

Securities Dealing Policy

Cynata Therapeutics Limited
ACN 104 037 372

Adopted by the Board on **1 July**
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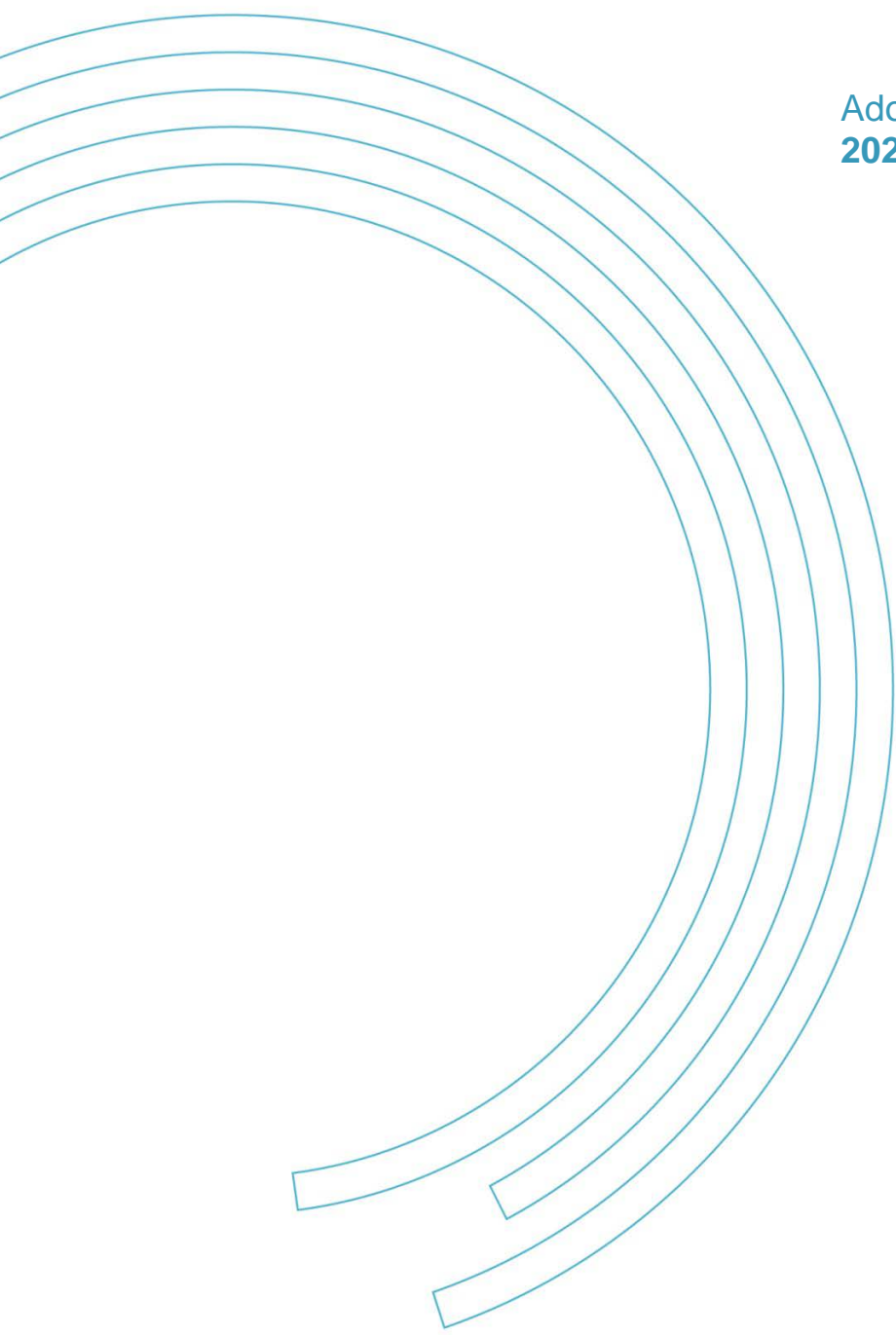




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Securities Dealing Policy

1 What is the purpose of this Policy?

The purpose of this Securities Dealing Policy (**Policy**) is to:

- (a) ensure that public confidence is maintained in the reputation of Cynata Therapeutics Limited (the **Company**) and its related bodies corporate (together, the **Group**), the Directors, officers and employees of the Group and the trading of the Company's securities;
- (b) explain the Company's policy and procedures for the buying and selling of securities to assist the Group's Directors and employees; and
- (c) recognise that some types of dealing in securities are also prohibited by law.

