholder or beneficial owner (or any of their respective affiliates or associates) is Acting in Concert (as defined below).

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A person shall be deemed to be "Acting in Concert" with another person for purposes of these Bylaws if such person knowingly acts (whether or not pursuant to an express agreement, arrangement or understanding) in concert with, or towards a common goal relating to the management, governance or control of the Corporation in parallel with, such other person where (A) each person is conscious of the other person's conduct or intent and this awareness is an element in their decision-making processes and (B) at least one additional factor suggests that such persons intend to act in concert or in parallel, which such additional factors may include, without limitation, exchanging information (whether publicly or privately), attending meetings, conducting discussions, or making or soliciting invitations to act in concert or in parallel; provided, that a person shall not be deemed to be Acting in Concert with any other person solely as a result of the solicitation or receipt of revocable proxies or consents from such other person in response to a solicitation made pursuant to, and in accordance with, Article 14(a) of the Exchange Act by way of a proxy or consent solicitation statement filed on Schedule 14A. A person Acting in Concert with another person shall be deemed to be Acting in Concert with any third party who is also Acting in Concert with such other person.

(d) A stockholder providing notice of business proposed to be brought before an annual meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Article 2.16 shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) business days prior to the date for the meeting, if practicable (or, if not practicable, on the first practicable date prior to) any adjournment or postponement thereof (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(e) Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with this Article 2.16. The presiding officer of the meeting shall, if the facts warrant, determine that the business was not properly brought before the meeting in accordance with this Article 2.16, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

(f) This Article 2.16 is expressly intended to apply to any business proposed to be brought before an annual meeting of stockholders other than any proposal made pursuant to Rule 14a-8 under the Exchange Act. In addition to the requirements of this Article 2.16 with respect to any business proposed to be brought before an annual meeting, each Proposing Person shall comply with all applicable requirements of the Exchange Act with respect to any such business. Nothing in this Article 2.16 shall be deemed to affect the rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(g) For purposes of these Bylaws, "public disclosure" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Articles 13, 14 or 15(d) of the Exchange Act.

#### Section 17. CONDUCT OF MEETINGS:

(a) Meetings of stockholders shall be presided over by the Chairman or in the Chairman's absence by the Chief Executive Officer, or in the Chief Executive Officer's absence by the President (if the President shall be a different individual than the Chief Executive Officer), or in the President's absence by a Vice President, or in the absence of all of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen by vote of the stockholders at the meeting. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

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(b) The Board of Directors of the Corporation may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the Corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as shall be determined; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(c) The chairman of the meeting shall announce at the meeting when the polls for each matter to be voted upon at the meeting will be opened and closed. If no announcement is made, the polls shall be deemed to have opened when the meeting is convened and closed upon the final adjournment of the meeting. After the polls close, no ballots, proxies or votes or any revocations or changes thereto may be accepted.

(d) In advance of any meeting of stockholders, the Board of Directors, the Chairman or the Chief Executive Officer shall appoint one or more inspectors of election to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is present, ready and willing to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before entering upon the discharge of such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and shall take charge of the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by law.

### ARTICLE III – DIRECTORS

Section 1. NUMBER AND TERM. The business of this Corporation shall be managed by a Board of Directors which shall consist of not less than three (3) directors nor more than nine (9) directors, who need not be residents of the State of Delaware or stockholders of the Corporation. The exact number of directors within the minimum and maximum limitations specified in the preceding sentence shall be fixed from time to time by the Board of Directors pursuant to a resolution adopted by a majority of the entire Board of Directors, which number shall initially be six (6). Except as otherwise provided in the Certificate of Incorporation, each director shall serve for a term ending on the date of the annual meeting of stockholders next following the annual meeting at which such director was elected. Notwithstanding the foregoing, each director shall hold office until such director's successor shall have been duly elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders.

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Section 2. REGULAR MEETINGS: Each newly elected Board of Directors may hold its first meeting for the purpose of organization and the transaction of business, if a quorum is present, immediately after and at the same place as the annual meeting of the stockholders. Notice of such meeting shall not be required. At the first meeting of the Board of Directors in each year at which a quorum shall be present, held next after the annual meeting of stockholders, the Board of Directors shall proceed to the election of the officers of the Corporation. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of such regular meetings shall not be required.

Section 3. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by the Chairman of the Board, or on the written request of any two directors, by the Secretary, in each case on at least twenty-four (24) hours personal, written, telegraphic, cable or wireless notice to each director. Such notice, or any waiver thereof pursuant to Article 3.4 hereof, shall state the time and place of the special meeting, but need not state the purpose or purposes of such meeting, except as may otherwise be required by law or provided for in the Certificate of Incorporation or these Bylaws. If the day or date, time and place of a meeting of the Board of Directors has been announced at a previous meeting of the board, no notice is required. Notice of an adjourned meeting of the Board of Directors need not be given other than by announcement at the meeting at which adjournment is taken.

