

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 20, 2019

DIAMEDICA THERAPEUTICS INC.

(Exact name of registrant as specified in its charter)

British Columbia
(State or other jurisdiction of incorporation)

001-36291
(Commission File Number)

Not Applicable
(IRS Employer
Identification No.)

2 Carlson Parkway, Suite 260
Minneapolis, Minnesota
(Address of principal executive offices)

55447
(Zip Code)

(763) 496-5454
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Voting common shares, no par value per share	DMAC	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

DiaMedica Therapeutics Inc. Short-Term Incentive Plan

On June 20, 2019, the Board of Directors (the “Board”) of DiaMedica Therapeutics Inc. (the “Company”), upon recommendation of the Compensation Committee (the “Compensation Committee”), approved the DiaMedica Therapeutics Inc. Short-Term Incentive Plan (the “STI Plan”), which is intended to serve as the Company’s short-term incentive plan beginning with the year ending December 31, 2019. The primary purpose of the STI Plan is to align the interests of our officers and employees and shareholders by providing an incentive for the achievement of corporate and individual performance goals that are critical to the success of the Company and linking a significant portion of their annual compensation to the achievement of such goals. The Compensation Committee will administer the STI Plan with respect to officer participants and the Chief Executive Officer of the Company will administer the STI Plan with respect to all other participants.

Under the STI Plan, the Compensation Committee will establish for each performance period corporate performance goals for all participants and individual performance goals for certain participants. All corporate and individual performance goals will be weighted for each participant, with areas of critical importance weighted most heavily. Weightings may differ from participant to participant and from performance period to performance period. For any performance period, the Compensation Committee may establish one or more threshold corporate or individual performance goals that must be achieved at a certain minimum level in order for any bonus payout to occur for all or certain participants for such performance period.

Under the STI Plan, each officer has a target incentive that is expressed as a percentage of the officer’s base salary. The following are the target incentives for each executive officer named in the Summary Compensation Table of the proxy statement for the Company’s most recent annual general meeting of shareholders:

Name	Percentage of Base Salary
Rick Pauls	50%
Scott Kellen	30%
Todd Verdoorn	30%

Payouts under the STI Plan will be made in cash, or if the Compensation Committee so determines, Company common shares. Any shares issued under the STI Plan would be issued as stock-based awards under the DiaMedica Therapeutics Inc. 2019 Omnibus Incentive Plan. Each participant must be employed by the Company or a subsidiary through the date on which payouts are made under the STI Plan in order to be eligible to receive a payout under the STI Plan.

The foregoing description of the STI Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the STI Plan, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Corporate and Individual Performance Goals under the STI Plan for 2019

On June 20, 2019, the Compensation Committee approved corporate and individual performance goals for the Company’s officers for the year ending December 31, 2019 as contemplated under the STI Plan. Officer payouts under the STI Plan for 2019 will be based on the achievement of four pre-established corporate performance objectives that relate to clinical milestones and, in the cases of certain officers, certain pre-established individual performance objectives that relate to their respective responsibilities.

Form of Award Agreements under the DiaMedica Therapeutics Inc. 2019 Omnibus Incentive Plan

On June 20, 2019, the Compensation Committee approved form of award agreements representing awards to be granted to officers or directors under the DiaMedica Therapeutics Inc. 2019 Omnibus Incentive Plan. These form of award agreements are filed as Exhibits 10.2 and 10.3 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
10.1	DiaMedica Therapeutics Inc. Short-Term Incentive Plan (filed herewith)
10.2	Form of Option Award Agreement under the DiaMedica Therapeutics Inc. 2019 Omnibus Incentive Plan (filed herewith)
10.3	Form of Restricted Stock Unit Award Agreement under the DiaMedica Therapeutics Inc. 2019 Omnibus Incentive Plan (filed herewith)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DIAMEDICA THERAPEUTICS INC.

By: /s/ Scott Kellen
Scott Kellen
Chief Financial Officer and Secretary

Dated: June 21, 2019



**DIAMEDICA THERAPEUTICS INC.
SHORT-TERM INCENTIVE PLAN**

Effective as of June 20, 2019

1. Purpose.

The primary purpose of the DiaMedica Therapeutics Inc. Short-Term Incentive Plan is to align the interests of our Officers and shareholders by providing an incentive for the achievement of corporate and individual performance goals that are critical to the success of the Company and linking a significant portion of each Officer's annual compensation to the achievement of such goals.

2. Definitions.

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

- 2.1 "Award" means the payment to a Participant made under this Plan for a Performance Period.
- 2.2 "Base Salary" means the base salary paid by the Company to a Participant during the applicable Performance Period. Base Salary includes only regular cash salary.
- 2.3 "Board" means the Board of Directors of the Company.
- 2.4 "Code" means the United States Internal Revenue Code of 1986, as amended, or any successor thereto.
- 2.5 "Committee" means a committee, established and designated to administer and carry out the intent of this Plan, or its delegate, as applicable.
- 2.6 "Company" means DiaMedica Therapeutics Inc., a corporation existing under the laws of British Columbia, Canada.
- 2.7 "Officer" means a person designated as an "officer" of the Company by the Board, which will include each "executive officer" of the Company, as defined under Rule 3b-7 under the United States Securities Exchange Act of 1934, as amended, and each "officer" of the Company, as defined under Rule 16a-1(f) thereunder.
- 2.8 "Participant" means an Officer and any other employee of the Company selected by the Committee, in its discretion, to participate in this Plan.
- 2.9 "Performance Period" means the Company's fiscal year, beginning on the first day of such fiscal year and ending on the last day of such fiscal year, or such other period determined by the Committee.

2.10 “Plan” means this DiaMedica Therapeutics Inc. Short-Term Incentive Plan, as may be amended and/or restated from time to time.

3. Plan Administration.

3.1 The Plan Administrator. This Plan will be administered by the Committee with respect to Participants who are Officers and will be administered by the Chief Executive Officer with respect to Participants who are not Officers.

3.2 Binding Nature. The Committee, its delegate and the Chief Executive Officer may exercise their duties, power, and authority under this Plan in their sole and absolute discretion without the consent of any Participant or other party. Each determination, interpretation, or other action made or taken by the Committee, its delegate or the Chief Executive Officer pursuant to the provisions of this Plan will be final, conclusive, and binding for all purposes and on all persons, including the Company and the Participants, and no member of the Committee, its delegate or the Chief Executive Officer will be liable for any action or determination made in good faith with respect to this Plan, as provided in Section 8.8.

