

23 October 2020

Dear Shareholder

CYNATA THERAPEUTICS LIMITED- UPCOMING ANNUAL GENERAL MEETING

Cynata Therapeutics Limited (ASX:CYP) (**Company**) will be holding its Annual General Meeting at 11.30 am AEDT on 24 November 2020 (the **Meeting**).

The Company is closely monitoring the impact of the COVID-19 virus in Victoria and following guidance from the Federal and State Governments, the Meeting will be held virtually. There will not be a physical meeting where shareholders can attend in person.

In accordance with temporary modifications to the *Corporations Act 2001* (Cth) under the *Corporations (Coronavirus Economic Response) Determination (No.3) 2020,* the Company is not sending print copies of the Notice of Meeting to shareholders.

The Notice of Meeting documents can be viewed and downloaded from the ASX website link set out below:

https://www.cynata.com/asx-announcements

If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), please pre-register in advance for the virtual Meeting here:

https://us02web.zoom.us/webinar/register/WN yHhYmE6dQ7KPWa2TBMvMaQ

After registering, you will receive a confirmation containing information on how to attend the virtual Meeting.

In addition, to attend the Meeting and vote virtually, shareholders will need to access <u>www.investor.automic.com.au</u>. You will be able to log in to your Automic account with your username and password. If live voting for the virtual Meeting is open, click on 'Meeting open for voting' and follow the steps.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. To create an account, visit <u>https://investor.automic.com.au/#/home</u>, click on 'register' and follow the steps. Shareholders will be able to participate in the Meeting by:

- (a) voting their Shares (subject to any applicable voting exclusions), prior to the Meeting by lodging the enclosed proxy form by no later than 11.30 am AEST on 22 November 2020;
- (b) lodging questions in advance of the Meeting by emailing the questions to pwebse@governancecorp.com.au by no later than Friday, 20 November 2020; and/or
- (c) attending the Meeting by the online Meeting platform.

The Company strongly encourages shareholders to submit their votes and questions in advance of the relevant cutoff dates. However, votes and questions may also be submitted during the Meeting.

Further details of the online Meeting facilities, including detailed instructions on how to access the facilities are included in the Notice of Meeting.

Cynata Therapeutics Limited



If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Meeting documents.

In order to be able to receive electronic communications from the Company in the future, please update your shareholder details online at <u>https://investor.automic.com.au/#/home</u>. Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab.

If you are unable to access any of the Meeting documents online please contact the Company Secretary, Peter Webse, on +61 8 6377 8043 or via email at pwebse@governancecorp.com.au.

Authorised for release by the Board.

Peter Webse Company Secretary

CONTACTS: Dr Ross Macdonald, CEO, Cynata Therapeutics, +61 (0)412 119343, <u>ross.macdonald@cynata.com</u> Claire LaCagnina, U.S. Media Contact, +1 315.765.1462, <u>clacagnina@6degreespr.com</u>

About Cynata Therapeutics (ASX: CYP)

Cynata Therapeutics Limited (ASX: CYP) is an Australian clinical-stage stem cell and regenerative medicine company focused on the development of therapies based on Cymerus, a proprietary therapeutic stem cell platform technology. Cymerus overcomes the challenges of other production methods by using induced pluripotent stem cells (iPSCs) and a precursor cell known as mesenchymoangioblast (MCA) to achieve economic manufacture of cell therapy products, including mesenchymal stem cells (MSCs), at commercial scale without the limitation of multiple donors.

Cynata's lead product candidate CYP-001 met all clinical endpoints and demonstrated positive safety and efficacy data for the treatment of steroid-resistant acute graft-versus-host disease (GvHD) in a Phase 1 trial. Cynata plans to advance its Cymerus MSCs into Phase 2 trials for severe complications arising from COVID-19, acute GvHD and a Phase 3 trial in osteoarthritis. In addition, Cynata has demonstrated utility of its Cymerus MSC technology in preclinical models of asthma, diabetic wounds, heart attack, sepsis, acute respiratory distress syndrome (ARDS) cytokine release syndrome and pulmonary fibrosis.

CYNATA THERAPEUTICS LIMITED ACN 104 037 372

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be convened from Melbourne on 24 November 2020 at 11.30 am (AEDT) and will be a virtual Meeting.

The Company is pleased to provide Shareholders with the opportunity to attend and participate in the virtual Meeting through an online meeting platform powered by Automic, where Shareholders will be able to watch, listen, ask questions and vote online.

In accordance with section 5(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, the Company will not be despatching hard copies of the Notice and Explanatory Memorandum. Instead, these materials are available at http://www.cynata.com/asx-announcements and on the Australian Securities Exchange announcements platform (www.asx.com/asx-announcements and on the accompanying this Notice has been despatched to Shareholders.

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 convened from Melbourne by way of virtual Meeting on 24 November 2020 at 11.30 am (AEDT) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum also forms 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 22 November 2020 at 11.30 am (AEDT).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 11 of the Explanatory Memorandum.

AGENDA

Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2020, 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."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting exclusion applies to this Resolution. Refer to the Notes at the end of this Notice.

2. Resolution 2 – Re-election of Dr Stewart Washer as a Director

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

"That Dr Stewart Washer, 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 Darryl Maher 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 Darryl Maher, a director who was appointed as an additional Director, retires, and being eligible and offering himself for reelection, is re-elected as a Director."

4. Resolution 4 – Ratification of issue of Shares under Placement – Listing Rule 7.1 capacity

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That the issue of 5,881,336 Shares under the Placement, details of which are set out in the Explanatory Memorandum, is approved under and for the purposes of Listing Rule 7.4 and for all other purposes."

A voting exclusion applies to this Resolution. Refer to the Notes at the end of this Notice.

5. Resolution 5 – Approval of 10% Placement Facility

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

"Resolved, as a special resolution, that the Company have the additional capacity to issue equity securities provided for in Listing Rule 7.1A."

6. Resolution 6 – Replacement of the Company's Constitution

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

"That, for the purposes of section 136 of the Corporations Act and all other purposes, the Constitution be repealed and replaced with a new constitution in the form tabled at the Meeting and signed by the Chairman for identification purposes."

