

SALUDA MEDICAL, INC.

INSIDER TRADING COMPLIANCE POLICY

I. INTRODUCTION

Saluda Medical, Inc. (the “**Company**”) seeks to promote a culture that encourages ethical conduct and a commitment to compliance with the law. We require our personnel to comply at all times with all applicable laws and regulations governing insider trading. This policy sets forth procedures designed to help comply with these laws and regulations.

II. PERSONS COVERED

A. You must comply with this policy if you are:

- (1) a director, officer or employee of the Company or one of its subsidiaries (the “**Group**”);
- (2) a contractor of the Group; or
- (3) a family member, trust, partnership, body corporate, nominee or any other person, over whom a person listed in paragraphs II.A(1) or II.A(2) has, or may reasonably be expected to have, investment control or influence,

(each of the persons in paragraphs II.A(1), II.A(2) and II.A(3) together, “**Company Personnel**”).

B. There are additional trading restrictions on the following persons:

- (1) all directors and other key management personnel¹ of the Company;
- (2) any and all person designated by the board of directors of the Company (“**Board**”) from time to time; and
- (3) any family members, trusts, partnerships, bodies corporate, nominees and other persons, over whom a person listed in paragraphs II.B(1) or II.B(2) has, or may reasonably be expected to have, investment control or influence,

(together, the “**Designated Persons**” and each a “**Designated Person**”).

¹ In this policy, “key management personnel” has the meaning given in AASB 124 issued by the Australian Accounting Standards Board. As at the date of this policy, this means:

those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

III. SECURITIES COVERED BY THIS POLICY

A. This policy applies to trading in all securities of the Company, including (as applicable):

- (1) shares of stock (including but not limited to common or preferred stock);
- (2) CHESS Depositary Interests;
- (3) debentures (including bonds and notes);
- (4) options and warrants over unissued shares or debentures;
- (5) a renounceable or unrenounceable right to subscribe for shares or debentures;
- (6) interests in managed investment schemes, trusts and other financial products; and
- (7) derivative products issued over or in respect of any of the above (e.g. swaps, futures, hedges, and options) whether settled by cash or otherwise.

B. Trading in Company securities includes:

- (1) acquiring or disposing of Company securities on market or through an off market transaction;
- (2) acquiring or disposing of Company securities in connection with margin lending or any other security arrangement; and
- (3) security lending arrangements affecting Company securities.

IV. PROHIBITION ON INSIDER TRADING FOR ALL COMPANY PERSONNEL

A. Regulation

Trading of Company securities is governed by, amongst other things, the Australian Corporations Act 2001 (Cth) (“**Corporations Act**”), the Listing Rules of the Australian Securities Exchange (“**ASX**”), applicable U.S. securities laws and regulations, and other applicable securities laws. As the Company’s securities are traded on ASX, this policy focuses on Australian securities laws, however the securities trading laws of the jurisdiction in which the transaction occurs should also be considered.

B. General rules

The Corporations Act prohibits trading of inside information.

- (1) “**Inside information**” is information that:
 - (a) is not generally available; and
 - (b) if it were generally available, a reasonable person would expect it to have a material effect on the price or value of securities, or on a decision to buy or sell securities.

- (2) Company Personnel must not trade in Company securities when they possess inside information and they know or ought reasonably to know that:
 - (a) is information not generally available to the public; and
 - (b) if the information were generally available, it would be expected to have a material effect on the price or value of Company securities.
- (3) The prohibition also extends to the following activities:
 - (a) advising, procuring or encouraging another person to deal, or enter into an agreement to deal, in the Company's securities; and
 - (b) directly or indirectly communicating the information to another person who the Company Personnel believes is likely to deal in, or procure another person to deal in, those securities,

(together, the "***Additional Prohibited Activities***").
- (4) This prohibition applies at all times irrespective of:
 - (a) how Company Personnel learns of the information;
 - (b) whether the trading occurs outside of a Blackout Period (defined below); or
 - (c) whether the trading was approved with written clearance (whether in exceptional circumstances or otherwise).
- (5) Company Personnel should consider carefully whether they are in possession of "inside information" and, if they have any doubt, they should not trade or undertake any Additional Prohibited Activities.

To understand how these terms apply to specific circumstances, or for any other questions about this policy, you should ask the Company's Chief Legal Officer (the "***Chief Legal Officer***").

V. ADDITIONAL TRADING RESTRICTIONS FOR DESIGNATED PERSONS

A. Blackout Periods

In addition to the general trading restrictions set out in this policy that apply to all Company Personnel, trading in Company securities by Designated Persons will generally only be permitted outside of a Blackout Period after clearance is obtained, except as otherwise permitted by this policy.

