
CYNATA THERAPEUTICS LIMITED

ACN 104 037 372

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the Board Room, Level 2, 62 Lygon Street, Carlton South, Victoria 3053, on 27 November 2019 at 11.00 am (AEDT)

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 6377 8043.

CYNATA THERAPEUTICS LIMITED

ACN 104 037 372

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Cynata Therapeutics Limited (**Company**) will be held at the the Board Room, Level 2, 62 Lygon Street, Carlton South, Victoria 3053 on 27 November 2019 at 11.00 am (AEDT) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 25 November 2019 at 7.00 pm (AEDT).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 10.

AGENDA

Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report be adopted."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel.

2. Resolution 2 – Re-election of Mr Peter Webse as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That Mr Peter Webse, who retires in accordance with clause 13.2 of the Constitution, being eligible and offering himself for re-election, is re-elected as a Director."

3. Resolution 3 – Re-election of Dr Paul Wotton as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That Dr Paul Wotton, who retires in accordance with clause 13.2 of the Constitution, being eligible and offering himself for re-election, is re-elected as a Director."

4. Resolution 4 – Re-election of Dr Geoffrey Brooke as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of clause 13.4 of the Constitution, Dr Geoffrey Brooke, a director who was appointed as an additional Director, retires, and being eligible and offering himself for re-election, is re-elected as a Director."

5. Resolution 5 – Renewal of Employee Option Acquisition Plan

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.2 Exception 9(b), and for all other purposes, approval is given for the renewal of the "Employee Option Acquisition Plan" and the issue of securities there under, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by or on behalf of a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company), their nominee(s) and any of their associates.

However, the Company will not disregard a vote if it is cast:

- (a) by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, the following resolution as a special resolution:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders authorise and approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by a person who is expected to participate in, or who will obtain a material benefit as a result of, the issue of Equity

Securities under this Resolution (except a benefit by reason of being a holder of ordinary securities in the Company) and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Resolution 7 – Requisitioned resolution to amend Company's Constitution

To consider and, if thought fit, to pass with or without amendment, the following resolution as a special resolution:

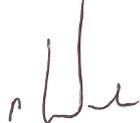
"That the Company's Constitution be amended by inserting a new sub clause 25.9 which states:

"That where the Company receives a valid request from a member of the Company (requesting member) in accordance with Section 173(3) of the Corporations Act 2001 (Cth), that the company will in addition to the requirements of providing information in accordance with its requirements under the Corporations Act 2001 (Cth) also provide to the requesting member details of any email address that is held on the registry for each member of the register if it is not already a requirement of the Corporations Act 2001 (Cth)"

Note: this Resolution was proposed by a group of Shareholders holding over 5% of the Company's Shares under section 249N of the Corporations Act. For the reasons set out in the Explanatory Statement, the Board do not consider the proposed amendment to the Constitution is in the best interests of Shareholders as a whole. **The Board unanimously recommends that Shareholders vote AGAINST Resolution 7.** The Chairman intends to vote undirected proxies **AGAINST** Resolution 7.

Dated 18 October 2019

BY ORDER OF THE BOARD



Mr Peter Webse
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Board Room, Level 2, 62 Lygon Street, Carlton South, Victoria 3053 on 27 November 2019 at 11.00 am (AEDT).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A proxy form is enclosed with the Notice of Meeting and this Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the Annual Report can be found on the Company's website www.cynata.com or by contacting the Company Secretary on +61 8 6377 8043.

There is no requirement for Shareholders to approve the Annual Report.

In addition to being offered the opportunity to discuss the Annual Report, Shareholders will be able to:

- (a) ask questions or make comment on the management of the Company; and
- (b) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;

- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (d) the independence of the auditor in relation to the conduct of the audit,
- may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to a vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

Section 250R(3) of the Corporations Act provides that this Resolution is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass this Resolution will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, under sections 250U and 250Y of the Corporations Act, Shareholders have the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (Two Strikes Rule).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting, a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

At the Company's 2018 Annual General Meeting the remuneration report was approved by over 75% of Shareholders present and voting.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that all Directors (other than the Managing Director) may be up for re-election.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

5. Resolutions 2 and 3 – Re-election of Mr Peter Webse and Dr Paul Wotton as Directors

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Peter Webse and Dr Paul Wotton are the Directors longest in office since their last election. This is the third annual general meeting of the Company since Mr Webse and Dr Wotton were re-elected

as Directors of the Company. Accordingly, Mr Webse and Dr Wotton retire at this Meeting in accordance with clause 13.2 of the Constitution and, being eligible, seek re-election.

