

Lisata Therapeutics, Inc. (“Lisata” or the “Company”) takes seriously any actual or potential Financial Conflict of Interest (“FCOI”) that could affect the integrity of any Research funded under a Public Health Service (“PHS”) grant, cooperative agreement, or contract. As a result, and in compliance with federal laws and regulations, an Investigator conducting Research on behalf of Lisata shall not participate in any PHS-funded research if he or she has a significant financial interest that may influence the design, conduct or reporting of such research activity(ies). Lisata will take immediate action under this policy to manage, reduce or eliminate any such FCOI brought to its attention.

As set forth herein, all PHS-funded research undertaken at Lisata shall be conducted in full compliance with this policy and under all applicable federal and state laws to promote transparency as to any FCOI in research, including, without limitation, [Title 42 Code of Federal Regulations \(CFR\) Part 50 Subpart F](#) pertaining to grants and cooperative agreements and [Title 45 CFR Part 94](#) pertaining to research contracts (collectively, “FCOI Regulations”). Investigators failing to comply with all FCOI Regulations shall be subject to sanctions, up to and including termination of employment or removal from the grant research project.

The Department of Health and Human Services (“HHS”) published new FCOI Regulations that took effect on August 24, 2012. Parties interested in information concerning Investigators working on PHS-funded research can access such information through Lisata’s website and is set forth within this electronic version of the policy under “Disclosure of Investigator’s Financial Interest.” The required information will be collected pursuant to the FCOI Regulations and recorded on the [Lisata Financial Conflict of Interest Disclosure Form](#) (“Lisata Disclosure Form”).

Lisata’s employees and scientists may collaborate with universities, research groups or government institutions to develop scientific and medical breakthroughs or to provide expertise. To assure professional and commercial integrity in such matters, Lisata reviews these collaborations and, when appropriate, puts measures in place to eliminate, minimize, and manage any FCOI that may arise.

[Definition of Terms of FCOI Policy:](#)

Designated Official(s): means a person designated by Lisata to determine whether an Investigator’s Significant Financial Interest is related to PHS-funded research, and if related, whether the Significant Financial Interest is a Financial Conflict of Interest.

Financial Conflict of Interest (FCOI): means a Significant Financial Interest that could directly and significantly affect the design, conduct, or reporting of PHS-funded research.

Financial Interest: means any interest of economic value in or relationship with an entity, whether private or public, including, but not limited to, ownership of stocks, bonds, stock options, partnership or other equity interests, rights to patent or royalty payments, receipt of consulting fees, speaking fees, salary, loans, gifts, lectureship fees, compensation for serving on boards of directors, scientific and other advisory boards, reimbursed or sponsored travel

expenses related to Investigator's Company Responsibilities, or other forms of honoraria and remuneration.

Immediate Family or Dependents: means a (i) spouse; (ii) child; or (iii) any other person residing in the same household as the Investigator who is a dependent of the Investigator or of whom the Investigator is a dependent.

Investigator: means any individual responsible for the design, conduct, or reporting of Research funded by the PHS. This includes the Principal Investigator (PI) or project director (PD), and any other individual, regardless of title or position, who is responsible for the design, conduct, or reporting of research funded by PHS, or proposed for such funding, which may include collaborators, consultants, and/or subcontractors,

Institutional Official (IO). means an official designated by Company to solicit and review completed SFI Disclosure Forms from each Investigator who is planning to participate in, or who is participating in, PHS-funded Research and to determine whether any reported SFI is an FCOI. References to the IO in this document include his/her delegate.

Manage: means taking action to address a financial conflict of interest, which can include reducing or eliminating the financial conflict of interest, to ensure, to the extent possible, that the design, conduct, and reporting of research will be free from bias.

Management Plan: means a written plan for the management, reduction, or elimination of a FCOI relating to PHS-funded Research.

Lisata's Responsibilities: means an Investigator's professional responsibilities on behalf of the Company, including, but not limited to, activities such as research, research consultation, teaching, professional practice, committee memberships, and service on panels such as Institutional Review Boards or Data and Safety Monitoring Boards.

PHS: means the Public Health Service of the U.S. Department of Health and Human Services, and any components of the PHS to which the authority involved may be delegated, including the National Institutes of Health.

PHS Awarding Component: means the organizational unit of the Public Health Service (PHS) that funds the research that is subject to the FCOI Regulations.

Research: means a systematic investigation, study or experiment designed to develop or contribute to generalizable knowledge relating broadly to public health. The term encompasses basic and applied research and product development. This term includes any such activity for which research funding is available from a PHS Awarding Component through a contract, grant, or cooperative agreement.