Section 4. NOTICE WAIVER: Notice of any meeting of the Board of Directors may be waived by any director either before, at or after such meeting orally or in a writing signed by such director. A director, by his or her attendance at any meeting of the Board of Directors, shall be deemed to have waived notice of such meeting, except where the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter in the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 5. QUORUM AND MANNER OF ACTING: Unless otherwise provided in the Certificate of Incorporation, a majority of the total number of directors then in office shall constitute a quorum for the transaction of business of the Board of Directors and the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 6. RESIGNATION. Any director may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors or to the Secretary of the Corporation. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7. NEWLY CREATED DIRECTORSHIPS. A directorship to be filled by reason of any increase in the number of directors may be filled (i) by election at an annual or special meeting of stockholders called for that purpose or (ii) by the Board of Directors for a term of office continuing only until the next election of one or more directors by the stockholders.

Section 8. VACANCIES IN THE BOARD OF DIRECTORS. Any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled by a majority vote of the directors then in office, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of the class to which they have been elected expires. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

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Section 9. REMOVAL OF DIRECTORS. Except as may otherwise be provided by law, any director or the entire Board of Directors may be removed, with or without cause, at an annual meeting or at a special meeting called for that purpose, by the affirmative vote of the holders of a majority of the shares then entitled to vote at an election of directors.

Section 10. ACTION WITHOUT A MEETING; TELEPHONE CONFERENCE MEETING:

Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors, or any committee

designated by the Board of Directors, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, either originally or in counterparts, consent thereto in writing. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State of Delaware.

Unless otherwise restricted by the Certificate of Incorporation, subject to the requirement for notice of meetings, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in a meeting of such Board of Directors or committee, as the case may be, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

#### Section 10. EXECUTIVE AND OTHER COMMITTEES:

(a) The Board of Directors, by resolution adopted by a majority of the number of directors then in office may designate from among its members an executive committee and one or more other committees, each consisting of two or more directors, and each of which, to the extent provided in the resolution or in the charter or these Bylaws shall have and may exercise all of the authority of the Board of Directors except the power to:

(i) Declare dividends or distributions on stock;

(ii) Issue stock other than as provided in subsection (b) of this Article.

(iii) Recommend to the stockholders any action which requires stockholder approving, including, but not limited to, adopting an agreement of merger or consolidation, the sale, lease or exchange of all or substantially all of the Corporation's property and assets, a dissolution of the Corporation or a revocation of a dissolution of the Corporation; or

(iv) Amend the Certificate of Incorporation or the Bylaws.

(b) If the Board of Directors has given general authorization for the issuance of stock, a committee of the Board, in accordance with a general formula or method specified by the board by resolution or by adoption of a stock option or other plan, may fix the terms of stock subject to classification or reclassification and the terms on which any stock may be issued, including all terms and conditions required or permitted to be established or authorized by the Board of Directors under the Delaware General Corporation Law.

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(c) The appointment of any committee, the delegation of authority to it or action by it under that authority does not constitute of itself, compliance by any director not a member of the committee, with the standard provided by statute for the performance of duties of directors.

(d) Any committee designated pursuant to this Article 3.10 shall choose its own chairman, shall keep regular minutes of its proceedings and report the same to the Board of Directors when requested, shall fix its own rules or procedures, and shall meet at such times and at such place or places as may be provided by such rules, or by resolution of such committee or resolution of the Board of Directors. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any resolution.

(e) The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

Section 11. CHAIRMAN OF THE BOARD: The Board shall elect from its members a Chairman, which Chairman shall preside at all meetings of the stockholders and the directors. The Chairman shall serve in such capacity until his or her successor is elected by the Board or until his or her earlier resignation or removal from the Board. He or she shall also perform such other duties the Board may assign to him or her from time to time.

Section 12. COMPENSATION: By resolution of the Board of Directors, each director may be paid his expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the Board of Directors or both. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 13. PRESUMPTION OF ASSENT: A director of the Corporation who is present at a meeting of the board of Directors at which action on any corporate matter is taken unless he shall announce his dissent at the meeting and his dissent is entered in the minutes and he shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

#### ARTICLE IV – OFFICERS

Section 1. NUMBER, TITLES, AND TERM OF OFFICE: The officers of the Corporation shall be chosen by the Board of Directors and shall include a Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, President, one or more Vice Presidents (any one or more of whom may be designated Executive Vice President or Senior Vice President), a Treasurer, a Secretary, and such other officers as the Board of Directors may from time to time elect or appoint. Each officer shall hold office until his successor shall be duly elected and shall qualify or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same person, unless the Certificate of Incorporation provides otherwise. Except for the Chairman of the Board, if any, no officers need be a director.