Resolution 7 – Approval of issue of Incentive Options to Dr Geoff Brooke

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That the issue of 2,000,000 Incentive Options to Dr Geoff Brooke (or his nominee), details of which are set out in the Explanatory Memorandum, is approved under and for the purpose of Listing Rule 10.14 and for all other purposes."

A voting exclusion applies to this Resolution. Refer to the Notes at the end of this Notice.

8. Resolution 8 – Approval of issue of Incentive Options to Dr Ross Macdonald

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the issue of 1,500,000 Incentive Options to Dr Ross Macdonald (or his nominee), details of which are set out in the Explanatory Memorandum, is approved under and for the purpose of Listing Rule 10.14."

A voting exclusion applies to this Resolution. Refer to the Notes at the end of this Notice.

9. Resolution 9 – Approval of issue of Incentive Options to Dr Darryl Maher

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That the issue of 300,000 Incentive Options to Dr Darryl Maher (or his nominee), details of which are set out in the Explanatory Memorandum, is approved under and for the purpose of Listing Rule 10.14 and for all other purposes."

A voting exclusion applies to this Resolution. Refer to the Notes at the end of this Notice.

10. Resolution 10 – Approval of issue of Incentive Options to Dr Stewart Washer

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That the issue of 300,000 Incentive Options to Dr Stewart Washer (or his nominee), details of which are set out in the Explanatory Memorandum, is approved under and for the purpose of Listing Rule 10.14 and for all other purposes."

A voting exclusion applies to this Resolution. Refer to the Notes at the end of this Notice.

11. Resolution 11 – Approval of issue of Incentive Options to Dr Paul Wotton

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That the issue of 300,000 Incentive Options to Dr Paul Wotton (or his nominee), details of which are set out in the Explanatory Memorandum, is approved under and for the purpose of Listing Rule 10.14 and for all other purposes."

A voting exclusion applies to this Resolution. Refer to the Notes at the end of this Notice.

12. Resolution 12 – Approval of issue of Incentive Options to Peter Webse

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That the issue of 100,000 Incentive Options to Peter Webse (or his nominee), details of which are set out in the Explanatory Memorandum, is approved under and for the purpose of Listing Rule 10.11 and for all other purposes."

A voting exclusion applies to this Resolution. Refer to the Notes at the end of this Notice.

Restrictions on voting

Resolutions 1, 7, 8, 9, 10, 11 and 12

In accordance with section 250R of the Corporations Act, a vote on Resolutions 1, 7, 8, 9, 10, 11 and 12 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 these resolutions 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 the 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 the resolution; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the Key Management Personnel.

Resolution 4

The Company will disregard any votes cast in favour of Resolution 4 by any person or entity who participated in the issue of Shares under the Placement and any Associates of those persons, unless the vote is cast:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (a) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the Chair to vote as the Chair decides; or
- (b) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on the resolution, and the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Resolutions 7, 8, 9, 10 and 11

The Company will disregard any votes cast in favour of each of Resolutions 7, 8, 9, 10 and 11 by the Directors, and any of their Associates (and their nominees), who are eligible to participate in the employee option acquisition plan, and any other person who will obtain a material benefit as a result of the issue of securities in accordance with the resolutions, unless the vote is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolutions, in accordance with the directions given to the proxy or attorney to vote on the resolutions in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolutions, in accordance with the direction given to the Chair to vote as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on the resolutions, and the holder votes on the resolutions in accordance with the directions given by the beneficiary to the holder to vote in that way.

Resolution 12

The Company will disregard any votes cast in favour of Resolution 12 by Peter Webse, his nominee, any other person who will obtain a material benefit as a result of the issue of securities in accordance with this resolution and any of their Associates, unless the vote is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the Chair to vote as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on the resolution, and the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Dated 20 October 2020 BY ORDER OF THE BOARD

Mr Peter Webse Company Secretary

CYNATA THERAPEUTICS LIMITED

ACN 104 037 372

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 convened from Melbourne by way of virtual Meeting on 24 November 2020 at 11.30 am (AEDT).

The Board recognises that the coronavirus (COVID-19) outbreak and associated social distancing measures (including travel restrictions and bans on gatherings of certain sizes) has made the holding the Annual General Meeting in person impractical and contrary to medical guidance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Annual General Meeting will be entirely virtual and will not be able to be attended in person.

Instead, Shareholders will be able to attend via video or teleconference. Shareholders are strongly encouraged to attend via video or teleconference, as attending in person will not be possible. Details of how to attend the virtual Annual General Meeting can be accessed at investor.automic.com.au.

Rule 11.4 of the Company's current Constitution provides that a general meeting may be held at two or more venues simultaneously using any technology that gives the Shareholders as a whole a reasonable opportunity to participate. Furthermore, on 6 May 2020, temporary modifications to the Corporations Act were introduced under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020* to facilitate the holding of meetings (including AGMs) virtually using appropriate technology.

In accordance with section 5(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, the Company will not be despatching hard copies of the Notice and Explanatory Memorandum. Instead, these materials are available at <u>http://www.cynata.com/asx-announcements</u> and on the Australian Securities Exchange announcements platform (www.asx.com.au).

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.

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

In accordance with section 5(e) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020,* proxy votes can be lodged online at <u>https://investor.automic.com.au/#/loginsah</u>.

A hard copy proxy form has also been despatched to each Shareholder. Details of how to complete and submit the proxy form are set out on the proxy form.

Proxy appointments must be received by 22 November 2020 at 11.30 am (AEDT), being not later than 48 hours before the commencement of the Meeting. Any proxy appointments received after that time will not be valid for the Meeting. Please note that:

- (a) a member of the Company entitled to attend and vote at the virtual 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.

2.2 Participation in the Meeting

The Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where Shareholders will be able to watch, listen, ask questions and vote online.

2.3 Virtual Meeting

Venue

If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), please preregister in advance for the virtual Meeting here:

https://us02web.zoom.us/webinar/register/WN yHhYmE6dQ7KPWa2TBMvMaQ

After registering, you will receive a confirmation containing information on how to attend the virtual Meeting.

Shareholders will be able to vote and ask questions at the virtual Meeting. Shareholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted in writing to Peter Webse, Company Secretary at pwebse@governancecorp.com.au at least 48 hours before the Meeting.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Voting virtually

Shareholders who wish to vote virtually on the day of the Meeting will need to login to the Automic website (https://investor.automic.com.au/#/home) with their username and password.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting.