3.3 Delegation. To the extent consistent with applicable corporate law of the Company’s jurisdiction of incorporation, the Committee may delegate to the Chief Executive Officer, or other Officer of the Company, the duties, power, and authority of the Committee under this Plan pursuant to such conditions or limitations as the Committee may establish; provided, however, that only the Committee may exercise such duties, power, and authority with respect to Participants who are Officers. The Committee may employ such legal counsel, consultants, and agents (including counsel or agents who are employees of the Company) as it may deem desirable for the administration of this Plan and may rely upon any opinion received from any such counsel or consultant or agent and any computation received from such consultant or agent. All expenses incurred in the administration of this Plan, including, without limitation, for the engagement of any counsel, consultant, or agent, will be paid by the Company.

4. Eligibility.

4.1 Eligibility to Participate. All Officers are eligible to participate in this Plan. The Chief Executive Officer will designate any other non-Officer employees of the Company eligible to participate in this Plan on an annual basis, or more often if appropriate. Participation in the Plan for one Performance Period does not constitute a right of such Participant to continue to participate in the Plan for succeeding Performance Periods.

4.2 Proration. Individuals with less than a full Performance Period of service, such as new hires or individuals who have become eligible to participate following a promotion, may be eligible to participate in this Plan on a prorated basis, as provided in Section 5.1, which will be determined by the percentage of time they were eligible to participate during that Performance Period. Unless otherwise determined by the Committee, in the event a Performance Period is one fiscal year, Participants with fewer than three (3) full calendar months of eligible service on the last day of such Performance Period will not be eligible to receive an Award for that Performance Period.

5. Setting Performance Goals.

5.1 Target Incentives. Unless otherwise determined by the Committee, target incentives, expressed as a percentage of Base Salary, for Participants who are Officers are set forth in the table below and are based upon their position, level of responsibility within the Company, and impact on the business. Target incentives for all other Participants who are not Officers will be established on an annual basis by the Chief Executive Officer based upon their respective positions, levels of responsibility within the Company, and impact on the business. The target incentives for Participants who are not Officers will not exceed the target incentives set forth in the table below. The target incentives, expressed as a percentage of Base Salary, represent the target incentive opportunity that Participants are eligible to receive under this Plan.

Position	Target Incentive Expressed as a Percentage of Base Salary
Chief Executive Officer	50%
All Other Officers	30%
All Other Participants	Up to 15%

A Participant whose target incentive changes during a Performance Period by reason of a promotion or otherwise will have a prorated target incentive for such Performance Period based on the percentage of time during which the Participant had a particular target incentive.

5.2 Performance Goals and Performance Period. The Committee will establish performance goals for each Performance Period in accordance with this Section 5.2 and will determine the Performance Period(s) for which such performance goals will be measured. For each Performance Period, all Participants will have corporate performance goals, determined in accordance with Section 5.2(a) of this Plan. In addition, certain Participants, in the sole discretion of the Committee, may have individual performance goals, determined in accordance with Section 5.2(b) of this Plan. All performance goals will be set forth in writing. The Committee will communicate the specific performance goals, relative weightings of each performance goal, and possible achievement levels of each performance goal to each Participant as soon as reasonably practicable after the establishment thereof.

(a) Corporate Performance Goals. The corporate performance goals may include the following: regulatory (meetings, submissions, approvals, clearances, inspections, etc.), clinical, clinical trials or studies (protocol, meetings, initiation, enrollment, results, feasibility, completion, etc.), product development, research and development, publications, manufacturing, hiring of new personnel, personnel or talent development, organizational structure, use of consultants or advisors, internal controls, accounting, finance, equity or debt financing, investors, stock exchange listing, analyst coverage, business development, M&A (mergers, acquisitions, dispositions, strategic transactions, etc.), corporate partnering, licensing, corporate governance, sales, revenue, operating income before or after taxes, net income before or after taxes, net income before securities transactions, net or operating income excluding non-recurring charges, EBIT (earnings before interest and taxes), EBITDA (earnings before interest, taxes, depreciation, and amortization), adjusted EBITDA (EBITDA, as adjusted for certain items, which may include stock-based compensation, special charges, non-recurring items or other items), return on assets, return on equity, return on capital, market share, earnings per share, cash flow, free cash flow, revenue growth, expenses, stock price, dividends, total shareholder return, price/earnings ratio, market capitalization, book value, product quality, customer retention, unit sales, strategic business objectives, or any other corporate performance goal deemed appropriate by the Committee in its sole discretion. The corporate performance goals may be measured either absolutely or by reference to an index or indices or the performance of one or more companies and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project, or geographical basis, or a combinations thereof, and may be subject to such adjustments, if any, as the Committee specifies.

(b) Individual Performance Goals. A Participant's individual performance goals may include any of the performance goals described in Section 5.2(a) above or any other goals. Individual performance goals will be established for each Participant by the Committee, with input from the respective Participant, for each Performance Period, as deemed appropriate by the Committee. In establishing individual performance goals for Participants who are Officers, the Committee will seek recommendations from the Chief Executive Officer. Individual performance goals must be agreed upon and approved by a specific date set by the Committee.

5.3 Weightings. Corporate and individual performance goals for each Performance Period will be weighted by percentage in terms of importance, with areas of critical importance or critical focus weighted most heavily. Weightings may differ from Participant to Participant and from Performance Period to Performance Period.

5.4 Funding Gates. For any Performance Period, the Committee may, in its discretion (but is not required to), establish one or more threshold corporate performance goals and/or individual performance goals that must be achieved at a certain minimum level in order for any bonus payouts to occur for all or certain Participants for such Performance Period.

6. Calculations and Adjustments.

6.1 Calculation of Achievement Incentive Percentage. After completion of the Performance Period, the Committee, with input as appropriate from the Chief Executive Officer and/or other Board members, will assess the achievement by the Company of each corporate performance goal and the achievement by each Participant of each individual performance goal during the Performance Period, which may, in the discretion of the Committee, be in relation to all or part of the achievement performance rating scale provided below.

As part of this process, the Committee, with input as appropriate from the Chief Executive Officer and other Board members, may assign an achievement incentive percentage to each corporate performance goal and any individual performance goals, which may be based, in part or in whole, on the achievement performance rating scale below and actual achievement by the Company of each such corporate performance goal and achievement by a Participant of any individual performance goals applicable to such Participant during the Performance Period.



The scale that may be used for calculating a Participant’s achievement performance rating and corresponding achievement incentive percentage is as follows.