Senior or Key Personnel: means the Project Director or Principal Investigator and any other person identified as Senior or Key Personnel in a Lisata grant application, grant proposal, progress report, contract proposal, contract, or other report submitted to the PHS.

Significant Financial Interest (SFI): means an Investigator's Financial Interest consisting of one or more of the following interests of the Investigator (and those of his or her Immediate Family or Dependents) that reasonably appears to be related to Lisata Responsibilities including:

1. Any interest of the Investigator, his/her spouse, and dependent children that reasonably appears to be related to the Investigator's Institutional Responsibilities, including, but not limited to, one or more of the following:
 - a. With regard to any publicly traded entity, a SFI exists if the value of any remuneration received from the entity in the twelve (12) months preceding the disclosure and the value of any equity interest in the entity as of the date of disclosure, when aggregated, exceeds five thousand dollars (\$5,000). For purposes of this definition, remuneration includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship) and equity interest includes any stock, stock option, or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value;
 - b. With regard to any non-publicly traded entity, a SFI exists if the value of any remuneration received from the entity in the twelve (12) months preceding the disclosure, when aggregated, exceeds five thousand dollars (\$5,000), or when the Investigator (or the Investigator's spouse or dependent children) holds any equity interest (e.g., stock, stock option, or other ownership interest); or
 - c. Intellectual property rights and interests (e.g., patents, copyrights), upon receipt of income related to such rights and interests in excess of five thousand dollars (\$5,000).
2. Investigators also must disclose the occurrence of any reimbursed or sponsored travel in excess of five thousand dollars (\$5,000) received in the preceding twelve (12) months related to their Institutional Responsibilities; provided, however, that this disclosure requirement does not apply to travel that is reimbursed or sponsored by a Federal, state, or local government agency located in the United States, a United States Institution of higher education as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with a United States Institution of higher education. Reimbursed or sponsored travel from a foreign government, which includes local, provincial, or equivalent governments of another country or foreign institutions of higher education must be disclosed when such income is greater than five thousand dollars (\$5,000). Disclosures will include, at a minimum, the purpose of the trip, the identity of the sponsor/organizer, the destination, and the duration.

A Significant Financial Interest *does not* include any of the following:

Salary, royalties, or other remuneration paid by Company to the Investigator if the Investigator is currently employed or otherwise appointed by Company, including intellectual property rights assigned to Company and agreements to share in royalties related to such rights; any ownership interest in the Company held by the Investigator, income from investment vehicles, such as mutual funds and retirement accounts, provided the Investigator does not directly control the investment decisions made in these vehicles; income from seminars, lectures, or teaching engagements sponsored by a Federal, state, or local government agency located in

the United States, a United States Institution of higher education as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with a United States Institution of higher education; or income from service on advisory committees or review panels for a Federal, state, or local government agency located in the United States, a United States Institution of higher education as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with a United States Institution of higher education. Income from seminars, lectures, or teaching engagements and from service on advisory committees or review panels received from a foreign government, which includes local, provincial, or equivalent governments of another country or foreign institutions of higher education must be disclosed when such income meets the threshold for disclosure (e.g., income more than \$5,000).

Subrecipient: means an individual or entity receiving federal funds that have come from or through Lisata to conduct a substantive portion of the PHS-funded research and is accountable to Lisata for programmatic outcomes and compliance matters.

Training on Lisata's FCOI Policy

Each Investigator who plans to participate in- or is participating in PHS-funded research must be informed of Company's FCOI policy, the Federal regulation 42 CFR Part 50 Subpart F, and the Investigator's responsibility to disclose significant financial interests. Investigators must read and review the Company FCOI policy and complete FCOI training prior to engaging in PHS-funded research. Acceptable forms of training include, but are not limited to, the NIH Office of Extramural Research FCOI online tutorial (available here: grants.nih.gov/grants/policy/coi/tutorial2011/fcoi.htm), the Collaborative Institutional Training Initiative (CITI) FCOI course, or other accredited training courses. Additionally, Investigators must repeat the training at least every four (4) years and must immediately complete training under the following circumstances:

- Company's FCOI policy is revised
- An Investigator is new to Company; or
- Company determines that an Investigator is not in compliance with Company's FCOI policy or management plan.

The FCOI Policy has been added to the Company's website and a written copy will be provided to each Investigator. The IO shall provide training certification forms to the Investigators. Investigators shall sign and submit these forms to the IO within five (5) business days of completing the required training.

Disclosure of Investigator's Financial Interests

It is each Investigator's responsibility to disclose all his or her (including Immediate Family and Dependents) Financial Interests as set forth herein. All such Significant Financial Interests can be submitted on [Lisata Financial Conflict of Interest Disclosure Form](#).