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website <u>https://investor.automic.com.au/#/home</u>, click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

I have an account with Automic, what are the next steps?

Shareholders who have an existing account with Automic (Note: with a username and password) are advised to take the following steps to attend and vote virtually on the day of the Meeting:

- (i) login to the Automic website (https://investor.automic.com.au/#/home) using your username and password;
- (ii) if registration for the virtual Meeting is open, click on 'Meeting open for registration' and follow the steps; and
- (iii) if live voting for the virtual Meeting is open, click on 'Meeting open for voting' and follow the steps.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6377 8043.

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 <u>www.cynata.com</u> 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 2019 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 appointing the Chairman as proxy, 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. Resolution 2 – Re-election of Dr Stewart Washer as Director

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.

Dr Stewart Washer, the Director longest in office since his last election, retires by rotation at this Meeting and, being eligible, seeks re-election.

Dr Washer BSc(Hons), PhD, joined the Board in August 2013 and was Executive Chairman until 28 February 2017. Dr Washer has over 25 years of CEO and board experience in medical technology and biotech companies. He is currently the Chairman of Emerald Clinics Ltd (ASX: EMD), a Director of Botanix Pharmaceuticals Limited (ASX: BOT) and the Chairman of Orthocell Ltd (ASX: OCC). Dr Washer was previously a Director of Zelira Therapeutics Ltd (ASX: ZLD) and AusBiotech and a Senator with Murdoch University.

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

Resolutions 2 is an ordinary resolution.

6. Resolution 3 – Re-election of Dr Darryl Maher 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 Darryl Maher, having been appointed as a Non-Executive Director on 16 June 2020 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 Maher adds global biopharmaceutical development and commercialisation capability to the Board, with over 23 years' experience with CSL Limited. CSL is one of the world's most successful developers of biologic pharmaceutical products and has a market capitalisation of approximately \$130 billion.

Dr Maher has had a long and successful career in pharmaceutical product development, most recently as the former Vice President of R&D and Medical Affairs at CSL Behring Australia where he was responsible for the development of multiple successful drug products from initiation through clinical development and ultimately to commercialisation. Dr Maher undertook medical training, qualified as a specialist haematologist and completed a PhD before commencing his career in the pharmaceutical industry.

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

Resolution 3 is an ordinary resolution.

Resolution 4 – Ratification of issue of Shares under Placement – Listing Rule 7.1 capacity

Resolution 4 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the issue of Shares under the Placement announced on 22 April 2020.

7.1 Background

On 22 April 2020, the Company announced:

- (a) the issue of 5,909,390 Shares to institutional investors under a placement which was ultimately reduced to 5,881,336 Shares (**Placement**); and
- (b) a share purchase plan open to eligible Shareholders allowing them to purchase up to A\$30,000 worth of new Shares at the same price as the Placement to raise up to a further A\$2m (Share Purchase Plan)

5,312,085 of the 5,881,336 Placement Shares were issued on 24 April 2020 with the remaining 569,251 Placement Shares being issued on 1 May 2020.

On 27 May 2020, the Company announced that the Share Purchase Plan had been oversubscribed and so the cap was increased from A\$2m to A\$4.8m. On 2 June 2020, 8,000,014 Shares were issued under the Share Purchase Plan.

The issue of Shares under the Placement took place under the Company's capacity under Listing Rule 7.1. The issue of Shares under the Share Purchase Plan falls within Listing Rule 7.2 Exception 5, and so did not use the Company's capacity under Listing Rule 7.1.

Shareholder approval of the Placement is sought under Listing Rule 7.4.

7.2 ASX Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Placement does not fit within any of these exceptions and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the Placement Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4 seeks shareholder approval to the Placement under and for the purposes of Listing Rule 7.4 (and for all other purposes).

If Resolution 4 is passed, the Placement will be <u>excluded</u> in calculating the Company's aggregated 25% limit in Listing Rule 7.1 and 7.1A (given the Company's current 7.1A mandate), effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue of the Placement Shares.

If Resolution 4 is not passed, the Placement will be <u>included</u> in calculating the Company's aggregated 25% limit in Listing Rule 7.1 and 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue of the Placement Shares.

7.3 Information provided in accordance with Listing Rule 7.5

The following information is provided in relation to the issue of Shares under the Placement in accordance with Listing Rule 7.5:

- (a) The number of Shares issued under Listing Rule 7.1 in connection with the Placement was 5,881,336 Shares.
- (b) The price at which Shares were issued under the Placement was \$0.60 per Share.
- (c) Shares issued under the Placement are fully paid and rank equally in all respects with the Company's other Shares on issue.
- (d) The allottees of Shares were sophisticated and institutional investors who were invited to participate in the Placement by the broker to the Placement, H.C. Wainwright & Co (being United States-based institutional clients of H.C. Wainwright & Co), and/or the Company. The participants in the Placement did not fall within one of the categories of investors identified in ASX Listing Rules Guidance Note 21.
- (e) 5,312,085 of the Shares were issued on 24 April 2020 and the remaining 569,251 of the Shares were issued on 1 May 2020.
- (f) Funds raised from the Placement will be used to further advance clinical development programs and strengthen the Company's balance sheet.
- (g) A voting exclusion statement in relation to Resolution 4 is included in the Notice.

7.4 Recommendation

Resolution 4 is an ordinary resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

8. Resolution 5 – 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 8.2(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 and clinical trials in relation to the Company's existing projects) and to undertake other activities 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.

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 x 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%

Е

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 8.2(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 first to occur of the following:

- the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the Company's 2021 annual general meeting; or
- (iii) 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

If Resolution 5 is passed, the Company will be able 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 without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

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 10% Placement Period will be valid for 12 months after the date of the Meeting.
- (b) The Equity Securities will be issued at an issue price of not less than the Minimum Issue Price (defined above).
- (c) If Resolution 5 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. Current Shareholders should be aware that there is a risk for of economic and voting dilution that may result from

an issue of Equity Securities under the 10% Placement Facility, including the risk that that:

- 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
- 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.