Achievement Level	Achievement Incentive Percentage
Exceeds expectations – maximum payout warranted	150%
Performs at target level of performance – target payout warranted – or goal achieved	100%
Meets threshold level of performance – threshold payout warranted	50%
Does not meet expectations – no bonus payout warranted	0%

Increments between rating levels may be interpolated to determine a corresponding achievement incentive percentage.

If the achievement performance rating scale above is used, an achievement performance rating for each of the corporate and individual performance goals must meet the minimum 50% achievement incentive percentage for that goal. The achievement incentive percentage for each goal is capped at 150%. A weighted average achievement incentive percentage for all of the corporate performance goals, a weighted average achievement incentive percentage for all of a Participant’s individual performance goals, and an overall weighted average achievement incentive percentage will then be determined by the Committee for each Participant.

Since the achievement incentive percentage for each goal is capped at 150%, the maximum overall weighted average achievement incentive percentage possible for each Participant is 150%. Therefore, assuming an achievement incentive percentage for each goal at 150%, the maximum bonus for each Participant under this Plan is 150% of their respective target incentive.

6 . 2 Award Calculation. Each Participant’s overall weighted average achievement incentive percentage for a Performance Period is multiplied by such Participant’s target incentive (as set forth in Section 5.1) for such Performance Period to calculate the Participant’s actual Award for such Performance Period. For example, a 112.5% overall weighted achievement incentive percentage times a 20% target incentive would equal an actual Award of 22.5% of Base Salary for such Performance Period.

6 . 3 Possible Award Adjustment. The Committee may, in its sole discretion, increase or decrease the Award calculated pursuant to this Plan for a particular Participant if, in the Committee’s subjective judgment, the Award does not accurately reflect such Participant’s actual individual performance during a Performance Period.

7. Manner and Timing of Awards.

7 . 1 Manner of Awards. Awards for each Performance Period will be made in cash, check, automatic deposit into a Participant’s account, or the issuance of Company common shares, equity awards or other securities, in each case as determined by the Committee in its sole discretion; provided, however, that the issuance of any Company common shares, equity awards or other securities is made under the Company’s shareholder-approved equity plan.

7.2 Timing of Awards. Awards for each Performance Period will be made as soon as reasonably practicable after the determination of the amount, if any, of such Awards, but in any event no later than March 15th of the calendar year immediately following the end of the Performance Period.

7.3 Eligibility to Receive Award. To be eligible to receive an Award under this Plan for a Performance Period, a Participant must remain actively employed by the Company on the last day of such Performance Period and through the date of the Award is made for such Performance Period, unless otherwise provided under this Plan or determined by the Committee.

7.4 Death, Disability, or Leave of Absence. In the event of a Participant's death, disability, or approved leave of absence during the Performance Period, the Committee will determine whether such Participant will receive an Award and, if so, the amount of such Award, based upon not only the achievement of the corporate and individual goals, but also, in the case of a leave of absence, the cause of the leave of absence and the length of time of such leave of absence.

7.5 Errors in Award Calculations or Payments. To the extent the Committee should later determine that an Award was incorrectly paid or calculated, the Participant will return to the Company the amount of any such incorrect payment or the Company will pay the Participant any additional amount to correct the error, as applicable.

7.6 Tax Considerations and Withholding. Awards will be treated as taxable income for the year in which the Participant receives the Award. The Company will withhold from all Awards such amounts as the Company reasonably determines is required to satisfy all applicable foreign, federal, state, and local tax withholding requirements.

7.7 Deferrals. The Committee, in its sole discretion, may permit a Participant to defer receipt of the payment of cash or shares that otherwise would be delivered to a Participant under this Plan. Any such deferral elections will be subject to such rules and procedures as determined by the Committee, in its sole discretion, and will be under a plan or arrangement consistent with the requirements of Section 409A of the Code.

7.8 Compliance with Section 409A of the Code. The Company intends that this Plan and payments hereunder will at all times be exempt from the requirements of Section 409A of the Code and any and all regulations thereunder, including such regulations as may be promulgated after the effective date of this Plan, and this Plan will be interpreted and administered in accordance with such intention. If any payment under this Plan is or becomes subject to the requirements of Section 409A of the Code, this Plan and applicable Award, as they relate to such payment, are intended to comply with the requirements of Section 409A, and this Plan will be interpreted and administered in accordance with such intention.

7.9 Clawback Policy. Any Awards are subject to forfeiture to or clawback by the Company to the extent required and allowed by law, including the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the Sarbanes-Oxley Act of 2002 and any implementing rules and regulations promulgated thereunder, and pursuant to any forfeiture, clawback, or similar policy of the Company, as such policy may be in effect from time to time.

8. Miscellaneous Matters.

8.1 No Right to Award. All Awards or benefits payable under this Plan are discretionary, and no Participant has any right to an Award or payment under this Plan until actually paid.

8.2 Term of this Plan. This Plan will become effective on such date as first written above, subject to Board approval, and will remain in effect until terminated by the Board or the Committee.

8.3 Plan Termination, Suspension, or Modification. The Company may terminate, suspend, modify, and, if suspended, reinstate or modify all or part of this Plan at any time, with or without notice to Participants. Exceptions to the eligibility of, or the extent to which this Plan applies to, any particular Participant must be approved on a case-by-case basis by the Committee.

8.4 No Right to Employment or Service. This document is not intended to be a contract or employment agreement between any Participant and the Company. Neither this Plan nor any action taken hereunder will be construed as giving any Participant any right to be retained in the employ or service of the Company or constitute any contract or limit in any way the right of the Company to change such person's compensation or other benefits or to terminate the employment or other service of such person with or without cause or notice. Further, all benefits payable under this Plan are discretionary, and no Participant has any right to payment under this Plan until actually paid.

8.5 Unfunded Status of Plan. This Plan will be unfunded. No provisions of this Plan will require the Company, for the purpose of satisfying any obligations under this Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets. Participants will have no rights under this Plan other than as unsecured general creditors of the Company.

8.6 Relationship to Other Compensation Plans. This Plan will not affect any other forms of compensation or compensation plans in effect for the Company, nor will this Plan preclude the Company from establishing any other forms of compensation for employees of the Company.

8.7 No Limitation on Corporate Actions. Nothing in this Plan prevents the Company from taking any corporate action which is deemed by it to be appropriate or in its best interest, whether or not such action would have any adverse effect on any Awards made under this Plan. No employee or other person will have any claim against the Company as a result of any such action.