Section 2. SALARIES: The salaries or other compensation of the officers and agents of the Corporation shall be fixed from time to time by the Board of Directors.

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Section 3. REMOVAL: Any officer or agent elected or appointed by the Board of Directors may be removed, either with or without cause, by the vote of a majority of the whole Board of Directors at a special meeting called for the purpose, or at any regular meeting of the Board of Directors, provided the notice for such meeting shall specify that the matter of any such proposed removal will be considered at the meeting but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. VACANCIES: Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section 5. CHIEF EXECUTIVE OFFICER: The Chief Executive Officer shall, in the absence of the Chairman, preside at all meetings of the stockholders. Subject to the control of the Board of Directors and the executive committee (if any), the Chief Executive Officer shall have general executive charge, management and control of the properties, business and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; he may agree upon and execute all leases,

contracts, evidences of indebtedness and other obligations in the name of the Corporation and may sign all certificates for shares of capital stock of the Corporation and shall have such other powers and duties as designated in accordance with these Bylaws and as from time to time may be assigned to him by the Board of Directors.

Section 6. **PRESIDENT:** Subject to such supervisory powers, if any, as may be given by the Board to the Chief Executive Officer, the President shall have general supervision, direction, and control of the business and other officers of the corporation. The President shall have the general powers and duties of management usually vested in the office of President of a corporation and shall have such other powers and duties as may be prescribed by the Board or these Bylaws. If, for any reason, the Corporation does not have a Chairman or Chief Executive Officer, or such officers are unable to act, the President shall assume the duties of those officers.

Section 7. **CHIEF OPERATING OFFICER:** The Chief Operating Officer shall supervise the operation of the Corporation, subject to the policies and directions of the Board. He or she shall provide for the proper operation of the Corporation and oversee the internal interrelationship amongst any and all departments of the Corporation. He or she shall submit to the Chief Executive Officer, the President, the Chairman and the Board timely reports on the operations of the Corporation.

Section 8. **CHIEF FINANCIAL OFFICER:** The Chief Financial Officer shall have general supervision, direction and control of the financial affairs of the Corporation. He or she shall provide for the establishment of internal controls and see that adequate audits are currently and regularly made. He or she shall submit to the Chief Executive Officer, the President, the Chief Operating Officer, the Chairman and the Board timely statements of the accounts of the Corporation and the financial results of the operations thereof. The Chief Financial Officer shall perform such other duties and have such other powers as may be prescribed by the Board or these Bylaws, all in accordance with basic policies as established by and subject to the oversight of the Board and the Chief Executive Officer. In the absence of a named Treasurer, the Chief Financial Officer shall also have the powers and duties of the Treasurer as hereinafter set forth and shall be authorized and empowered to sign as Treasurer in any case where such officer's signature is required.

Section 9. **VICE PRESIDENTS:** In the absence of the President, or in the event of his inability or refusal to act, a Vice President designated by the Board of Directors shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions of the President. In the absence of a designation by the Board of Directors of a Vice President to perform the duties of the President, or in the event of his absence or inability or refusal to act, the Vice President who is present and who is senior in terms of time as a Vice President of the Corporation shall so act. The Vice Presidents shall perform such other duties and have such other powers as the chief executive officer or the Board of Directors may from time to time prescribe.

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Section 10. **TREASURER:** The Treasurer shall have responsibility for the custody and control of all the funds and securities of the Corporation, and he shall have such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him by the Board of Directors. He shall perform all acts incident to the position of Treasurer, subject to the control of the chief executive officer and the Board of Directors; and he shall, if required by the Board of Directors, give such bond for the faithful discharge of his duties in such form as the Board of Directors may require.

Section 11. **ASSISTANT TREASURERS:** Each Assistant Treasurer shall have the usual powers and duties pertaining to his office, together with such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him by the chief executive officer or the Board of Directors. The Assistant Treasurers shall exercise the powers of the Treasurer during that officer's absence or inability or refusal to act.

Section 12. **SECRETARY:** The Secretary shall keep the minutes of all meetings of the Board of Directors, committees of directors and the stockholders, in books provided for that purpose; he shall attend to the giving and serving of all notices; he may in the name of the Corporation affix the seal of the Corporation to all contracts of the Corporation and attest the affixation of the seal of the Corporation thereto; he may sign with the other appointed officers all certificates for shares of capital stock of the Corporation; he shall have charge of the certificate books, transfer books and stock ledgers, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection of any director upon application at the office of the Corporation during business hours; he shall have such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him by the Board of Directors; and he shall in general perform all acts incident to the office of Secretary, subject to the control of the chief executive officer and the Board of Directors.

Section 13. **ASSISTANT SECRETARIES:** Each Assistant Secretary shall have the usual powers and duties pertaining to his office, together with such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him by the chief executive officer or the Board of Directors. The Assistant Secretaries shall exercise the powers of the Secretary during that officer's absence or inability or refusal to act.