		Dilution				
Variable 'A' in Listing Rule		\$0.485	\$0.97	\$1.94		
7.1A2		50% decrease in Issue Price	Issue Price	100% increase in Issue Price		
Current Variable A	10% voting dilution	11,712,400	11,712,400	11,712,400		
117,124,004 Shares	Funds raised	\$5,680,514	\$11,361,028	\$22,722,056		
50% increase in current Variable A	10% voting dilution	17,568,600	17,568,600	17,568,600		
175,686,006 Shares	Funds raised	\$8,520,771	\$17,041,542	\$34,083,084		
100% increase in current Variable A	10% voting dilution	23,424,800	23,424,800	23,424,800		

234,248,008 Shares	Funds raised		\$11,361,028	\$22,722,056	\$45,444,112				
	The table	has b	een prepared on the follo	wing assumptions:	1				
	(i)		e Company issues the mace company fraction to the mace the mace the second se	aximum number of Equity S	Securities available under the 1				
	(ii)	No	Options are exercised into	o Shares before the date of tl	ne issue of the Equity Securities.				
	(iii)				e dilution against the issued Sha is shown in each example as 109				
	(iv)	by		nder the 10% Placement Fac	e caused to a particular Sharehold cility, based on that Shareholde				
	(v)		e table shows only the effe 15% placement capacity		es under Listing Rule 7.1A, not und				
	(vi)	The	e issue of Equity Securities	under the 10% Placement Fa	acility consists only of Shares.				
	(vii)	At t	the date of this Notice, the	ere are currently 117,124,004	4 Shares on issue.				
	(viii)	The	e issue price is \$1.04, bein	g the closing price of the Sha	res on 2 October 2020.				
(d)	The Con	npan	ny will only issue the I	Equity Securities during	the 10% Placement Period				
(e)	to raise (includir projects value to	fund ng ex), pu o Shi	ls for expanding or ac openses associated w ursuing other acquisi	ccelerating the Company ith further tests in relati tions that have a strate	r cash consideration in orc y's existing business activiti on to the Company's existi egic fit or will otherwise a with such acquisitions) a				
(f)	The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.								
(g)	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	e purpose of the issue	е;					
	(ii)	no	•		o the Company, including b hich existing security holde				
	(iii)	the	e effect of the issue of	f the Equity Securities or	n the control of the Compar				
	(iv)	the	e financial situation a	nd solvency of the Com	pany; and				
	(v)	adv	vice from corporate,	financial and broking ad	lvisers (if applicable).				
	date of	this	Notice but may inclu	•	ot been determined as at t ers and/or new Shareholde ty of the Company.				
(h)		•	ny previously obtained 2019 AGM held on 27		under Listing Rule 7.1A at t				
(i)				late of the Meeting the es under Listing Rule 7.2	Company did not issue nor IA.2 .				
(;)	Ac at the	- d	to of this Nation of M	acting the Company is	not proposing to make an				

 As at the date of this Notice of Meeting, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A2. Accordingly, there is no exclusion statement in respect of Resolution 5.

8.5 Recommendation

Resolution 5 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 Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

9. Resolution 6 – Replacement of the Company's Constitution

9.1 Background

The Company's current Constitution has not been altered since it was adopted on 29 October 2013. At that time, the Company was still EcoQuest Limited with the reverse takeover of EcoQuest Limited by Cynata Incorporated still to take place.

Section 136 of the Corporations Act allows a company to amend its constitution or adopt a new constitution by special resolution of its shareholders. Resolution 6 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**).

In view of the time that has elapsed since October 2013, the Board has conducted a review of the current Constitution in order to bring it in line with current law and market practice and to ensure that it complies with the current ASX Listing Rules.

As the current Constitution would require changes to numerous provisions, the Board has determined that it is more appropriate to adopt a new constitution rather than amending the current Constitution. The Board also considers this a good opportunity to modernise and simplify the language used in the Company's Constitution.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution as modernised where appropriate. The Directors believe these additional amendments do not materially impact Shareholders.

It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the Proposed Constitution is set out below. The Proposed Constitution also includes proportional takeover provisions. The information the Corporations Act requires the Company to provide for adoption of the proportional takeover provisions is also set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website <u>www.cynata.com</u>. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary by calling +61 8 6377 8043.

Shareholders are invited to contact the Company if they have any queries or concerns.

9.2 Summary of Proposed Constitution

A summary of the material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

(a) Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held (with adjusted voting rights for partly paid shares). If the votes are equal on a

proposed resolution, the Chairman of the meeting has a casting vote, in addition to his or her deliberative vote.

(b) Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

(c) Dividends

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and decide the method of payment.

(d) Escrow restrictions

In the event that ASX determines that certain Shares should be classified as 'restricted securities', a Shareholder must not dispose of those restricted securities (and the Company must refuse to acknowledge a disposal) during the applicable escrow period, except as permitted by the ASX Listing Rules.

Shareholders who hold restricted securities are taken to have agreed that the restricted securities are kept on the Company's issuer sponsored sub-register and to have a holding lock applied for the duration of the escrow period. Shareholders will not be entitled to participate in any return of capital on restricted securities during the escrow period except as permitted by the ASX Listing Rules.

(e) Transfer of Shares

Subject to the Constitution and to any restrictions attached to a Shareholder's Shares, Shares may be transferred by proper ASTC transfer (effected in accordance with the ASX Settlement Operating Rules, *Corporations Regulations 2001* (Cth) and ASX Listing Rules) or by a written transfer in any usual form or in any other form approved by the Board and permitted by the Corporations Act and ASX requirements. The Board may decline to register, or prevent registration of, a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

(f) Issues of further Shares

The Board may, subject to the Constitution, Corporations Act and the ASX Listing Rules issue, allot or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

(g) Winding up

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to a share in any surplus property of the Company in proportion to the number of Shares held by them. If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or any part of the Company's property and decide how the division is to be carried out as between Shareholders or different classes of shareholders.

(h) Non-marketable parcels

In accordance with the ASX Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. A marketable parcel

of shares is defined in the ASX Listing Rules and is generally, a holding of Shares with a market value of not less than \$500.