Mr Webse B.Bus, FGIA, FCPA MAICD, joined the Board in May 2012 in a non-executive capacity and was also appointed as Company Secretary in April 2012. He has over 27 years' company secretarial experience and is managing director of Platinum Corporate Secretariat Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services. Mr Webse has had experience as a non-executive director for other ASX listed companies.

Dr Wotton is the CEO of Obsidian Therapeutics, a biotechnology company pioneering controllable cell and gene therapies, based in Cambridge, Massachusetts. Prior to this he was the Founding CEO of Sigilon Therapeutics, a cell therapeutics company also based in Cambridge. Dr Wotton has an outstanding track record of leading companies to clinical, financial and commercial success. He was the CEO of Ocata Therapeutics, Inc, a US-based stem cell therapy company, acquired in February 2016 by Astellas Pharma, Inc., in a US\$379 million all cash transaction. Prior to that he served for 6 years as CEO and President of Antares Pharma, Inc., a Nasdaq-listed specialty pharmaceutical company. Before leading Antares Pharma he held various senior executive roles in large- and mid-cap pharma and biotech companies in the USA and Europe. He is a member of the boards of Vericel Corporation (NASDAQ:VCEL) and Veloxis Pharmaceuticals A/S (VELO.CO). Dr Wotton has a B.Pharm. (Hons) from UCL, a Ph.D. from the University of Nottingham and an MBA from Kingston Business School in the U.K. In 2014 he was named New Jersey EY Entrepreneur of the Year in Life Sciences.

The Board (other than Mr Webse) unanimously supports the re-election of Mr Webse.

The Board (other than Dr Wotton) unanimously supports the re-election of Dr Wotton.

Resolutions 2 and 3 are ordinary resolutions.

6. Resolution 4 – Re-election of Dr Geoffrey Brooke as a Director

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution of seven.

Pursuant to clause 13.4 of the Constitution, any Director so appointed holds office only until the next annual general meeting and is then eligible for re-election by Shareholders but the additional Director shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Dr Geoffrey Brooke, having been appointed as a Non-Executive Director on 17 May 2019 will retire from the Company's Board in accordance with clause 13.4 of the Constitution and being eligible and offering himself for re-election, seeks re-election from Shareholders.

Dr Brooke is a healthcare industry and venture capital veteran with over 30 years' international experience as the founder, lead investor and/or Chairman/Director of numerous healthcare companies with a realised value of more than \$1.5 billion. Most notably, he was the Managing Director and Founder of leading life sciences venture capital firm, GBS Ventures - one of Asia Pacific's premier investors in the healthcare space. There, Dr Brooke was responsible for GBS's healthcare venture activity in the region and raised \$450 million in venture and private equity funds, focused on biopharmaceuticals, medical devices and services. Dr Brooke was also responsible for numerous investments and exits via NASDAQ and ASX public listings and trade sales, as well as being lead investor in numerous investments syndicated in multiple rounds with premier US venture firms. Dr Brooke was also President and Founder of US-based seed healthcare venture capital firm, Medvest Inc., with investors including the venture capital arm of leading global multinational medical devices, pharmaceutical and consumer packaged goods manufacturer, Johnson & Johnson. Medvest was focused on founding companies based upon health care-related technology, including pharmaceuticals, biotechnology, therapeutic devices, medical services and information systems.

Dr Brooke now acts as a private investor in, and independent director for, a number of small to medium-sized Australian and US private and public companies. He holds a Bachelor of Medicine and a Bachelor of Surgery from Melbourne University and a Masters of Business Administration from IMEDE (Switzerland), now IMD. He is Chairman of Actinogen Medical Limited (ASX: ACW) and a Non-Executive Director of Acrux Limited (ASX: ACR).

The Board (other than Dr Brooke) unanimously supports the election of Dr Brooke.