The Company will take a substance over form approach and will have regard to the intent and spirit of this Policy when applying and enforcing it.

2 Who must comply with this Policy?

This Policy applies to all Directors, officers, senior management and other employees, consultants and contractors of the Group (collectively, **Employees**).

Certain aspects of this Policy apply only to **Restricted Persons** who, for the purposes of this Policy, are:

- (a) Directors;
- (b) other key management personnel of the Company; and
- (c) other persons who regularly possess Inside Information (see section 3.2) and who have been advised by the Company Secretary that they are subject to special restrictions under this Policy.

Restricted Persons must also take steps in relation to dealings by their Connected Persons. See section 4.9 for further information.

3 Restrictions applying to all Employees

3.1 No dealing while in possession of Inside Information

Employees must not deal in (that is, apply for, acquire or dispose of) the Company's securities if:

- (a) they are aware of Inside Information in relation to the Company; or
- (b) the Company has notified Employees that they must not deal in securities (either for a specified period, or until the Company gives further notice).



3.2 Inside Information and other relevant terms

Inside Information is information that:

- (a) is not generally available to the market; and
- (b) if it were generally available to the market, a reasonable person would expect it to have a material effect (upwards or downwards) on the price or value of a security.

Information is **generally available** if it:

- (c) consists of readily observable matters or deductions;
- (d) has been brought to the attention of investors through an announcement to the ASX or otherwise similarly brought to the attention of investors who commonly invest in securities and a reasonable period has elapsed since it was announced or brought to investors' attention; or
- (e) consists of deductions, conclusions or inferences made or drawn from information referred to in paragraphs (c) and (d) above.

Examples of **readily observable** matters are:

- (f) a change in legislation which will affect the Company's ability to make certain types of investments; or
- (g) a severe downturn in global securities markets.

Information is regarded as being likely to have a **material effect** if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to deal in the security.

Inside Information may include matters of supposition, matters that are not yet certain and matters relating to a person's intentions.

Some examples which may constitute Inside Information include:

- (h) the financial performance of the Company against its budget or against investor and analyst expectations;
- (i) an undisclosed significant change in the Company's market share;
- (j) changes in the capital structure of the Company, including proposals to raise additional equity or increase debt;
- (k) material acquisitions or sales of assets by the Company;
- (l) major new initiatives or proposed changes in the nature of the business of the Company;
- (m) changes to the Board of Directors of the Company (**Board**) or significant changes in key management personnel;
- (n) likely or actual entry into, or loss of, a material contract;



- (o) a proposed dividend or other distribution or a change in dividend policy; or
- (p) a material claim against the Company or other unexpected liability.

It does not matter how or in what capacity a person becomes aware of the Inside Information. Information does not have to be obtained from the Company to constitute Inside Information.

Section 6 contains further details regarding the scope of the insider trading laws.

3.3 The Front Page Test

It is important that public confidence in the Group is maintained. It would be damaging to the Group's reputation if the market or the general public perceived that Employees might be taking advantage of their position in the Group to make financial gains (by dealing in securities on the basis of Inside Information).

As a guiding principle, Employees should ask themselves:

If the market was aware of all the current circumstances, could I be perceived to be taking advantage of my position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper? This is referred to as the **Front Page Test**.

If the Employee is unsure, he or she should consult the Company Secretary.

Where any approval is required for a dealing under this Policy, approval will not be granted where the dealing would not satisfy the Front Page Test.