Designated Persons are prohibited from trading in Company securities during the following periods:

- (1) from the date which is 30 days before the Company's half-year end until the date which is two trading days after the release of the Company's half-year financial results to the ASX;

- (2) from the date which is 30 days before the Company's year end until the date which is two trading days after the release of the Company's full-year financial results to the ASX; and
- (3) for so long as the Company is required to provide quarterly cash flow reports to the ASX, from the date that is two weeks before the end of the first and third quarters of a financial year until the date which is two trading days after the release of the cash flow report to the ASX.

(each of these periods being a "**Blackout Period**").

B. Additional Blackout Periods

From time to time, the Board may determine that additional Blackout Periods are appropriate for the purpose of this policy or determine that a period will not be a Blackout Period or vary the opening or closing date of any Blackout Period.

The [Chief Legal Officer] will notify the Designated Persons of the precise opening and closing date of each Blackout Period.

C. Trading Outside of Blackout Periods

Designated Persons must pre-clear each transaction in any security of the Company as follows:

- (1) for trading by directors and the Chief Executive Officer of the Company – from the Chair of the Board of the Company ("**Chair**");
- (2) for trading by the Chair – from the Board or a committee thereof; and
- (3) for trading by employees (who are not also directors) – from the [Chief Legal Officer] (or the Chief Financial Officer in the case of trading by the Chief Legal Officer).

Paragraphs (1), (2) and (3) of this subsection C of section V will be applied to Designated Persons described in paragraph II.B(3) of the definition in section II as though the Designated Person was the director, Chair or employee to whom the Designated Person is connected.

D. Written Clearance to Trade During a Blackout Period

Designated Persons may trade in Company securities during a Blackout Period with:

- (1) the prior written clearance of the Chair; or
- (2) if the Chair is absent or if the relevant trading is proposed to be undertaken by the Chair – the prior written clearance of the Board,

provided that at least one of the following exceptional circumstances applies:

- (1) the Designated Person is facing severe financial hardship (as determined by the relevant decision maker approving the clearance) and can only meet their financial commitments by selling their securities;
- (2) if the Designated Persons is required by a court order, a court enforceable undertaking (e.g. a bona fide family settlement), or some other overriding legal or regulatory requirement to transfer, or accept a transfer, of Company securities; or
- (3) such other exceptional circumstances as may from time to time be determined by the Chair or Board (as applicable) and which would not create a material risk of violating applicable securities laws.

E. Clearance Procedures

The person from whom the clearance is sought under subsections C or D of section V (“**Clearance Officer**”) may appoint a delegate (which must be the Board or a committee thereof, in the case of a delegation by the Chair) to act on his or her behalf in the case of a temporary absence.

The Designated Person seeking the clearance must give the Clearance Officer all information or certifications which the Clearance Officer may request for the purpose of determining whether to grant the clearance. In every case, the Designated Person must certify that they are not in possession of any inside information that might preclude them from trading at that time.

The clearance may be given or refused by the Clearance Officer in their discretion, with or without conditions, and with or without giving any reasons. A decision to refuse clearance is final and binding on the Designated Person, and the Designated Person must keep the decision and any reasons given confidential.

Where clearance is given, the relevant trading must occur within the seven days beginning on the day after the clearance. The clearance may however be withdrawn by the Board, Chair, Chief Legal Officer or Clearance Officer at their discretion before the relevant trading occurs (for instance, if new information comes to light or there is a change in circumstances).

Clearance to trade will not be granted if the Clearance Officer believes that the Company is likely in the short term to release a periodic financial report or other financial data, or make an announcement of market sensitive information under ASX Listing Rule 3.1.

Any written clearance provided to trade is not an endorsement of the proposed trade and the Designated Person is individually responsible for their investment decisions and their compliance with insider trading laws. If the Designated Person does come into possession of inside information after receiving a clearance to trade, they must not trade despite having the clearance.

VI. OTHER RESTRICTIONS

A. No Short-Term Trading in Company Securities

Designated Persons are encouraged to be long-term holders of Company securities. As speculation in short-term fluctuations in Company securities does not promote market or securityholder confidence in the integrity of Company, no Designated Person may trade in Company securities on a short-term basis or engage in short sales (i.e., sales of shares that you do not own at the time of sale). Short-term means less than three months.

B. No Hedging and Pledging

All Designated Persons who hold securities in the Company which are unvested or subject to escrow are prohibited from engaging in any conduct that seeks to secure the economic value attaching to the relevant securities and remove the element of price risk inherent in the value of those securities, while the securities remain unvested or subject to escrow.