7. Resolution 5 – Renewal of Employee Option Acquisition Plan

7.1 General

Resolution 5 seeks Shareholder approval for the renewal of the Employee Option Acquisition Plan (Option Plan) for the purposes of the Corporations Act, for Listing Rule 7.2, Exception 9(b), and for all other purposes. The Option Plan was first adopted by Shareholders on 16 November 2016. The Company is seeking to renew the Option Plan with some minor variations to ensure the Option Plan is consistent with the Corporations Act and the Listing Rules.

The aim of the Option Plan is to allow the Board to attract, motivate and retain eligible employees, who in the Board's opinion, are dedicated and will provide ongoing commitment and effort to the Company. It is considered that the adoption of the Option Plan and the future issue of Plan Options will provide selected participants with the opportunity to participate in the future growth of the Company.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.2, Exception 9(b) sets out an exception to Listing Rule 7.1, which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to Listing Rule 7.1.

Pursuant to the Listing Rules, Shareholders must re-approve the Option Plan and all unallocated Plan Options issuable pursuant to it every three years.

The key features of the Option Plan are as follows:

- (a) The Board will determine the number of Plan Options to be granted to eligible employees (or their permitted nominees) and the vesting conditions, expiry date and the exercise price of the Plan Options in its sole discretion.
- (b) The Plan Options are not transferable unless vested and with the prior written approval of the Board and provided that the transfer complies with the Corporations Act.
- (c) Subject to the Corporations Act and the Listing Rules, the Board will have the power to amend the Option Plan as it sees fit.

A detailed overview of the terms of the Option Plan is attached in Schedule 1. A copy of the Option Plan can be obtained by contacting the Company.

Resolution 5 is an ordinary resolution.

7.2 Specific Information Required by Listing Rule 7.2

In accordance with the requirements of Listing Rule 7.2 Exception 9(b) the following information is provided:

- (a) The material terms of the Option Plan are summarised above.
- (b) This is the second time approval has been sought under Listing Rule 7.2 Exception 9(b) with respect to the Option Plan. The Option Plan was previously approved by Shareholders on 16 November 2016.
- (c) Since 16 November 2016, the Company has issued 1,425,000 Plan Options in reliance on Listing Rule 7.2, Exception 9(b).

- (d) A voting exclusion statement has been included for the purposes of Resolution 5.

8. Resolution 6 – Approval of 10% Placement Facility

8.1 General

Listing Rule 7.1A enables eligible entities to seek approval of Shareholders by special resolution to have the capacity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

While the Company has no current intention to use the 10% Placement Facility, the Company is now seeking Shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below, also available on the ASX website at www.asx.com.au).

The Company intends to continue to expand and accelerate the Company's existing business activities (including expenses associated with further tests in relation to the Company's existing projects) and to pursue other acquisitions that have a strategic fit or will otherwise add value to Shareholders (including expenses associated with such acquisitions). The Company may use the 10% Placement Facility for these purposes and for general working capital.

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

8.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being the Shares (ASX Code: CYP).

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days in which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

8.3 Listing Rule 7.1A

The effect of Resolution 6 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

8.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than the Minimum Issue Price (defined above).
- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

| Variable 'A' in Listing Rule 7.1A2 | | Dilution | | |
|---|---------------------|---------------------------------------|-----------------------|--|
| | | \$0.70 50% decrease in Issue Price | \$1.40 Issue Price | \$2.80 100% increase in Issue Price |
| Current Variable A 102,835,053 Shares | 10% voting dilution | 10,283,505 | 10,283,505 | 10,283,505 |
| | Funds raised | \$7,198,453 | \$14,496,907 | \$28,793,814 |
| 50% increase in current Variable A 154,252,579 Shares | 10% voting dilution | 15,425,257 | 15,425,257 | 15,425,257 |
| | Funds raised | \$10,797,679 | \$21,595,359 | \$43,190,719 |
| 100% increase in current Variable A 205,670,106 Shares | 10% voting dilution | 20,567,010 | 20,567,010 | 20,567,010 |
| | Funds raised | \$14,396,907 | \$28,793,814 | \$57,587,628 |

The table has been prepared on the following assumptions:

- (v) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (vi) No Options are exercised into Shares before the date of the issue of the Equity Securities.
- (vii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