3.4 No short-term or speculative dealing

Employees must not deal in the Company's securities on a speculative or short-term trading basis. Short-term trading includes buying and selling securities on market within a 6 month period, and entering into other short-term dealings (for example, forward contracts).

Selling shares received following the vesting of entitlements under an employee, executive or director equity plan within 6 months of the vesting date is not a short-term dealing.

3.5 Hedging of Company securities

Hedging includes entering into arrangements that operate to limit the economic risk associated with holding the Company's securities.

Company securities acquired under an employee, executive or director equity plan operated by the Company must never be hedged prior to vesting.

Company securities must never be hedged while they are subject to a holding lock or restriction on dealing under the terms of an employee, executive or director equity plan operated by the Company.

3.6 Dealing in other companies' securities

Employees may come into possession of Inside Information regarding another company where they are directly involved in client relationship management or



negotiating contracts. For example, where a person is aware that the Group is about to sign a major agreement with another company.

Employees must not deal in the securities in another company if they are aware of Inside Information in relation to that company, no matter how they came into possession of the Inside Information.

If you are in any doubt, consult with the Company Secretary.

4 Additional restrictions applying to Restricted Persons

4.1 No dealing in Blackout Periods

Restricted Persons must not deal in Company securities during any of the following blackout periods:

- (a) the period from the close of trading on the ASX on 30 June each year until two business days following the announcement to ASX of the interim or final full-year results (whichever occurs first);
- (b) the period from the close of trading on the ASX on 31 December each year until two business days following the announcement to ASX of the half-year results;
- (c) while the Company is required to lodge an Appendix 4C (Quarterly Report) with ASX:
 - (i) the period from the close of trading on the ASX on 31 March each year until two business days following the lodgement with ASX of the Appendix 4C for that period; and
 - (ii) the period from the close of trading on the ASX on 30 September each year until two business days following the lodgement with ASX of the Appendix 4C for that period; and
- (d) any other period that the Board specifies from time to time in its absolute discretion and subject to any applicable law,

(together, the **Blackout Periods**).

4.2 Incomplete buy or sell orders

- (a) Buy or sell orders for Company securities which are placed but not completed outside of a Blackout Period are subject to the following restrictions once the Blackout Period commences:
 - (i) the order must be completed within 3 trading days otherwise it will lapse; and
 - (ii) the order cannot be varied.
- (b) Any order subject to this procedure should be notified in writing to the Company Secretary within 24 hours of the Blackout Period commencing.



4.3 Exceptional circumstances

If a Restricted Person needs to dispose of securities during a Blackout Period due to exceptional circumstances and is **not** in possession of any Inside Information, then they may apply for approval to dispose.

Exceptional circumstances may include:

- (a) requirements under a court order, court enforceable undertaking or other legal or regulatory requirement (for example, a family law settlement); and
- (b) other exceptional circumstances as determined by the:
 - (i) Managing Director in the case of key management personnel;
 - (ii) the Chairperson of the Board in the case of a Director; and
 - (iii) the other members of the Board in the case of the Chairperson of the Board.

Approval to dispose of securities will only be granted if the Restricted Person's application is accompanied by sufficient evidence (in the opinion of the person providing clearance) that the disposal is the most reasonable course of action available in the circumstances. Approval to apply for or acquire securities will not be granted in any circumstances.

If the approver has any doubt in making a determination of exceptional circumstances, they should exercise their discretion with caution.

Unless otherwise specified in the notice, any disposal permitted under this section 4.2 must comply with the other sections of this Policy (to the extent applicable).

4.4 Approval required for dealing outside Blackout Periods

- (a) During any period that is not a Blackout Period, Restricted Persons must, prior to any proposed dealing, seek approval for the proposed dealing in the Company's securities.
- (b) There are certain times during the year when approval under this Policy is more likely to be granted. These are the 28 day periods immediately following:
 - (i) the day after release of the Company's full-year results;
 - (ii) the day after release of the Company's half-year results; and
 - (iii) the day after release of the Company's quarterly results (if applicable).