**NOTICE OF OPTION GRANT UNDER THE
DIAMEDICA THERAPEUTICS INC. 2019 OMNIBUS INCENTIVE PLAN**

Pursuant to the DiaMedica Therapeutics Inc. 2019 Omnibus Incentive Plan (as may be amended from time to time, the Plan”), DiaMedica Therapeutics Inc., a corporation organized under the laws of British Columbia (including any successor thereto as provided in Section 22.5 of the Plan, the Company”), hereby grants to the individual named below (the Participant) an Option (the Option) to purchase from the Company that number of voting common shares, no par value, of the Company (each, a Share and collectively, the Shares), as indicated below at an exercise price per Share equal to the amount as indicated below (the Exercise Price”). The Option is subject to all of the terms and conditions set forth in this Notice of Option Grant (this Grant Notice”), in the Option Award Agreement attached hereto (the Award Agreement”), and in the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein will have the meaning set forth in the Plan. This Option grant has been made as of the grant date indicated below, which shall be referred to as the Grant Date.”

Grant ID: [Insert Grant ID number]

Participant: [Insert Participant Name]

Grant Date: [Insert Grant Date]

Total Number of Shares Subject to Option: [Insert Number of underlying Shares], subject to adjustment as provided in the Plan.

Exercise Price Per Share: USD \$[Insert Exercise Price], subject to adjustment as provided in the Plan.

Expiration Date: [Insert Expiration Date], but no later than as provided in Section 3.2 of the Award Agreement.

Type of Option: Non-Statutory Stock Option

Vesting Schedule: Except as otherwise provided in Section 3 of the Award Agreement, the Participant’s right to exercise the Option shall vest:
[on a cumulative basis, over a [three]-year period in [12] equal [quarterly] installments commencing on the [three-month] anniversary of the Grant Date];

OR

[in full on [_____]the [one/two/three/four/___]-[year/month] anniversary of the Grant Date];

Provided, however, that the Participant remains continuously employed by or provides services to the Company, or one of its Subsidiaries or Affiliates, through the applicable vesting date.

* * * * *



The Participant must accept the grant by executing this Grant Notice in the space provided below and returning the original execution copy to the Company or otherwise indicating affirmative acceptance of this grant electronically pursuant to procedures established by the Company and/or its third party administrator. Execution or affirmative acceptance of this Grant Notice by electronic means represents an agreement and acceptance to execute or accept this Grant Notice by electronic means in accordance with the United States ESIGN Act (15 U.S.C. Chapt. 96, et al.) or other Applicable Law. The undersigned Participant acknowledges that he or she has received a copy of this Grant Notice, the Award Agreement, the Plan and the Plan Prospectus. As an express condition to this grant, the Participant agrees to be bound by the terms of this Grant Notice, the Award Agreement and the Plan. The Participant has read carefully and in its entirety the Award Agreement and specifically the acknowledgements in Section 7.9 thereof. This Grant Notice, the Award Agreement and the Plan set forth the entire agreement and understanding of the Company and the Participant with respect to the grant, vesting and administration of the Option award and supersede all prior agreements, arrangements, plans and understandings. This Grant Notice (which includes the attached Award Agreement) may be executed in two counterparts each of which will be deemed an original and both of which together will constitute one and the same instrument.

DIAMEDICA THERAPEUTICS INC.

PARTICIPANT

By: [Name of Officer]
Title: [Title of Officer]

[Name of Participant]

OPTION AWARD AGREEMENT

Pursuant to the Notice of Option Grant (the "Grant Notice") to which this Option Award Agreement (this "Agreement") is attached and which Grant Notice is included in and part of this Agreement, and subject to the terms of this Agreement and the DiaMedica Therapeutics Inc. 2019 Omnibus Incentive Plan (as may be amended from time to time, the "Plan"), DiaMedica Therapeutics Inc., a corporation organized under the laws of British Columbia (including any successor thereto as provided in Section 22.5 of the Plan, the "Company"), and the Participant named in the Grant Notice (the "Participant") agree as follows:

1 . Incorporation of Plan; Definitions. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement will be construed in accordance with the provisions of the Plan and any capitalized terms not otherwise defined in this Agreement or in the Grant Notice will have the same meanings as set forth in the Plan. The provisions of this Agreement will be interpreted as to be consistent with the Plan and any ambiguities in this Agreement will be interpreted by reference to the Plan. In the event that any provision of this Agreement is not authorized by or is inconsistent with the terms of the Plan, the terms of the Plan will prevail. Pursuant to and in accordance with the terms of the Plan, the Committee will have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations thereunder, and its decision will be final, binding and conclusive upon the Participant and his or her legal representatives in respect of any questions arising under the Plan or this Agreement. A copy of the Plan and the Plan Prospectus have been delivered to the Participant together with this Agreement.

2. Grant of Option. The Company hereby grants to the Participant an Option (the "Option"), such Option to be either an Incentive Stock Option or Non-Statutory Stock Option as marked on the Grant Notice, to purchase from the Company that number of voting common shares, no par value, of the Company (each, a "Share" and collectively, the "Shares"), and at an exercise price per Share equal to the amount as indicated in the Grant Notice (the "Exercise Price"), all subject to adjustment as provided in the Plan, and subject to the terms, conditions and restrictions set forth herein and in the Plan. If this Option is a Non-Statutory Stock Option as marked in the Grant Notice, this Option is not intended to satisfy the requirements of Section 422 of the United States Internal Revenue Code of 1986, as amended.

3. Vesting and Exercisability of Option; Expiration of Option; Forfeiture.

3.1 Vesting and Exercisability of Option. Except as otherwise provided under this Agreement, the Participant's right to exercise the Option shall vest in accordance with the Vesting Schedule set forth in the Grant Notice (each, a "Vesting Date"); provided, however, that the Participant remains continuously employed by or provides services to the Company, or one of its Subsidiaries or Affiliates, through the applicable Vesting Date.

3.2 Duration of Exercisability. Any installments provided for in the Vesting Schedule set forth in the Grant Notice are cumulative. Each such installment which becomes vested and exercisable pursuant to the Vesting Schedule set forth in the Grant Notice shall remain vested and exercisable until the Expiration Date of the Option set forth in the Grant Notice (the "Expiration Date") or until the Option becomes unexercisable under Section 3.4 of this Agreement; provided, however, that if the exercise of the vested portion of the Option is prevented by the provisions of Section 17 of the Plan, the vested portion of the Option will remain exercisable until thirty (30) days after the date such exercise first would no longer be prevented by such provisions, but in any event no later than the Expiration Date of such Option.