- (viii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (ix) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (x) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (xi) At the date of this Notice, there are currently 102,835,053 Shares on issue.
 - (xii) The issue price is \$1.40, being the closing price of the Shares on 17 October 2019.
- (c) The Company will only issue the Equity Securities during the 10% Placement Period.
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) as cash consideration, in which case the Company intends to use funds raised for expanding or accelerating the Company's existing business activities (including expenses associated with further tests in relation to the Company's existing projects), pursuing other acquisitions that have a strategic fit or will otherwise add value to Shareholders (including expenses associated with such acquisitions) and general working capital; or
 - (ii) as non-cash consideration for acquisition of new assets, technology and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the purpose of the issue;
 - (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the financial situation and solvency of the Company; and
 - (v) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets, technology or investments, the recipients under the 10% Placement Facility may be the vendors of the new assets, technology or investments.

- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's 2018 AGM held on 15 November 2018.
- (g) In the 12 months preceding the date of the Meeting the Company issued a total of 3,801,429 Equity Securities which represents 3.56% of the total number of Equity

Securities on issue at 28 November 2018 (being 106,775,610). The Equity Securities issued in the preceding 12 months were as follows:

| Date of Appendix 3B | Number of Equity Securities | Class of Equity Securities and summary of terms | Names of recipients or basis on which recipients determined | Issue price of Equity Securities and discount to Market Price¹ on the trading day prior to the issue | If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration |
|----------------------------|------------------------------------|--|--|--|---|
| 04/02/2019 | 12,500 Shares | Note 2 | Option holders who exercised unlisted options | \$1.00 issue price being a 30.80% discount to the Market Price on 01/02/2019 of \$1.445 | \$12,500. The funds raised were used for working capital purposes. |
| 11/02/2019 | 100,000 Shares | Note 2 | Option holders who exercised unlisted options | \$1.022 issue price being a 32.98% discount to the Market Price on 08/02/2019 of \$1.525 | \$102,200. The funds raised were used for working capital purposes. |
| 11/02/2019 | 55,000 Shares | Note 2 | Option holders who exercised unlisted options | \$1.00 issue price being a 32.98% discount to the Market Price on 08/02/2019 of \$1.525 | \$55,000. The funds raised were used for working capital purposes. |
| 18/02/2019 | 218,929 Shares | Note 2 | Option holders who exercised unlisted options | \$1.00 issue price being a 36.31% discount to the Market Price on 15/02/2019 of \$1.57 | \$218,929. The funds raised were used for working capital purposes. |
| 22/02/2019 | 50,000 Shares | Note 2 | Option holders who exercised unlisted options | \$1.00 issue price being a 34.64% discount to the Market Price on 21/02/2019 of \$1.53 | \$50,000. The funds raised used for working capital purposes. |
| 22/02/2019 | 300,000 Shares | Note 2 | Option holders who exercised unlisted options | \$0.53 issue price being a 65.36% discount to the Market Price on 21/02/2019 of \$1.53 | \$159,000. The funds raised were used for working capital purposes. |
| 13/03/2019 | 50,000 Shares | Note 2 | Option holders who exercised unlisted options | \$1.00 issue price being a 37.50% discount to the Market Price on 12/03/2019 of \$1.60 | \$50,000. The funds raised were used for working capital purposes. |
| 20/03/2019 | 290,000 Shares | Note 2 | Option holders who exercised unlisted options | \$1.00 issue price being a 43.50% discount to the Market Price on 18/03/2019 of \$1.77 | \$290,000. The funds raised were used for working capital purposes. |