Prohibited conduct includes writing forward contracts or put or call options over the underlying securities, trading in derivative products or entering into other arrangements intended to hedge a “profit” in those securities, a margin loan or similar funding arrangement or other financial transaction which can give rise to pledging, lending or using the securities as collateral.

After vesting and the cessation of any applicable escrow arrangements, a holder of the relevant securities may undertake any transaction of a type referred to in this paragraph provided they obtain written clearance in the manner described in subsections D and E of section V and comply with all applicable laws (including insider trading laws) and the other provisions of this policy (including with respect to when trading can occur) when undertaking any such transaction.

C. ASX Notification by Directors

Whilst the Company’s securities are included on the official list of the ASX, directors must notify the Company if there is a change in their security interests as soon as possible to enable the Company to comply with relevant timeframes under the ASX Listing Rules in relation to notification of changes to directors' relevant interests.

VII. GUIDELINES FOR DIRECTORS, OFFICERS AND EMPLOYEES OF THE GROUP

It is the responsibility of each director, officer and employee of the Group to ensure that they observe this policy and the prohibition on insider trading, and encourage and take all reasonable steps to ensure that any other Company Personnel related to them observes this policy and the prohibition on insider trading.

Where a director, officer or employee is unsure as to whether they are in possession of inside information they should discuss the matter with the Chief Legal Officer or his/her respective delegates.

VIII. SECURITIES OF OTHER COMPANIES

The prohibited insider trading under the Corporations Act also extends to trading in securities of other listed companies with which the Group may be dealing (including suppliers or

distributors or other commercial partners) where a director, officer or employee of the Group possesses inside information in relation to that other company.

That is, if Company Personnel are aware of information that is not generally available that may have a material effect on the price or value of another company's securities; they should not trade in the securities of that company.

IX. EXEMPT TRANSACTIONS

Subject to the insider trading provisions of the Corporations Act and any other relevant laws, Company Personnel may at any time (including during a Blackout Period):

- (1) transact directly with the Company;
- (2) acquire the Company's ordinary shares of common stock by conversion of securities giving a right of conversion to ordinary shares of common stock;
- (3) acquire Company securities under a bonus issue made to all holders of securities of the same class;
- (4) acquire Company securities under a dividend reinvestment plan, a rights issue or a share purchase plan that is available to all holders of securities of the same class;
- (5) dispose of rights acquired under a rights issue of a kind referred to in paragraph IX(4) above;
- (6) acquire or agree to acquire, options or other rights under a Company equity incentive plan;
- (7) transfer Company securities already held into a superannuation fund or other saving scheme;
- (8) invest in, or trade units of, a fund or other scheme where the assets of the fund or other scheme are invested at the discretion of a third party provided that the relevant Company Personnel does not hold more than 5% of the economic value of that fund or other scheme;
- (9) accept a takeover offer or an equal access buy-back;
- (10) effect transactions relating to equity incentive awards without any open-market sale of securities (e.g., cash exercises of stock options or the "net settlement" of restricted stock units but not broker-assisted cashless exercises or open-market sales to cover taxes upon the vesting of restricted stock units);
- (11) effect "sell-to-cover" transactions pursuant to a non-discretionary policy adopted by the Company that is intended to facilitate the payment of withholding taxes associated with vesting of equity awards (other than stock options); or

- (12) effect transactions under a trading plan which satisfied the conditions of Rule 10b5-1 of the United States Securities Exchange Act of 1934, as amended which has been approved by the Board.

X. PENALTIES

Insider trading is a criminal offence under the Corporations Act, punishable by substantial fines or imprisonment or both. Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties, and order compensation paid to persons suffering related loss or damage.

In addition, breaches of this policy will be regarded as serious misconduct and may be subject to disciplinary action, which may include termination of employment.

XI. POST-TERMINATION TRANSACTIONS

If you possess inside information when your employment by or service to the Company terminates, the insider trading provisions of the Corporations Act and general trading restrictions set out in this policy continue to apply.

XII. POLICY ADMINISTRATION

The Chief Legal Officer has authority to interpret, amend and implement this policy. This authority includes interpreting or waiving the terms of the policy, to the extent consistent with its general purpose and applicable securities laws. The Company's Chief Financial Officer will administer the policy as it applies to any trading activity by the Chief Legal Officer.

XIII. CERTIFICATION OF COMPLIANCE

You may be asked periodically to certify your compliance with the terms and provisions of this policy.