Restricted Persons who wish to seek approval to trade under this Policy are encouraged to do so during these periods. Trading at any time (even if approval has been obtained under this Policy) remains subject to the insider trading prohibition in the *Corporations Act 2001* (Cth) (the **Corporations Act**).



4.5 Written request process

- (a) Requests for approval under sections 4.2 and 4.4 should be submitted to the Company Secretary, who will forward it to the following persons for approval:
 - (i) the Managing Director (in the case of Restricted Persons other than Directors);
 - (ii) the Chairperson of the Board (in the case of the Managing Director or other Directors); and
 - (iii) the other members of the Board (in the case of the Chairperson of the Board).
- (b) A request for approval must include:
 - (i) written notice of the person's intention to deal in Company securities; and
 - (ii) confirmation that the person is not in possession of Inside Information.
- (c) A request for approval to deal will be answered as soon as practicable. The approver, having consulted with members of management as appropriate, may:
 - (i) grant or refuse the request; and
 - (ii) impose conditions on the dealing in their discretion.
- (d) The approver is not obliged to provide reasons for any aspect of their decision, and may revoke their approval at any time. If a request is not approved or an approval is revoked, that fact must be kept confidential.
- (e) The approved dealing must occur within 5 business days following approval (or such other time specified in the approval), otherwise the approval is no longer effective and fresh approval must be sought.
- (f) In addition to applying for approval, the requester must send the Company Secretary confirmation in writing once the dealing has occurred (ideally by close of business on the day the dealing occurs), specifying the number of securities affected and the relevant parties to the dealing (to the extent known).
- (g) Approval under this Policy is not an endorsement of the dealing. Personnel are responsible for their own compliance with the law.

4.6 Margin lending arrangements

Restricted Persons must not under any circumstances:

- (a) enter into a margin lending arrangement in respect of the Company's securities; or
- (b) transfer securities in the Company into an existing margin loan account.



This restriction does not extend to other funding arrangements where Company securities may be included as security. Restricted Persons should consult the Company Secretary if they are uncertain as to whether an arrangement should be classified as a margin lending arrangement.

4.7 Dealing in financial products issued over Company securities by third parties

Restricted Persons must not deal at any time in financial products such as derivatives, options, warrants, futures, forward contracts, swaps, contracts for difference or other financial products issued or created over or associated with Company securities by third parties such as banks and other institutions. An exception applies where Company securities form a component of a listed portfolio or index product.

4.8 Directors – confirmation of trade required

Following any trade, Directors must promptly notify the Company Secretary, ideally by close of business on the day the trade is entered into.

4.9 Connected Persons

Restricted Persons must take appropriate steps to ensure that their Connected Persons only deal in securities in circumstances where the Restricted Person to whom they are connected would be permitted to deal under this Policy. For example, by obtaining clearance in accordance with this Policy in respect of the Connected Person's dealings.

Connected Persons are:

- (a) a family member who may be expected to influence, or be influenced by, the Restricted Person in his or her dealings with the Company or Company securities (this may include the Restricted Person's spouse, partner and children, the children of the Restricted Person's partner, or dependants of the Restricted Person or the Restricted Person's partner); and
- (b) a company or any other entity which the Restricted Person has an ability to control.

If relevant, a Restricted Person must:

- (c) inform their Connected Persons about this Policy: and
- (d) communicate on behalf of their Connected Persons in relation to requests for approval.

If you are in doubt as to whether a person is a Connected Person and the application of this Policy to them, you should contact the Company Secretary who will make a determination on the issue.

4.10 Extension of this Policy

The Board may also from time to time extend this Policy by specifying that Restricted Persons are also restricted from dealing in the shares or other securities of other specified companies with which the Group may have a close relationship.