| Date of Appendix 3B | Number of Equity Securities | Class of Equity Securities and summary of terms | Names of recipients or basis on which recipients determined | Issue price of Equity Securities and discount to Market Price¹ on the trading day prior to the issue | If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration |
|----------------------------|------------------------------------|--|---|--|--|
| 07/05/2019 | 50,000 Shares | Note 2 | Option holders who exercised unlisted options | \$1.022 issue price being a 12.27% discount to the Market Price on 06/05/2019 of \$1.165 | \$51,100. The funds raised were used for working capital purposes. |
| 17/05/2019 | 1,425,000 Options | Note 3 | Issued pursuant to Employee Option Acquisition Plan | Nil issue price. \$1.75 exercise price being a 41.70% premium to the Market Price on 16/05/2019 of \$1.235 | Issued to employees pursuant to the Employee Option Acquisition Plan. Valued at \$0.56811 each totalling \$809,564 using a Black & Scholes pricing model. |
| 17/05/2019 | 300,000 Options | Note 4 | Issued to Dr Geoff Brooke as a condition of his appointment as a Director | Nil issue price. \$2.11 exercise price being a 70.85% premium to the Market Price on 16/05/2019 of \$1.235 | Issued to employees pursuant to the Employee Option Acquisition Plan. Valued at \$0.66597 each totalling \$199,791 using a Black & Scholes pricing model. |
| 02/08/2019 | 100,000 Shares | Note 2 | Option holders who exercised unlisted options | \$1.00 issue price being a 44.44% discount to the Market Price on 01/08/2019 of \$1.80 | \$100,000 The funds raised were used for working capital purposes. |
| 02/08/2019 | 50,000 Shares | Note 2 | Option holders who exercised unlisted options | \$1.022 issue price being a 43.22% discount to the Market Price on 01/08/2019 of \$1.80 | \$51,100. The funds raised were used for working capital purposes. |
| 15/08/2019 | 50,000 Shares | Note 2 | Option holders who exercised unlisted options | \$1.00 issue price being a 41.18% discount to the Market Price on 14/08/2019 of \$1.70 | \$50,000. The funds raised were used for working capital purposes. |
| 27/08/2019 | 50,000 Shares | Note 2 | Option holders who exercised unlisted options | \$1.00 issue price being a 37.30% discount to the Market Price on 26/08/2019 of \$1.595 | \$50,000. The funds raised were used for working capital purposes. |
| 03/09/2019 | 200,000 Shares | Note 2 | Option holders who exercised unlisted options | \$1.00 issue price being a 38.08% discount to the Market Price on 02/09/2019 of \$1.615 | \$200,000. The funds raised were used for working capital purposes. |

| Date of Appendix 3B | Number of Equity Securities | Class of Equity Securities and summary of terms | Names of recipients or basis on which recipients determined | Issue price of Equity Securities and discount to Market Price ¹ on the trading day prior to the issue | If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration |
|---------------------|-----------------------------|---|---|--|--|
| 18/09/2019 | 200,000 Shares | Note 2 | Option holders who exercised unlisted options | \$1.00 issue price being a 29.58% discount to the Market Price on 13/09/2019 of \$1.42 | \$200,000. The funds raised were used for working capital purposes. |

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
 2. Fully paid ordinary shares in the capital of the Company, ASX Code: CYP (terms are set out in the Constitution).
 3. Unlisted options exercisable at \$1.75 each with an expiry date of 16 May 2022 and subject to vesting conditions. Refer to Appendix 3B lodged on 17 May 2019.
 4. Unlisted options exercisable at \$2.11 each with an expiry date of 16 May 2024 and subject to vesting conditions. Refer to Appendix 3B lodged on 17 May 2019.
 5. The value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk-free interest rate for the term of the Option.
- (h) The Company's cash balance on 28 November 2018 was approximately \$11,257,410. The Company raised a total of \$1,439,829 (before costs) in the previous 12 months. The Company's cash balance at the date of this Notice is approximately \$7,435,816. The remaining funds are intended to be used for further development of the Company's cell therapy technologies, including the anticipated conduct of Phase 2 clinical trials and for general working capital purposes.
- (i) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

9. Resolution 7 – Requisitioned resolution to amend Company's Constitution

9.1 Background

Under section 249N of the Corporations Act, a company's members (who either hold at least 5% of the votes that may be cast on a resolution or who represent at least 100 members who are entitled to vote at a general meeting) may provide notice of their intention to move a resolution at a general meeting.

By letter dated 11 October 2019, the Company received notices from a group of Shareholders holding over 5% of the Company's Shares (**Requisitioning Shareholders**) under section 249N of the Corporations Act proposing a resolution which has become Resolution 7.

Under sections 168 and 169 of the Corporations Act, the Company is obliged to maintain a register of Shareholders containing each member's name and address (**Register of Members**). The Company is not currently legally obliged to collect or store Shareholders' email addresses in the Register of Members.