3.3 Change in Control. Except as otherwise provided in an Individual Agreement between the Company, or one of its Subsidiaries or Affiliates, and the Participant, upon a Change in Control, the Option will be subject to Section 15 of the Plan.

3.4 Effect of Termination of Employment or Other Service. Except as otherwise provided in Section 13.4 or 13.5 of the Plan or an Individual Agreement between the Company, or any of its Subsidiaries or Affiliates, and the Participant: (a) if the Participant's service with the Company, including its Subsidiaries and Affiliates, is terminated for Cause, then the Option will be immediately terminated and forfeited; (b) if the Participant's service with the Company, including its Subsidiaries and Affiliates, is terminated by reason of the Participant's death or Disability, then the Option will, to the extent exercisable as of the date of such termination, remain exercisable for a period of one (1) year after the date of such termination (but in no event after the Expiration Date); and (c) if the Participant's service with the Company, including its Subsidiaries and Affiliates, is terminated for any reason other than for Cause, death or Disability, then the Option will, to the extent exercisable as of the date of such termination, remain exercisable for a period of ninety (90) days after the date of such termination (but in no event after the Expiration Date).

3.5 Effect of Actions Constituting Cause or Adverse Action; Forfeiture or Clawback. The Option is subject to the forfeiture provisions set forth in Section 13.5 of the Plan, including those applicable if the Participant is determined by the Committee to have taken any action that would constitute Cause or an Adverse Action and any forfeiture or clawback requirement under Applicable Law or any policy adopted from time to time by the Company.

4. Method of Exercise.

4.1 Notice. The Option may be exercised by the Participant in whole or in part from time to time, subject to the vesting and other conditions contained in the Plan and in this Agreement, by delivery, in person, by facsimile or electronic transmission (if confirmed) or through the mail, to the Company at its principal executive office in Minneapolis, Minnesota (Attention: Chief Financial Officer), of a written notice of exercise. Such notice must be in a form satisfactory to the Committee, must identify the Option, must specify the number of Shares with respect to which the Option is being exercised, and must be signed by the person or persons so exercising the Option. Such notice must be accompanied by payment in full of the total purchase price of the Shares purchased. If the Option is being exercised, as provided by the Plan, by any person or persons other than the Participant, the notice must be accompanied by appropriate proof of right of such person or persons to exercise the Option. As soon as practicable after the effective exercise of the Option, the Participant will be recorded on the books of the Company as the owner of the Shares purchased, and the Company will deliver to the Participant one or more duly issued stock certificates or book-entry notations evidencing such ownership or electronic delivery of such Shares will be made to Participant's designated brokerage account.

4.2 Payment. The total purchase price of the Shares to be purchased upon exercise of the Option must be paid entirely in cash or cash equivalent (including check, bank draft or money order); provided, however, that the Committee, in its sole discretion, may allow such payments to be made, in whole or in part, by: (i) tender, or attestation as to ownership, of Previously Acquired Shares; (ii) a Broker Exercise Notice; (iii) a "net exercise" pursuant to Section 6.5(b) of the Plan; (iv) a promissory note (on terms acceptable to the Committee in its sole discretion); (v) such other consideration as may be approved by the Committee from time to time; or (vi) a combination of such methods.

5. Rights of Participant.

5.1 Employment or Other Service. Nothing in this Agreement will interfere with or limit in any way the right of the Company, or one of its Subsidiaries or Affiliates, to terminate the employment or service of the Participant at any time, nor confer upon the Participant any right to continue employment or service with the Company, or one of its Subsidiaries or Affiliates.

5.2 Rights as a Shareholder. The Participant will have no rights as, or privileges of, a shareholder of the Company, including, without limitation, voting rights and rights to dividends, with respect to Shares issuable upon exercise of the Option unless and until the Participant exercises the Option and becomes the holder of record of such Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company or electronic delivery of such Shares has been made to Participant's designated brokerage account). No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 4.5 of the Plan.

5.3 Restrictions on Transfer. Except pursuant to testamentary will or the laws of descent and distribution or as otherwise expressly permitted by the Plan, no right or interest of the Participant in the Option prior to exercise of the Option will be assignable or transferable, or subjected to any lien, during the lifetime of the Participant, either voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise. Any attempt to transfer, assign or encumber the Option other than in accordance with this Agreement and the Plan will be null and void and the Option will be forfeited and immediately returned to the Company.

6. Withholding Taxes. The Company is entitled to (a) withhold and deduct from future wages of the Participant (or from other amounts that may be due and owing to the Participant from the Company, or one of its Subsidiaries or Affiliates), or make other arrangements for the collection of, all amounts the Company reasonably determines are necessary to satisfy any and all federal, foreign, state and local withholding and employment related tax requirements attributable to the Option, including the grant, vesting or exercise of, the Option, or (b) require the Participant promptly to remit the amount of such withholding to the Company before taking any action, including issuing any Shares upon exercise of the Option. The Committee may, in its sole discretion and upon terms and conditions established by the Committee, permit or require the Participant to satisfy, in whole or in part, any withholding or employment related tax obligation in connection with the Option by withholding Shares issuable upon exercise of the Option. When withholding Shares for taxes is effected under this Agreement and the Plan, Shares will be withheld only up to an amount based on the maximum statutory tax rates in the Participant's applicable tax jurisdiction or such other rate that will not trigger a negative accounting impact on the Company.

7. Miscellaneous.

7.1 Governing Law. The validity, construction, interpretation, administration and effect of this Agreement and any rules, regulations and actions relating to this Agreement will be governed by and construed exclusively in accordance with the laws of the State of Delaware, notwithstanding the conflicts of laws principles of any jurisdictions.

7.2 Interpretation. Any dispute regarding the interpretation of this Agreement will be submitted by the Participant or by the Company forthwith to the Committee for review. The resolution of such a dispute by the Committee will be final and binding on all parties.

7.3 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement will be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

7.4 Notices. All notices, requests or other communications provided for in this Agreement must be made, if to the Company, to DiaMedica Therapeutics Inc., Attn: Chief Financial Officer, 2 Carlson Parkway, Suite 260, Minneapolis, MN 55447, and if to the Participant, to the last known mailing address of the Participant contained in the records of the Company. All notices, requests or other communications provided for in this Agreement must be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication will be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it will be deemed to be received on the next succeeding business day of the Company.

7.5 Electronic Delivery and Acceptance. The Company may, in its sole discretion, deliver any documents related to the Option by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line system established and maintained by the Company or a third party vendor designated by the Company.