(i) Variation of class rights

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under the Constitution, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of shares may be varied:

- (i) with the written consent of the holders of 75% of the shares of the class; or
- (ii) by a special resolution passed at a separate meeting of the holders of shares of the class.
- (j) Directors Appointment and retirement

Under the Constitution, the Board is comprised of a minimum of three Directors and a maximum of nine Directors, unless the Company resolves otherwise at a general meeting. Directors are elected or re-elected at general meetings of the Company.

No Director (excluding the CEO) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Board may also appoint any eligible person to be a Director either as an addition to the existing Directors or to fill a casual vacancy, who will then hold office until the conclusion of the next annual general meeting of the Company following his or her appointment.

(k) Directors – Voting

Questions arising at a meeting of the Board must be decided by a majority of votes cast by the Directors present and entitled to vote on the matter. If the votes are equal on a proposed resolution, the Chairman of the meeting has a casting vote in addition to his or her deliberative vote, unless there are only two Directors present or entitled to vote in which case the Chairman of the meeting does not have a second or casting vote and the proposed resolution is taken as lost.

(I) Directors – Remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director but the total aggregate amount provided to all Non-Executive Directors of the Company for their services as Directors must not exceed in any financial year the amount fixed by the Company in general meeting. The remuneration of a Director (who is not the CEO or an executive Director) must not include a commission on, or a percentage of, profits or operating revenue. The current maximum aggregate sum of Non-Executive Director remuneration is \$300,000. Any change to that maximum aggregate amount needs to be approved by Shareholders.

Directors are entitled to be paid for all travelling and other expenses they incur in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of Board Committees. Any Director who performs extra services, makes any special exertions for the benefit of the Company or otherwise performs services which, in the opinion of the Board, are outside the scope of ordinary duties of a Non-Executive Director, may be remunerated for the services (as determined by the Board) out of the funds of the Company.

(m) Powers and duties of Directors

The business and affairs of the Company are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within the power of the Company and that

are not by the Constitution or by law directed or required to be done by the Company in its general meeting.

(n) Preference shares

The Company may issue preference shares including preference shares which are, or at the option of the Company or holder are, liable to be redeemed or converted into ordinary shares. The rights attaching to preference shares are those set out in the Constitution or have been otherwise approved by special resolution of the Company.

(o) Indemnities

The Company must indemnify each Director and executive officer on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by the person as an officer of the Company.

The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for insurance for each officer of the Company against any liability incurred by that person as an officer of the Company or of a related body corporate, including, but not limited to, a liability for negligence or for reasonable costs and expenses incurred in defending or responding to proceedings (whether civil or criminal and whatever the outcome).

(p) Access to records

The Company may enter into contracts with a Director or former Director agreeing to provide continuing access for a specified period after the Director ceases to be a Director to board papers, books, records and documents of the Company which relate to the period during which the Director or former Director was a Director on such terms and conditions as the Board thinks fit. The Company may procure that its subsidiaries provide similar access to board papers, books, records or documents.

(q) Amendment

The Constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present (in person or by proxy, attorney or representative) and entitled to vote on the resolution at a general meeting of the Company.

9.3 Proportional takeover provisions of the Proposed Constitution

A proportional takeover bid is an off-market takeover offer sent to all Shareholders, but only in respect of a specified portion of each Shareholder's Shares in the Company (i.e. less than 100%). Accordingly, if a Shareholder accepts in full the offer under a proportional takeover bid, the Shareholder will dispose of the specified portion of the Shareholder's Shares and retain the balance of the Shares.

Under section 648D of the Corporations Act, a company may include provisions in its constitution to the effect that the registration of a transfer giving effect to a takeover contract for a proportional takeover bid is prohibited unless a resolution to approve the bid is passed by shareholders in accordance with the requirements of the Corporations Act. These provisions cease to apply at the end of 3 years after they were inserted into the constitution or last renewed by shareholders. The provisions are renewed in the same manner in which the constitution is altered to insert the provisions.

Rule 6 of the Proposed Constitution sets out the mechanism permitted by section 648D of the Corporations Act and which is governed by its related provisions (sections 648D to 648H of the Corporations Act). The text of Rule 6 has been reproduced in Schedule 1 to this Notice. Rule 35 of the Company's existing Constitution also sets out the mechanism permitted by section 648D of the Corporations Act.

Rule 35 was renewed under the Company's existing Constitution by Shareholders at the 2017 Annual General Meeting on 17 November 2017. Accordingly, Rule 35 would cease to have effect on 17 November 2020 unless renewed. The adoption of the Proposed Constitution will have the effect of also renewing the proportional takeover bid provisions which will now be set out in Rule 6 of the Proposed Constitution.

Under section 648G of the Corporations Act, the Company may renew the proportional takeover bid provisions for a further three years.

Resolution 6 provides for the adoption of the Proposed Constitution. If adopted, this will effectively renew the proportional takeover bid provisions (now under Rule 6 of the Proposed Constitution) for a further three years from the date of the Meeting.

9.4 Information provided in accordance with section 648G(5) of the Corporations Act

For the purpose of Resolution 6, the following information is provided in relation to the effective proposed renewal of the proportional takeover bid provisions, now in Rule 6 of the Proposed Constitution, in accordance with section 648G(5) of the Corporations Act.

(a) Effect of Rule 6 of the Proposed Constitution

The effect of Rule 6 of the Proposed Constitution is that, if a proportional takeover bid is made to Shareholders, the Directors are obliged to convene a general meeting of Shareholders to be held 15 days or more before the offer closes. The purpose of the meeting is to vote on a resolution to approve the proportional takeover bid.

For the resolution on the proposed proportional takeover bid to be approved, it must be passed by a simple majority of votes at the meeting, excluding votes of the bidder and its associates. If no such resolution is voted on within the required timeframe, the resolution is deemed to have been approved. This, in effect, means that Shareholders as a body may only prohibit a proportional takeover bid by rejecting such a resolution.

If the resolution on the proposed proportional takeover bid is approved or deemed to have been approved, transfers of Shares under that proportional takeover bid (provided they are in all other respects in order for registration) must be registered.

If the resolution on the proposed proportional takeover bid is rejected, registration of any transfer of Shares resulting from that proportional takeover bid is prohibited and the offer is deemed by the Corporations Act to have been withdrawn.