Under section 173 of the Corporations Act, Shareholders are entitled to request and the Company may be obliged to provide a copy of the Register of Members (including all Shareholders' names and addresses).

In June 2017, Senator Nick Xenophon introduced the Corporations Amendment (Modernisation of Members Registration) Bill 2017 as a private member's bill for the purpose of updating the Corporations Act to require an email address to be included on a register of members of a company or registered scheme. The bill was the subject of a bi-partisan inquiry by the Senate Economics Legislation Committee who ultimately recommended that the bill not be passed (with Senator Xenophon publishing a dissenting report in support of the bill). The Committee's recommendation was influenced by various unresolved issues with the bill including:

- (a) compliance concerns, such as if a member does not wish to provide their email address;
- (b) privacy implications for shareholders; and
- (c) the potential for the improper use of email addresses obtained from the register.

The bill ultimately lapsed following Senator Xenophon's retirement from the Senate in October 2017 and the proposed changes have not been revived.

Resolution 7, if passed, would amend the Constitution to insert a new clause to the effect that, if the Company receives a valid request from a Shareholder under section 173 of the Corporations Act, in addition to providing that Shareholder all names and addresses on the Register of Members, the Company would also be required to provide all email addresses contained in the Register of Members.

In addition to the notices under section 249N of the Corporations Act, the Requisitioning Shareholders have provided the Company with the text of a statement they wish to make to Shareholders in relation to this Resolution under section 249P of the Corporations Act. The text of the Requisitioning Shareholders' statement appears in Schedule 2 to this Notice.

9.2 Board Statement

As at the date of this Notice, the Board is still considering the full implications of the Requisitioning Shareholders' proposed amendment to the Constitution. Due to the late receipt of the Requisitioning Shareholders' request and the need to comply with strict timelines for the giving of notices of meeting, there has been insufficient time to include a comprehensive statement of the Board's position in relation to Resolution 7 in this Notice. As a preliminary statement (which may be supplemented in advance of the Meeting), the Board notes the following in relation to Resolution 7:

- (a) The Board views the privacy of its Shareholders with the utmost seriousness. The Board is concerned that Resolution 7 may jeopardise Shareholders' privacy.
- (b) The Corporations Act imposes strict obligations in relation to the use of information contained in the Company's Register of Members. For example, if the Company provides access to information contained in the Register of Members pursuant to section 173 of the Corporations Act, the recipient of that information is under a strict obligation not to misuse the information within the meaning of section 177. Contravention of section 177 is a strict liability offence. Further, a person who contravenes section 177 is liable to compensate anyone who suffers loss as a result of the contravention.
- (c) At present, the Corporations Act only requires the Register of Members to contain members' names and addresses and the dates on which entry of the members' names in the Register were made. The provisions of the Corporations Act concerning registers of members say nothing about email addresses. By seeking expressly to require the provision of Shareholders' email addresses upon request, Resolution 7 may unacceptably increase

the risk of contraventions of the strict obligations imposed by the Corporations Act occurring. As noted above, such contraventions may also involve civil liability.

- (d) It should also be noted that, notwithstanding that there are some statutory protections which may limit the risk of misuse of Shareholders' email addresses should the Company be required to disclose those email addresses, the risk of misuse cannot be eliminated entirely. The Board does not consider it appropriate to support a proposal that would increase the risk to Shareholders and the Company.

9.3 Recommendation

In the above circumstances, the Board considers that the passing of Resolution 7 is not in the best interests of Shareholders.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board unanimously recommends that Shareholders vote AGAINST Resolution 7.

10. Definitions

10% Placement Facility has the meaning given in Section 8.1.

10% Placement Period has the meaning given in Section 8.2(f).

AEDT means Australian Eastern Daylight Time.

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2019.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chairman means the person appointed to chair the Meeting.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company or **Cynata** means Cynata Therapeutics Limited ACN 104 037 372.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Directors' Report means the annual directors report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises).

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option Plan has the meaning in Resolution 5.

Option Plan Rules means the rules of the Option Plan.

Participant means a person who holds a Plan Option under the Option Plan.