7.6 Other Laws. The Company will have the right to refuse to issue Shares to the Participant upon exercise of the Option if the Company acting in its absolute discretion determines that the issuance or transfer of such Shares might violate any Applicable Law.

7.7 Investment Representation. The Participant hereby represents and covenants that (a) any Share acquired upon exercise of the Option will be acquired for investment and not with a view to the distribution thereof within the meaning of the United States Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such Shares will be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, the Participant will submit a written statement, in form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of vesting of any Shares hereunder or (y) is true and correct as of the date of any sale of any such Share, as applicable. As a further condition precedent to the delivery to the Participant of any Shares upon exercise of the Option, the Participant will comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the Shares and, in connection therewith, will execute any documents which the Company will in its sole discretion deem necessary or advisable.

7.8 Non-Negotiable Terms. The terms of this Agreement and the Option are not negotiable, but the Participant may refuse to accept the Option by notifying the Company's Chief Financial Officer in writing within thirty (30) day after the Grant Date set forth in the Grant Notice.

7.9 Acknowledgement by the Participant. In accepting the Option, the Participant hereby acknowledges that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan.

(b) The grant of the Option is voluntary and does not create any contractual or other right to receive future Option grants, or benefits in lieu of Options, even if Options have been granted repeatedly in the past.

(c) All decisions with respect to future Option grants, if any, will be at the sole discretion of the Company.

(d) The Participant is voluntarily participating in the Plan.

(e) The award of Options is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company, or one of its Subsidiaries or Affiliates, and which is outside the scope of the Participant's employment contract, if any.

(f) The award of Options is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, or one of its Subsidiaries or Affiliates.

(g) The award of Options or this Agreement will not be interpreted to form an employment contract with the Company, or one of its Subsidiaries or Affiliates.

(h) The future value of the Shares issuable upon exercise of the Option is unknown and cannot be predicted with certainty and if the Option vest and is exercised by the Participant, the value of those Shares may increase or decrease.

(i) In consideration of the grant of the Option, no claim or entitlement to compensation or damages shall arise from termination of the Option or diminution in value of the Shares acquired upon exercise of the Option resulting from termination of employment by the Company (for any reason whatsoever and whether or not in breach of applicable labor laws) and the Participant hereby irrevocably releases the Company, including its Subsidiaries and Affiliates, from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by acceptance of the Option, the Participant shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

(j) In the event of termination of the Participant's employment with the Company (whether or not in breach of local labor laws), the Participant's right to receive the Option and vest in the Option under the Plan, if any, will terminate effective as of the date of termination of his or her active employment as determined in the sole discretion of the Committee and will not be extended by any notice of termination of employment or severance period provided to the Participant by contract or practice of the Company, or one of its Subsidiaries or Affiliates, or mandated under local law and the Committee will have the sole discretion to determine the date of termination of the Participant's active employment for purposes of the Option.

(k) Neither the Company nor one of its Subsidiaries or Affiliates is providing any tax, legal or financial advice, nor is the Company or one of its Subsidiaries or Affiliates making any recommendations regarding the Participant's participation in the Plan, acceptance of the Option, acquisition of Shares upon vesting and exercise of the Option or any sale of such Shares.

(l) The Participant has been advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

* * * * *

**NOTICE OF RESTRICTED STOCK UNIT GRANT UNDER THE
DIAMEDICA THERAPEUTICS INC. 2019 OMNIBUS INCENTIVE PLAN**

Pursuant to the DiaMedica Therapeutics Inc. 2019 Omnibus Incentive Plan (as may be amended from time to time, the "Plan"), DiaMedica Therapeutics Inc., a corporation organized under the laws of British Columbia (including any successor thereto as provided in Section 22.5 of the Plan, the "Company"), hereby grants to the individual named below (the "Participant") the number of Restricted Stock Units (as defined in the Plan) set forth below (the "Restricted Stock Units"). The Restricted Stock Units are subject to all of the terms and conditions set forth in this Notice of Restricted Stock Unit Grant (this "Grant Notice"), in the Restricted Stock Unit Award Agreement attached hereto (the "Award Agreement"), and in the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein will have the meaning set forth in the Plan. This Restricted Stock Units grant has been made as of the grant date indicated below, which shall be referred to as the "Grant Date."

Grant ID: [Insert Grant ID number]

Participant: [Insert Participant Name]

Grant Date: [Insert Grant Date]

Total Number of Restricted Stock Units: [Insert Number of Underlying Shares], subject to adjustment as provided in the Plan.

Vesting Schedule: Except as otherwise provided in Section 3 of the Award Agreement, the Restricted Stock Units will vest:

[on a cumulative basis, over a ____-year period and as follows: (i) on the ____-year anniversary of the Grant Date with respect to one-____ of the number of Restricted Stock Units subject thereto on the Grant Date, (ii) on the ____-year anniversary of the Grant Date with respect to an additional one-____ of the number of Restricted Stock Units subject thereto on the Grant Date, (iii) on the ____-year anniversary of the Grant Date with respect to an additional one ____ of the number of Restricted Stock Units subject thereto on the Grant Date; and (iv) on the ____-year anniversary of the Grant Date with respect to the remaining Restricted Stock Units subject thereto on the Grant Date];

OR

[in full on [_____]the [one/two/three/four/other]-[year/month] anniversary of the Grant Date];

Provided, however, that the Participant remains continuously employed by or provides services to the Company, or one of its Subsidiaries or Affiliates, through the applicable vesting date.

* * * * *

The Participant must accept this Restricted Stock Unit grant by executing this Grant Notice in the space provided below and returning such original execution copy to the Company or otherwise indicating affirmative acceptance of the Restricted Stock Unit grant electronically pursuant to procedures established by the Company and/or its third party administrator. Execution or affirmative acceptance of this Grant Notice by electronic means represents an agreement and acceptance to execute or accept this Grant Notice by electronic means in accordance with the United States ESIGN Act (15 U.S.C. Chapt. 96, et al.) or other Applicable Law. The undersigned Participant acknowledges that he or she has received a copy of this Grant Notice, the Award Agreement, the Plan and the Plan Prospectus. As an express condition to the grant of the Restricted Stock Units hereunder, the Participant agrees to be bound by the terms of this Grant Notice, the Award Agreement and the Plan. The Participant has read carefully and in its entirety the Award Agreement and specifically the acknowledgements in Section 7.9 thereof. This Grant Notice, the Award Agreement and the Plan set forth the entire agreement and understanding of the Company and the Participant with respect to the grant, vesting and administration of this Restricted Stock Units award and supersede all prior agreements, arrangements, plans and understandings. This Grant Notice (which includes the attached Award Agreement) may be executed in two counterparts each of which will be deemed an original and both of which together will constitute one and the same instrument.