Rule 6 will expire three years after the date of the Meeting unless renewed by a special resolution of Shareholders.

Rule 6 does not apply to full takeover bids.

(b) Reasons for proposing the renewal of the proportional takeover bid provisions of the Constitution

The reason for including the proportional takeover bid provisions in Rule 6 is that the Directors consider that Shareholders should have the opportunity to vote on a proposed proportional takeover bid. If the Proposed Constitution is adopted, the benefit under Rule 6 is that Shareholders will be able to collectively decide on whether a proportional takeover bid is permitted to succeed having weighed up whether the advantages outweigh the disadvantages in the particular circumstances of the bid, or vice versa.

(c) Awareness of Directors of proposal to acquire or increase a substantial interest in the Company

At the date of this Notice of Meeting before despatch to Shareholders, no Director is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

(d) Review of the advantages and disadvantages for Directors and Shareholders for the past 3 years

As there have been no proportional takeover bids made for the Company in the period since the previous renewal of Rule 35 of the current Constitution, there are no actual circumstances against which the Directors have had the opportunity to review the advantages or disadvantages of Rule 35. The Directors are not aware of any proposed bid which did not proceed during that period because of Rule 35.

(e) Potential advantages and disadvantages of Rule 6 of the Proposed Constitution to the Directors and to Shareholders

The Directors consider that the renewal of Rule 6 would have no advantage or disadvantage for them other than the advantage of enabling them to formally ascertain the views of Shareholders in relation to any proportional takeover bid. The Directors remain free to make a recommendation in relation to whether a proportional takeover bid for the Company should be recommended or rejected.

The potential advantages for Shareholders of the proportional takeover bid provisions include that:

- Shareholders will have the right to decide by majority vote whether a proportional takeover bid should proceed;
- (ii) the provisions may help prevent Shareholders being locked in as minority shareholders; and
- (iii) the provisions may improve the bargaining power of Shareholders and therefore may result in any proportional takeover bid being adequately priced.

The potential disadvantages for Shareholders of the proportional takeover bid provisions include that:

- the provisions may discourage a proportional takeover bid being made, which may be the only takeover offer to be made for the Company;
- (ii) Shareholders may lose an opportunity to sell a portion of their Shares in the Company at a premium; and
- (iii) the chance that a proportional takeover bid is successful may be reduced.

9.5 Recommendation

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).

The Board unanimously recommends that Shareholders in favour of Resolution 6.

10. Resolutions 7, 8, 9, 10, 11 and 12 – Approval of issue of Incentive Options to current and former Directors

10.1 Background

As announced to the ASX on 18 August 2020, following the completion of an independent review of long term incentive plans and remuneration of board members across the Australian listed biotechnology sector, the Board resolved to grant options as set out below under the Company's employee option acquisition plan (EOAP).

The options exercise price is \$0.97 reflecting a 45% premium to the 5-day VWAP up to and including 17 August 2020. This grant encourages each of the participants to have a greater involvement in the achievement of Cynata's objectives. The options will be for a term of 5 years and vesting in monthly tranches over the first 3 years, subject to continuous service up to the applicable vesting date.

Resolutions 7 – 12 seek Shareholder approval (under Listing Rule 10.14 for all Resolutions save for Resolution 12 in respect of Peter Webse which seeks approval under Listing Rule 10.11) for the grant of options to each of the Directors and Peter Webse in accordance with the terms and conditions of the EOAP (set out in Schedule 2) (**Incentive Options**). Each Incentive Option:

- (a) will have an exercise price of \$0.97;
- (b) will entitle the holder to one new Share on exercise of each Incentive Option;
- (c) will have a term of 5 years from the date of grant;
- (d) will vest in monthly tranches over the first 3 years, subject to continuous service up to the applicable vesting date;
- (e) do not entitle the holder to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options;
- (f) will not be quoted;
- (g) are not transferrable unless they have vested, and then only with the prior written approval of the Board and subject to compliance with the Corporations Act;
- (h) can be exercised from any time after they have vested until they expire; and
- (i) can be exercised using a Cashless Exercise Facility as described in Schedule 2.

Each grant is conditional on Shareholder approval (under the relevant Resolution). The Company will issue Incentive Options as follows:

- (a) if Resolution 7 is passed, Dr Geoff Brooke (or his nominee) will be issued 2,000,000 Incentive Options;
- (b) if Resolution 8 is passed, Dr Ross Macdonald (or his nominee) will be issued 1,500,000 Incentive Options;
- (c) if Resolution 9 is passed, Dr Darryl Maher (or his nominee) will be issued 300,000 Incentive Options;
- (d) if Resolution 10 is passed, Dr Stewart Washer (or his nominee) will be issued 300,000 Incentive Options;

- (e) if Resolution 11 is passed, Dr Paul Wotton (or his nominee) will be issued 300,000 Incentive Options;
- (f) if Resolution 12 is passed, Peter Webse (or his nominee) will be issued 100,000 Incentive Options,

each grant, being a tool to both incentivise and retain.

10.2 ASX Listing Rules 10.11 and 10.14

Listing Rule 10.11.1 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to a related party unless it obtains the approval of its shareholders.

Peter Webse was a Director of the Company until he stepped down from the Board effective 30 June 2020 (as announced to the ASX on 16 June 2020). As Mr Webse was a Director within the last six months ago, he falls within the definition of "related party" for the purposes of the ASX Listing Rules. It follows that the proposed issue of Incentive Options to Mr Webse falls within Listing Rule 10.11.1 and, as it does not fall within any of the exceptions in Listing Rule 10.12, the proposed issue requires the approval of the Company's Shareholders under Listing Rule 10.11 (which is sought in Resolution 12).

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive share scheme:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director of the company (Listing Rule 10.14.2); or
- (c) a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by shareholders,

unless it obtains approval of its shareholders.

Each of the proposed issues of Incentive Options the subject of Resolutions 7 to 11 therefore fall within Listing Rule 10.14.1 and require the approval of Shareholders under Listing Rule 10.14.

If Resolutions 7 through 12 are passed, the Company will proceed with the issue of the Incentive Options under each of those Resolutions. Where any Resolution is not passed, the Company will not be able to proceed with that proposed issue.