Plan Option means an Option granted under the Option Plan.

Proxy Form means the proxy form enclosed with this Notice.

Register of Members has the meaning given in Section 9.1.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Requisitioning Shareholders has the meaning given in Section 9.1.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

Schedule 1 – Summary of Cynata Therapeutics Limited Employee Option Acquisition Plan

Summary of the Option Plan and terms on which Invitations may be made:

1. The Directors, at their discretion, may issue Plan Options to Participants at any time, having regard to relevant considerations such as the Participant's past and potential contribution to the Company, and their period of employment with the Company.
2. Eligible Participants in the Option Plan are full-time or permanent part-time Employees of the Company or a related body corporate (which includes Directors) or such other persons as the Board determines is eligible to receive a grant of Plan Options under the Option Plan (Eligible Employees). The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.
3. The Option Plan is administered by the Directors of the Company, who have the power to:
 - (a) determine appropriate procedures for administration of the Option Plan consistent with its terms;
 - (b) resolve conclusively all questions of fact or interpretation in connection with the Option Plan;
 - (c) delegate the exercise of any of its powers or discretions arising under the Option Plan to any one or more persons for such period and on such conditions as the Board may determine; and
 - (d) suspend, amend or terminate the Option Plan.
4. Plan Options must be granted for nil consideration.
5. The exercise price of the Plan Options shall be determined by the Board (in its discretion), provided that in no event shall the exercise price be less than 80% of the volume weighted average of the prices at which Shares were traded on the ASX during the one week period immediately preceding the date of grant of the Plan Options.
6. The Board may determine (in its discretion) and specify in an Invitation that a Participant may, at their election, elect to pay the exercise price for a Plan Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (Cashless Exercise Facility). By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the exercise price has been set off. If a Participant elects to use the Cashless Exercise Facility, the Participant will only be issued that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise (determined as the volume weighted average of the prices at which Shares were traded on the ASX during the one week period immediately preceding the exercise date) calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Options.

O = Number of Options.

MSP = Market value of the Shares.

EP = Option exercise price.

7. The Company must take reasonable steps to ensure that the number of Shares to be received on exercise of the Plan Options when aggregated with:
 - (a) the number of Shares in the same class issued during the previous 5 years under the Option Plan (or any other employee incentive plan extended only to Employees); and
 - (b) the number of Shares in the same class that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive plan of the Company were to be exercised or accepted, does not exceed 5% of the total number of issued Shares at the time the invitation to acquire Plan Options is made (but disregarding any offer of Options that can be disregarded in accordance with the ASIC Class Order 03/184).
8. The Shares to be issued on exercise of the Plan Options will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with all of the Company's then existing Shares.
9. The Board may determine the time periods or performance hurdles after which the Plan Options will vest and the percentage of Plan Options issued which will vest at each particular time. The Option Plan provides for the release of vesting conditions at the Board's discretion in the event of a change of control of the Company.
10. A Plan Option must be exercised (if at all) not later than its expiry date and may only be exercised at any time after the Plan Option has vested. The Board may determine (in its absolute discretion) any further conditions of exercise consistent with the terms of the Option Plan.
11. Plan Options will not be listed for quotation. However, the Company will make application to ASX for official quotation of all Shares issued on exercise of the Plan Options as soon as practicable after their Issue Date.
12. The Plan Options are not transferable unless vested and with the prior written approval of the Board and provided that the transfer complies with the Corporations Act.

THE REQUISITIONING SHAREHOLDERS HAVE REQUESTED, PURSUANT TO SECTION 249P OF THE AUSTRALIAN CORPORATIONS ACT 2001, THAT THE FOLLOWING STATEMENT IN RELATION TO RESOLUTION 7, SET OUT BELOW, BE PROVIDED TO SHAREHOLDERS.

BY PUBLISHING THE STATEMENT, CYNATA THERAPEUTICS LIMITED DOES NOT MAKE ANY REPRESENTATIONS AS TO ITS TRUTH OR ACCURACY AND DISCLAIMS ANY LIABILITY FOR THE CONTENTS.

Modern communication between both businesses and individuals has dramatically changed in the last fifteen years, now with the internet, most communications in business and indeed individual's personal correspondence is now in the majority by electronic means, that is usually using emails.