DIAMEDICA THERAPEUTICS INC.

PARTICIPANT

By: [Name of Officer]
Title: [Title of Officer]

[Name of Participant]

RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to the Notice of Restricted Stock Unit Grant (the “Grant Notice”) to which this Restricted Stock Unit Award Agreement (this “Agreement”) is attached and which Grant Notice is included in and part of this Agreement, and subject to the terms of this Agreement and the DiaMedica Therapeutics Inc. 2019 Omnibus Incentive Plan (as may be amended from time to time, the “Plan”), DiaMedica Therapeutics Inc., a corporation organized under the laws of British Columbia (including any successor thereto as provided in Section 22.5 of the Plan, the “Company”), and the Participant named in the Grant Notice (the “Participant”) agree as follows:

1 . Incorporation of Plan; Definitions. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement will be construed in accordance with the provisions of the Plan and any capitalized terms not otherwise defined in this Agreement or in the Grant Notice will have the same meanings as set forth in the Plan. The provisions of this Agreement will be interpreted as to be consistent with the Plan and any ambiguities in this Agreement will be interpreted by reference to the Plan. In the event that any provision of this Agreement is not authorized by or is inconsistent with the terms of the Plan, the terms of the Plan will prevail. Pursuant to and in accordance with the terms of the Plan, the Committee will have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations thereunder, and its decision will be final, binding and conclusive upon the Participant and his or her legal representatives in respect of any questions arising under the Plan or this Agreement. A copy of the Plan and the Plan Prospectus have been delivered to the Participant together with this Agreement.

2 . Grant of Restricted Stock Units. The Company hereby grants to the Participant that number of Restricted Stock Units as set forth in the Grant Notice, subject to adjustment as provided in the Plan, and each of which, once vested pursuant to this Agreement, will be settled in one (1) voting common share, no par value, of the Company (each, a “Share” and collectively, the “Shares”), subject to the terms, conditions and restrictions set forth herein and in the Plan. Reference in this Agreement to the Restricted Stock Units will be deemed to include the Dividend Equivalents with respect to such Restricted Stock Units as set forth in Section 4.2 of this Agreement.

3. Vesting and Conditions to Issuance of Common Stock; Forfeiture

3.1 Service-Based Vesting Condition. Except as otherwise provided in this Section 3 or this Agreement or the Plan, the Restricted Stock Units will vest and such vested Restricted Stock Units will be converted to Shares immediately thereafter in the amounts and on the date(s) as indicated in the Vesting Schedule set forth in the Grant Notice (each a “Vesting Date”) and as set forth in this Agreement and in the Plan; provided, however, that the Participant remains continuously employed by or provides services to the Company, or one of its Subsidiaries or Affiliates, through the applicable Vesting Date.

3.2 Change in Control. Except as otherwise provided in an Individual Agreement between the Company, or one of its Subsidiaries or Affiliates, and the Participant, upon a Change in Control, the Restricted Stock Units will be subject to Section 15 of the Plan.

3.3 Effect of Termination of Employment or Other Service. Except as otherwise provided in Section 13.4 or 13.5 of the Plan or in an Individual Agreement between the Company, or one of its Subsidiaries or its Affiliates, and the Participant, in the event the Participant’s employment or other service with the Company, including its Subsidiaries and Affiliates, is terminated for any reason, including for Cause, by reason of death, Disability or Retirement of the Participant, all outstanding but unvested Restricted Stock Units held by the Participant as of the effective date of such termination will be terminated and forfeited.

3.4 Effect of Actions Constituting Cause or Adverse Action; Forfeiture or Clawback. The Restricted Stock Units are subject to the forfeiture provisions set forth in Section 13.5 of the Plan, including those applicable if the Participant is determined by the Committee to have taken any action that would constitute Cause or an Adverse Action and any forfeiture or clawback requirement under Applicable Law or any policy adopted from time to time by the Company.

4. Settlement; Issuance of Common Stock.

4.1 Timing and Manner of Settlement. Vested Restricted Stock Units will be converted to Shares which the Company will issue and deliver to the Participant (either by delivering one or more certificates for such shares or by entering such shares in book entry form in the name of the Participant or depositing such shares for the Participant's benefit with any broker with which the Participant has an account relationship or the Company has engaged to provide such services under the Plan, as determined by the Company in its sole discretion) within seventy four (74) days following the Vesting Date, except to the extent that Shares are withheld to pay tax withholding obligations pursuant to Section 6 of this Agreement or the Participant has properly elected to defer income that may be attributable to such Restricted Stock Units under a Company deferred compensation plan or arrangement. Payment of amounts under this Agreement (by issuance of Shares or otherwise) is intended to comply with the requirements of an exception to Section 409A of the Code and this Agreement shall in all respects be administered and construed to give effect to such intent. The Committee in its sole discretion may accelerate or delay the distribution of any payment under this Agreement to the extent allowed under Section 409A of the Code.

4.2 Dividends Equivalents. The Restricted Stock Units are being granted with an equal number of Dividend Equivalents. Such Dividend Equivalents entitle the Participant to be credited with any amount equal to all cash dividends paid on one Share for each Restricted Stock Unit while the corresponding Restricted Stock Unit is outstanding. Dividend Equivalents will be converted into additional Restricted Stock Units and will be subject to the same conditions and restrictions as the Restricted Stock Units to which they attach. The number of additional Restricted Stock Units to be received as Dividend Equivalents will be determined by dividing the cash dividend per share by the Fair Market Value of one Share on the dividend payment date. Dividend Equivalents as to the Restricted Stock Units will be subject to forfeiture and termination to the same extent as the corresponding Restricted Stock Units as to which the Dividend Equivalents relate.

5. Rights of Participant.

5.1 Employment or Other Service. Nothing in this Agreement will interfere with or limit in any way the right of the Company, or one of its Subsidiaries or Affiliates, to terminate the employment or service of the Participant at any time, nor confer upon the Participant any right to continue employment or service with the Company, or one of its Subsidiaries or Affiliates.

5.2 Rights as a Shareholder. The Participant will have no rights as, or privileges of, a shareholder of the Company, with respect to Shares covered by the Restricted Stock Units unless and until the Participant becomes the holder of record of such Shares issued in settlement of the Restricted Stock Units (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company or electronic delivery of such Shares has been made to Participant's designated brokerage account).