#### ARTICLE V – INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

Section 1. **INDEMNIFICATION:** The Corporation shall indemnify and hold harmless, to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), any person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (an "indemnitee"), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by an indemnitee in connection with such action, suit or proceeding if such indemnitee acted in good faith and in a manner such indemnitee reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful; provided, however, that, except as provided in Article 5.3 with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the indemnitee did not act in good faith and in a manner which such indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful. The right to indemnification conferred by this Article 5.1 shall vest at the time an individual becomes an indemnitee.

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Section 2. **RIGHT TO ADVANCEMENT OF EXPENSES:** The right to indemnification conferred in Article 5.1 shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Article 5.2 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Articles 5.1 and 5.2 shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the indemnitee's heirs, executors, and administrators.

Section 3. **RIGHT OF INDEMNITEE TO BRING SUIT:** If a claim under Article 5.1 or 5.2 is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of

prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the Delaware General Corporation Law. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to indemnification, or to such advancement of expenses, under this Article 5 or otherwise shall be on the Corporation.

Section 4. NON-EXCLUSIVITY OF RIGHTS: The rights to indemnification and to the advancement of expenses conferred in this Article 5 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the corporation's Certificate of Incorporation, Bylaws, agreement, vote of stockholders, or disinterested directors or otherwise.

Section 5. INSURANCE: The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee, or agent of the Corporation or another corporation, partnership, joint venture, trust, or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

#### Section 6. INDEMNIFICATION OF EMPLOYEES AND AGENTS OF THE CORPORATION:

The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article 5 with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

Section 7. AMENDMENT OR MODIFICATION: This Article 5 may be altered or amended at any time as provided in these Bylaws, but no such amendment shall have the effect of diminishing the rights of any person who is or was an officer or director as to any acts or omissions taken or omitted to be taken prior to the effective date of such amendment.

### ARTICLE VI – CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. CONTRACTS: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. LOANS: No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. CHECKS, DRAFTS, ETC.: All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. DEPOSITS: All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

### ARTICLE VII CERTIFICATES FOR SHARES AND THEIR TRANSFER

Section 1. CERTIFICATES FOR SHARES: Notwithstanding any other provision in these Bylaws, any or all classes and series of shares of the Corporation, or any part thereof, may be represented by uncertificated shares, except that shares represented by a certificate that is issued and outstanding shall continue to be represented thereby until the certificate is surrendered to the corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof, a written notice containing the information required to be set forth or stated on certificates. The rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class or series shall be identical. If certificates for the shares of the Corporation are issued, each will be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the president or vice president and countersigned by the secretary or an assistant secretary and sealed with the Corporation seal or a facsimile thereof. The signatures of such officers upon a certificate may be facsimile signatures if the certificate is manually signed on behalf of a transfer agent or a registrar other than the Corporation or an employee of the Corporation. Each certificate for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be cancelled and no new certificates shall be issued until the former certificates for a like number of shares shall have been surrendered and cancelled, except that in case of a lost, destroyed or mutilated certificate, a new one may be issued therefor upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.

Section 2. TRANSFER OF SHARES: Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the secretary of the corporation, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes.

### ARTICLE VIII – FISCAL YEAR

Section 1. The fiscal year of the Corporation shall be determined by the Board of Directors.

### ARTICLE IX – DIVIDENDS

Section 1. The Board of Directors may, from time to time, declare and the Corporation may pay dividends on its outstanding shares in the manner, and upon the terms and conditions provided by law and its Certificate of Incorporation.

### ARTICLE X – CORPORATE SEAL

Section 1. The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation, the year

of its incorporation and the words, “Corporate Seal,” and “Delaware.”

#### ARTICLE XI – WAIVER OF NOTICE

Section 1. Whenever notice is required to be given by law, the Certificate of Incorporation or under any of the provisions of these Bylaws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or the Bylaws.

#### ARTICLE XII – FORUM FOR ADJUDICATION OF DISPUTES

Section 1. Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation,

(ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation’s stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or the Certificate of Incorporation or Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery in the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware). If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the State of Delaware (a “Foreign Action”) in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce the preceding sentence and (ii) having service of process made upon such stockholder in any such action by service upon such stockholder’s counsel in the Foreign Action as agent for such stockholder.

#### ARTICLE XIII – AMENDMENTS

Section 1. Stockholders of the Corporation holding at least 66 2/3% of the Corporation’s outstanding voting stock shall have the power to adopt, amend or repeal the Bylaws. To the extent provided in the Corporation’s Certificate of Incorporation, the Board of Directors of the Corporation shall also have the power to adopt, amend or repeal the Bylaws of the Corporation.