The use of email addresses has had a massive impact on business and people, it has led to faster communications, and a less expensive way for all to communicate with each other. Unfortunately, not everything our world has kept up with this change in communications. One of these is how shareholders of a listed ASX company can communicate quickly and easily with each other about matters which revolve around their like-minded investments as shareholders.

In 2017, the then Senator Nick Xenophon put forward a Private Senators' Bill (Modernisation of Member Registration, that sought to amend s169 of the Corporations Act 2001 to require companies to include email addresses of members on their register. The intention of this Bill was to allow shareholders of a company to communicate with other shareholders of the company via the ease of modern methods, that is, the ability to communicate by email, and not just by sending mail by the postal system to each other.

At present, s169 of the Corporations Act 2001 only requires the inclusion of a members registered name and registered postal address, which in many cases for a lot of shareholders will be their residential address (i.e. their home).

The Australian Institute of Company Directors in their submission on this Bill recognised **“that the ability to communicate with company members (shareholders) about matters relevant to their interests and rights is integral to good governance”** and would be considered best practice.

We note our Company Secretary is a member of the AICD.

The AICD supported the intent of the Bill as it related to facilitating communication between members (shareholders of a company) for a proper purpose relevant to their rights and interests. They further were supporters of promoting “technology neutrality” in respect of the distribution of notices and materials to members (shareholders). This effectively means that both the company and its shareholders should be able to communicate with each other on a level playing field.

Unfortunately, this Private Senator's Bill ultimately lapsed with Mr Xenophon retiring from the Senate and as such the Corporations Act 2001 has not yet been updated to reflect modern methods of communication such as email.

Noting the time it takes government to enact such changes, it would be praiseworthy and innovative of the board to put in place changes to our constitution to facilitate this now, until the Corporations Act is updated similarly at some time in the future, which we expect will occur in the future.

The amendment we are asking for the constitution would make it a requirement that the company's response to a valid request for the company's share registry in accordance with section 173(3) of the Corporations Act., will include email addresses of its shareholders, if an email address is recorded on the registry.

By providing email addresses as part of a valid request of the registry would make it a more cost-effective and simplified way for shareholders to communicate with all other shareholders on matters pertaining to the company and would ensure that shareholders received communications in the same way as they currently do from Cynata.

Currently, if a shareholder made a valid request for the member register of Cynata under s173(3) of the Corporations Act 2001, the cost for a shareholder to communicate to all of our shareholders (approx. 2700

from the 2018/19 Annual report) would be more than \$5,000 by the time you take into account paper, envelopes and postage.

Whilst we understand some members may not have an email address, and would still then need to be communicated to by normal post, it's conceivable the vast majority of shareholders would probably have email addresses, which would allow for faster communication with them, regardless of where they are in the world, and also an easier and less expensive means for shareholders to communicate with each other.

We would think an email address would be a much safer method of communication and ensures a shareholder actually does receive the communication (unlike the post which sometimes goes missing!), and also avoids the need to be sending communications to shareholders' actual private homes, if their address on the register is their private residential home.

Under s173(3) of the Corporations Act 2001, there are already existing protections to ensure that any shareholder who requests a copy of the register must only use that information for a proper purpose and there are penalties, if they misuse this information by doing a prohibited act. Contraventions of these prohibitions is an offence and can also give rise to civil liability to any person who suffers loss because of the contravention and to the company where a person makes a profit from the contravention.

Further, the Spam Act 2003 (Cth) which is federal legislation covers the misuse of email addresses and again contains penalties for any offences that may occur.

Shareholders already have the ability to not supply their email address to the registry and indeed if they wish to change or delete it from the registry, then they are quite able to do that at anytime if they do not wish to be contacted by email, and therefore they will only then receive all communications by their postal address on the Register.

We as the shareholders who have requested that this resolution be put to all shareholders at this Annual General Meeting and **we recommend all shareholders vote in favour of this resolution**, in order to allow both the ease of communication, but also the modern use of communication so that all shareholders can not only communicate with the Company but also amongst themselves with regards to proper matters concerning Cynata.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Vote by Proxy: CYP

Your proxy voting instruction must be received by **11.00am (AEDT) on Monday, 25 November 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