Under Chapter 2E of the Corporations Act, for a public company to give a financial benefit to a related party of the public company, the public company must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

For each of the Resolutions 7-12 (inclusive), it is the view of the Directors (other than the Director being issued the Incentive Options under their relevant Resolution) that the exception set out in section 211(1) of the Corporations Act (allowing the giving of a financial benefit that

is reasonable remuneration) applies in the current circumstances. Accordingly, Shareholder approval is being sought for each of the proposed grants of Incentive Options under Listing Rules 10.14 (Resolutions 7 to 11) and 10.11 (Resolution 12), but not under Chapter 2E of the Corporations Act.

10.3 Further details of Incentive Options

The Incentive Options offered have a five-year term from the date of grant. The exercise price of \$0.97 per Incentive Option is a 45% premium to the five-day volume weighted average closing price up to and including 17 August 2020 (\$0.67).

The Directors consider that the grant encourages each of the participants to have a greater involvement in the achievement of Company's objectives.

If the Incentive Options granted to each Director and Mr Webse are exercised for cash, a total of 4,500,000 Shares would be allotted and issued for total consideration received by the Company of \$ \$4,365,000. This would increase the number of Shares on issue from 117,124,004 to 121,624,004 (assuming that no other options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 3.7%.

10.4 Information provided in accordance with Listing Rule 10.15

For the purpose of Resolutions 7 to 11, the following information provided in relation to the proposed issue of Incentive Options to the current Directors in accordance with Listing Rule 10.15:

- (a) The related parties are Dr Geoff Brooke, Dr Ross Macdonald, Dr Darryl Maher, Dr Stewart Washer and Dr Paul Wotton, (or their respective nominees), each of whom are related parties by virtue of their being a Director which falls within Listing Rule 10.14.1.
- (b) The number of Incentive Options (being the nature of the financial benefit being provided) to be allocated to:
 - (i) Dr Geoff Brooke (or his nominee) is 2,000,000;
 - (ii) Dr Ross Macdonald (or his nominee) is 1,500,000;
 - (iii) Dr Darryl Maher (or his nominee) is 300,000;
 - (iv) Dr Stewart Washer (or his nominee) is 300,000; and
 - (v) Dr Paul Wotton (or his nominee) is 300,000.
- (c) The Incentive Options will be issued for nil cash consideration and accordingly no funds will be raised by the issue of the Incentive Options. The exercise price of each of the Incentive Options is \$0.97.
- (d) The current total remuneration package for the current financial year (ending 30 June 2021) consists of the following:

Related Party	Base salary / fee	Superannuation	Short term incentives	Long term incentives
Geoff Brooke	\$110,000	-	-	Eligible to participate in EOAP
Ross Macdonald	\$352,740	\$33,510	Eligible to receive an annual STI subject to achievement of KPIs. Payment and treatment of any STI is at the discretion of the Board.	Eligible to participate in EOAP
Darryl Maher	\$50,228	\$4,772	-	Eligible to participate in EOAP
Stewart Washer	\$50,228	\$4,772	-	Eligible to participate in EOAP
Paul Wotton	\$50,228	\$4,772	-	Eligible to participate in EOAP

- (e) No Directors have received securities under the EOAP to date.
- (f) The people referred to in Listing Rule 10.14 who are eligible to participate in the EOAP are all Directors. Shareholder approval is therefore being sought in relation to each issue of the Incentive Options as described in this Notice.
- (g) A summary of the key terms and conditions of the EOAP is set out in Schedule 2.
- (h) Voting exclusion statements in relation to Resolutions 7 to 11 are included in the Notice.
- (i) There is no loan associated with the grant of the Incentive Options.
- (j) Where Shareholder approval is obtained, the Incentive Options will be granted to the respective Directors (or their respective nominees) no later than 1 month after the date of the Annual General Meeting. It is anticipated that the Incentive Options will be allocated on one date.
- (k) Shares issued on exercise of the Incentive Options will rank equally with fully paid ordinary Shares.
- (I) A summary of the key terms and conditions of the Incentive Options is set out in Section 10.1.

- (m) Details of any securities issued under the EOAP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the EOAP after the Resolution is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.

10.5 Information provided in accordance with Listing Rule 10.13

For the purpose of Resolution 12, the following information provided in relation to the proposed issue of Incentive Options to Peter Webse in accordance with Listing Rule 10.13:

- (a) The related party is Peter Webse who is a related party by virtue of being a Director within the last 6 months, which falls within Listing Rule 10.11.1.
- (b) The number of Incentive Options (being the nature of the financial benefit being provided) to be allocated to Peter Webse (or his nominee) is 100,000.
- (c) The Incentive Options will be issued for nil cash consideration and accordingly no funds will be raised by the issue of the Incentive Options. The exercise price of each of the Incentive Options is \$0.97.
- (d) A summary of the key terms and conditions of the EOAP is set out in Schedule 2.
- (e) A voting exclusion statement in relation to Resolution 12 is included in the Notice.
- (f) There is no loan associated with the grant of the Incentive Options.
- (g) Where Shareholder approval is obtained, the Incentive Options will be granted to Mr
 Webse (or his nominee) no later than 1 month after the date of the Annual General
 Meeting. It is anticipated that the Incentive Options will be allocated on one date.
- (h) Shares issued on exercise of the Incentive Options will rank equally with fully paid ordinary Shares.
- (i) A summary of the key terms and conditions of the Incentive Options is set out in Section 10.1.

10.6 Recommendation

The Board (other than Dr Brooke) recommends that Shareholders vote in favour of Resolution 7.

The Board (other than Dr Macdonald) recommends that Shareholders vote in favour of Resolution 8.

The Board (other than Dr Maher) recommends that Shareholders vote in favour of Resolution 9.

The Board (other than Dr Washer) recommends that Shareholders vote in favour of Resolution 10.

The Board (other than Dr Wotton) recommends that Shareholders vote in favour of Resolution 11.

The Board unanimously recommends that Shareholders vote in favour of Resolution 12.

The Board is not aware of any other information that would reasonably be required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 7 through 12 (inclusive).

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 7 through 12 (inclusive). If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolutions 7 to 12, by appointing the Chairman as proxy, 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.

11. 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 2020.

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.

CEO means the person appointed to Chief Executive Officer.