5.3 Restrictions on Transfer. Except pursuant to testamentary will or the laws of descent and distribution or as otherwise expressly permitted by the Plan, no right or interest of the Participant in the Restricted Stock Units prior to the vesting, issuance or settlement of the Restricted Stock Units will be assignable or transferable, or subjected to any lien, during the lifetime of the Participant, either voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise. Any attempt to transfer, assign or encumber the Restricted Stock Units other than in accordance with this Agreement and the Plan will be null and void and the Restricted Stock Units for which the restrictions have not lapsed will be forfeited and immediately returned to the Company.

6. Withholding Taxes. The Company is entitled to (a) withhold and deduct from future wages of the Participant (or from other amounts that may be due and owing to the Participant from the Company, or one of its Subsidiaries or Affiliates), or make other arrangements for the collection of, all amounts the Company reasonably determines are necessary to satisfy any and all federal, foreign, state and local withholding and employment related tax requirements attributable to the Restricted Stock Units, including the grant, vesting or settlement of, or payment of Dividend Equivalents with respect to, the Restricted Stock Units, or (b) require the Participant promptly to remit the amount of such withholding to the Company before taking any action, including issuing any shares of Shares, with respect to the Restricted Stock Units. The Committee may, in its sole discretion and upon terms and conditions established by the Committee, permit or require the Participant to satisfy, in whole or in part, any withholding or employment related tax obligation in connection with the Restricted Stock Units by withholding Shares issuable upon settlement of the Restricted Stock Units. When withholding Shares for taxes is effected under this Agreement and the Plan, Shares will be withheld only up to an amount based on the maximum statutory tax rates in the Participant's applicable tax jurisdiction or such other rate that will not trigger a negative accounting impact on the Company.

7. Miscellaneous.

7.1 Governing Law. The validity, construction, interpretation, administration and effect of this Agreement and any rules, regulations and actions relating to this Agreement will be governed by and construed exclusively in accordance with the laws of the State of Delaware, notwithstanding the conflicts of laws principles of any jurisdictions.

7.2 Interpretation. Any dispute regarding the interpretation of this Agreement will be submitted by the Participant or by the Company forthwith to the Committee for review. The resolution of such a dispute by the Committee will be final and binding on all parties.

7.3 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement will be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

7.4 Notices. All notices, requests or other communications provided for in this Agreement must be made, if to the Company, to DiaMedica Therapeutics Inc., Attn: Chief Financial Officer, 2 Carlson Parkway, Suite 260, Minneapolis, MN 55447, and if to the Participant, to the last known mailing address of the Participant contained in the records of the Company. All notices, requests or other communications provided for in this Agreement must be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication will be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it will be deemed to be received on the next succeeding business day of the Company.

7.5 Electronic Delivery and Acceptance. The Company may, in its sole discretion, deliver any documents related to the Restricted Stock Units by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line system established and maintained by the Company or a third party vendor designated by the Company.

7.6 Other Laws. The Company will have the right to refuse to issue to the Participant or transfer any Shares subject to the Restricted Stock Units if the Company acting in its absolute discretion determines that the issuance or transfer of such shares might violate any Applicable Law.

7.7 Investment Representation. The Participant hereby represents and covenants that (a) any Share acquired upon the vesting of the Restricted Stock Units will be acquired for investment and not with a view to the distribution thereof within the meaning of the United States Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares will be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, the Participant will submit a written statement, in form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of vesting of any Shares hereunder or (y) is true and correct as of the date of any sale of any such share, as applicable. As a further condition precedent to the delivery to the Participant of any Shares subject to the Restricted Stock Units, the Participant will comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, will execute any documents which the Company will in its sole discretion deem necessary or advisable.

7.8 Non-Negotiable Terms. The terms of this Agreement and the Restricted Stock Units are not negotiable, but the Participant may refuse to accept the Restricted Stock Units by notifying the Company's Chief Financial Officer in writing within thirty (30) day after the Grant Date set forth in the Grant Notice.

7.9 Acknowledgement by the Participant. In accepting the Restricted Stock Units, the Participant hereby acknowledges that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan.

(b) The grant of the Restricted Stock Units is voluntary and does not create any contractual or other right to receive future awards of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted repeatedly in the past.

(c) All decisions with respect to future Restricted Stock Units award grants, if any, will be at the sole discretion of the Company.

(d) The Participant is voluntarily participating in the Plan.

(e) The award of Restricted Stock Units is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company, or one of its Subsidiaries or Affiliates, and which is outside the scope of the Participant's employment contract, if any.

(f) The award of Restricted Stock Units is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, or one of its Subsidiaries or Affiliates.

(g) The award of Restricted Stock Units or this Agreement will not be interpreted to form an employment contract with the Company, or one of its Subsidiaries or Affiliates.

(h) The future value of the Shares subject to the Restricted Stock Units is unknown and cannot be predicted with certainty and if the Restricted Stock Units vest and the Shares become issuable in accordance with the terms of this Agreement, the value of those Shares may increase or decrease.

(i) In consideration of the grant of the Restricted Stock Units, no claim or entitlement to compensation or damages shall arise from termination of the Restricted Stock Units or diminution in value of the Restricted Stock Units or Shares acquired upon vesting of the Restricted Stock Units resulting from termination of employment by the Company, or one of its Subsidiaries or Affiliates (for any reason whatsoever and whether or not in breach of applicable labor laws) and the Participant hereby irrevocably releases the Company, including its Subsidiaries and Affiliates, from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by acceptance of the Restricted Stock Units, the Participant shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

(j) In the event of termination of the Participant's employment with the Company, or one of its Subsidiaries or Affiliates, (whether or not in breach of local labor laws), the Participant's right to receive the Restricted Stock Units and vest in the Restricted Stock Units under the Plan, if any, will terminate effective as of the date of termination of his or her active employment as determined in the sole discretion of the Committee and will not be extended by any notice of termination of employment or severance period provided to the Participant by contract or practice of the Company, or one of its Subsidiaries or Affiliates, or mandated under local law and the Committee will have the sole discretion to determine the date of termination of the Participant's active employment for purposes of the Restricted Stock Units.

(k) Neither the Company nor one of its Subsidiaries or Affiliates, is providing any tax, legal or financial advice, nor is the Company, or one of its Subsidiaries or Affiliates, making any recommendations regarding the Participant's participation in the Plan, acceptance of the Restricted Stock Units, acquisition of Shares upon vesting of the Restricted Stock Units or any sale of such shares.

(l) The Participant has been advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

* * * * *