5 Are any dealings excluded from this Policy?

Sections 3.4, 4.1, 4.4 and 4.7 of this Policy do not apply to:

- (a) participation in an employee, executive or director equity plan operated by the Company. However, where securities in the Company granted under an employee, executive or director equity plan cease to be held under the terms of that plan, any dealings in those securities must only occur in accordance with this Policy.
- (b) the following categories of trades:
 - (i) acquisition of Company securities through a dividend reinvestment plan;
 - (ii) the exercise of an option or right to acquire Company securities;
 - (iii) acquisition of Company securities through a share purchase plan available to all retail shareholders;
 - (iv) acquisition of Company securities through a rights issue;
 - (v) disposal of Company securities through the acceptance of a takeover offer, scheme of arrangement or equal access buy-back; and
 - (vi) investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Company securities) where the assets of the fund or scheme are invested at the discretion of a third party;
- (c) dealings that result in no effective change to the beneficial interest in the securities (for example, transfers of Company securities already held into a superannuation fund or trust of which the Employee is a beneficiary);
- (d) trading under a pre-approved non-discretionary trading plan, where the Employee did not enter into the plan or amend the plan during a Blackout Period, the plan does not permit the Employee to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a Blackout Period, other than in exceptional circumstances;
- (e) where a Restricted Person is a trustee, trading in Company securities by the relevant trust, provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a Blackout Period is taken by the other trustees or by the investment managers independently of the Restricted Person; and
- (f) a disposal of securities of the Company by Employees other than Restricted Persons that is the result of a secured lender exercising their rights, however, this does not extend to a disposal under a margin lending agreement.

However, given such dealings **remain subject to the insider trading rules** in the Corporations Act, Employees should still consider any legal or reputational issues (and discuss any concerns they have with the Company Secretary) before proceeding with the dealing.



6 What are the rules about insider trading?

Broadly speaking, the Corporations Act provides that a person who has Inside Information about a company must not:

- (a) buy or sell securities in that company, enter into an agreement to buy, sell or exercise options over securities in that company, or otherwise apply for, acquire or dispose of securities in that company (**deal**);
- (b) encourage someone else to deal in securities in that company; or
- (c) directly or indirectly provide the Inside Information to another person where they know, or ought to know, that that person is likely to deal in securities or encourage someone else to deal in securities of that company (**tipping**).

These restrictions apply to all securities, not just the Company's securities.

The Corporations Act applies to securities in the Company even if you aren't based in Australia, by virtue of the Company being an Australian company.

7 What happens if this Policy is breached?

7.1 Breach of this Policy

Breaches of this Policy will be regarded by the Company as serious and will be subject to appropriate sanctions.

Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Any person who breaches this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).

7.2 Breach of insider trading laws

Breaches of the insider trading laws have serious consequences for both the personnel concerned and the Company.

Breach of the insider trading laws may result in:

- (a) criminal liability – penalties include heavy fines and imprisonment;
- (b) civil liability – you can be sued by another party or the Company for any loss suffered as a result of illegal trading activities; and
- (c) civil penalty provisions – the Australian Securities and Investments Commission may seek penalties against you and may even seek a court order that you be disqualified from managing a corporation.

8 Confidential Information

All sensitive, non-public information (**Confidential Information**) about the Company must be treated as confidential and belonging to the Company. Employees must not



disclose Confidential Information to others (including family members, relatives, business or social acquaintances) except as authorised or legally required. Employees must avoid inadvertent or indirect disclosure of Confidential Information. Even within the Company, Confidential Information should be distributed to or discussed with others only on a need-to-know basis, and those people must be told that the information is confidential.

9 Awareness and training

The highest standards of corporate conduct are critical to the Company's reputation. The Company Secretary will instigate induction and on-going training, and set up appropriate processes, to promote compliance with this Policy. A copy of this Policy will be available on the Company's website. It will be distributed to all Restricted Persons and made available to all Employees and other persons as relevant.

10 Who should I contact?

Employees should contact the Company Secretary if they are unsure about whether it is acceptable to deal or communicate with others in relation to the Company's securities or other securities or if they have any other queries about this Policy.

You may wish to seek your own professional legal advice before dealing in the Company's securities.

11 Review

This Policy may be amended by resolution of the Board. The Board will review this policy at least annually and, if considered appropriate, will make recommendations to the Board in relation to amendments.