Chair or 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.

EOAP has the meaning given in Section 10.1.

EOAP Rules means the rules of the EOAP.

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.

Incentive Option has the meaning given in Section 10.1.

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.

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

Placement has the meaning given in Section 7.1.

Proposed Constitution means the constitution being proposed under Resolution 6.

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

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 – Rule 6 of Proposed Constitution of Cynata Therapeutics Limited

6 Plebiscite to approve proportional takeover bids

6.1 Definitions

The meanings of the terms used in this rule 6 are set our below.

Defined term	Meaning
Approving Resolution	in relation to a Proportional Takeover Bid, a resolution to approve the Proportional Takeover Bid passed in accordance with rule 6.3.
Approving Resolution Deadline	in relation to a Proportional Takeover Bid, the day that is 14 days before the last day of the bid period and during which the offers under the Proportional Takeover Bid remain open or a later day allowed by the Australian Securities and Investments Commission.
Proportional Takeover Bid	a takeover bid that is made or purports to be made under section 618(1)(b) of the Act in respect of securities included in a class of securities in the company.
Relevant Class	in relation to a Proportional Takeover Bid, means the class of securities in the company in respect of which offers are made under the Proportional Takeover Bid.

6.2 Transfer not to be registered

Despite rules 5.1(c) and 5.2, a transfer giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover Bid must not be registered unless an Approving Resolution has been passed or is taken to have been passed in accordance with rule 6.3.

6.3 Approving Resolution

- (a) Where offers have been made under a Proportional Takeover Bid, the Board must:
 - convene a meeting of the persons entitled to vote on the Approving Resolution for the purpose of considering and, if thought fit, passing a resolution to approve the Proportional Takeover Bid; and
 - (ii) ensure that the resolution is voted on in accordance with this rule 6.3,

before the Approving Resolution Deadline.

- (b) The provisions of this constitution relating to general meetings apply (with any necessary changes) to a meeting that is convened under rule 6.3(a), as if that meeting were a general meeting of the company.
- (c) The bidder under a Proportional Takeover Bid and any associates of the bidder are not entitled to vote on the Approving Resolution and if they do vote, their votes must not be counted.
- (d) Subject to rule 6.3(c), a person who held securities of the relevant class as at the end of the day on which the first offer under the Proportional Takeover Bid was made is entitled to vote on the Approving Resolution.

- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If an Approving Resolution has not been voted on in accordance with this rule 6.3 as at the end of the day before the Approving Resolution Deadline, an Approving Resolution will be taken to have been passed in accordance with this rule 6.3 on the Approving Resolution Deadline.

6.4 Sunset

Rules 6.1, 6.2 and 6.3, cease to have effect at the end of 3 years beginning:

- (a) where those rules have not been renewed in accordance with the Act, on the date that those rules were adopted by the company; or
- (b) where those rules have been renewed in accordance with the Act, on the date those rules were last renewed.

Schedule 2 – Summary of EOAP

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

- 1. The Directors, at their discretion, may issue Incentive 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 EOAP 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 Incentive Options under the EOAP (Eligible Employees). The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.
- 3. The EOAP is administered by the Directors of the Company, who have the power to:
 - (a) determine appropriate procedures for administration of the EOAP consistent with its terms;
 - (b) resolve conclusively all questions of fact or interpretation in connection with the EOAP;
 - (c) delegate the exercise of any of its powers or discretions arising under the EOAP 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 EOAP.
- 4. Incentive Options must be granted for nil consideration.
- 5. The exercise price of the Incentive 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 Incentive 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:

$$S = O x (MSP - EP)$$

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 Incentive Options when aggregated with:
 - (a) the number of Shares in the same class issued during the previous 5 years under the EOAP (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 Incentive 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 Incentive 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 Incentive Options will vest and the percentage of Incentive Options issued which will vest at each particular time. The EOAP 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 EOAP.
- 11. Incentive 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 Incentive Options as soon as practicable after their Issue Date.
- 12. The Incentive 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.



Cynata Therapeutics Limited | ACN 104 037 372

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.30am (AEDT) on Sunday, 22 November 2020,** 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

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.

STEP 1 – APPOINT 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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

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

Joint holding: Where the holding is in more than one name, all 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.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/logi nsah

or scan the QR code below using your smartphone

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



BY MAIL:

Automic GPO Box 5193 Sydney NSW 2001

IN PERSON:

Automic Level 5, 126 Phillip Street Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE: +61 2 8583 3040

All enquiries to Automic: WEBCHAT: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

STEP 1 - How you wish to vote

APPOINT A PROXY:

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Cynata Therapeutics Limited, to be held virtually at **11.30am (AEDT) on Tuesday, 24 November 2020** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 7-12 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 7-12 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

VIRTUAL PARTICIPATION AT THE AGM:

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

- 1. Open your internet browser and go to investor.automic.com.au
- Login with your username and password or click "register" if you haven't already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting

Further information on how to do this is set out in the Notice of Meeting. The Explanatory Notes that accompany and form part of the Notice of Meeting describe the various matters to be considered.

STEP 2 – Your voting direction

Res	solutions	For	Against	Abstain	Resolutions	For	Against	Abstain		
1.	Adoption of Remuneration Report				7. Approval of issue of Incentive Options to Dr Geoff Brooke					
2.	Re-election of Dr Stewart Washer as a Director				8. Approval of issue of Incentive Options to Dr Ross Macdonald					
3.	Re-election of Dr Darryl Maher as a Director				9. Approval of issue of Incentive Options to Dr Darryl Maher					
4.	Ratification of issue of Shares under Placement – Listing Rule 7.1 capacitu				10. Approval of issue of Incentive Options to Dr Stewart Washer					
5.	Approval of 10% Placement Facility				11. Approval of issue of Incentive Options to Dr Paul Wotton					
6.	Replacement of the Company's Constitution				12. Approval of issue of Incentive Options to Peter Webse					
	Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.									

STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3	
Sole Director and Sole Company Secretary Contact Name:	Director	Director / Company Secretary	
Email Address:			
Contact Daytime Telephone		Date (DD/MM/YY)	
By providing your email address, you elect to receive	e all of your communications despatched by the (Company electronically (where legally permissible).	