Reporting Prior to Making a Research Submission

Prior to the submission of an application or proposal for PHS-funded Research, each Investigator must submit any Significant Financial Interest over the previous twelve-month period as well as Immediate Family and Dependents, that reasonably appear to be related to the Investigator's institutional responsibilities. Such Significant Financial Interest may include remuneration from any publicly traded or non-publicly traded company, and any reimbursed or sponsored travel in the preceding twelve (12) months. Lisata will not expend any funds under a PHS-funded research project in the event an Investigator reports a Significant Financial Interest, without first providing a FCOI report to the PHS Awarding Component outlining Lisata implementation of a Management Plan for the Investigator with a Significant Financial Interest. However, if Lisata eliminates the conflict of interest prior to the expenditure of PHS-awarded funds, an FCOI report will not be submitted.

Reporting an After-Acquired Financial Interest

Lisata shall submit a [Lisata Financial Conflict of Interest Disclosure Form](#) identifying any new or increased Significant Financial Interest within sixty (60) days of acquiring such Financial Interest. These reports shall be submitted to Lisata's Designated Official in accordance with the reporting instructions set forth below.

Reporting Annually on Financial Interests

Lisata shall submit annually a [Lisata Financial Conflict of Interest Disclosure Form](#) during the period of the applicable PHS-funded Research program. Annual reporting shall include submission of any new significant financial interests. These reports shall be submitted to Lisata's Designated Official via email as instructed on the form.

Designated Official(s) Review of Disclosure Forms

If any Financial Interests are disclosed on the [Lisata Financial Conflict of Interest Disclosure Form](#), Lisata's Designated Official will forward each such form and any supporting materials to Lisata Legal for further review. A member of Lisata Legal will then contact the Investigator for any additional information and documentation necessary to complete the review. Reviews will be completed by the Senior Management Team within forty-five (45) days of receipt of the Investigator's disclosure form and any necessary supporting documentation. The review must be completed before any expenses are incurred under an award and before any research can begin. An Investigator shall not conduct Research for any PHS-funded project if he or she receives notification from Lisata's General Counsel that the Designated Official has not approved such participation.

Standards for Approval for Financial Disclosures

Proposed Research will only be approved if the Designated Official(s) determines that 1) no FCOI exists or that 2) an adequate Management Plan can be implemented to manage or eliminate a Financial Conflict of Interest.

Management Plan for Financial Conflicts of Interest

The Designated Official shall determine the terms, conditions and restrictions, if any, that are required as part of a Management Plan. The Designated Official will convey the Management Plan in writing to the persons deemed appropriate.

The Management Plan will address, at a minimum:

- The role and principal duties of the conflicted Investigator in the research project
- Conditions of the Management Plan
- How the Management Plan is designed to safeguard objectivity in the research project
- Confirmation of the Investigator's agreement to the Management Plan.
- Monitoring compliance with the Management Plan

The Management Plan may require that one or more of the following actions are taken in order to manage, reduce, or eliminate a potential FCOI that was not managed or prior disclosed by Lisata:

- Disclosure of the Financial Conflict of Interest, in each public presentation of the results of the Research and to request an addendum to previously published presentations;
- Monitoring of PHS-funded Research by independent researchers and/or reviewers, disinterested individuals or committees;
- Disqualification from participation in all or a portion of the PHS-funded Research;
- Requiring that Significant Financial Interests be divested, restructured, or placed in blind trust;
- Modification or severance of relationships that create a potential FCOI;
- Changing terms of agreement relating to the PHS-funded Research;
- Requiring that Investigator participation in the recruitment or consent of subjects in human subjects PHS-funded Research be prohibited or restricted;
- Requiring additional disclosures or actions; or
- Requiring non-participation in any business transactions between Lisata and parties to agreements involving sponsored PHS-funded Research.

Retrospective Review

Whenever an FCOI is not identified, disclosed or managed in a timely manner or an Investigator fails to comply with a FCOI management plan, Company has additional review and reporting obligations. If in these situations Company determines that an SFI constitutes an FCOI, Company's IO will then, within one hundred and twenty (120) days of Company's determination of such noncompliance, complete a retrospective review of the Investigator's activities and the PHS-funded Research project to determine whether any PHS-funded Research, or portion thereof, conducted during the time period of such noncompliance, was biased in the design, conduct, or reporting of such Research. Company is required to document the retrospective review. Documentation shall include all of the following key elements:

- Project number;

- Project title;
- PI or contact PI if a multiple PI model is used;
- Name of the Investigator with the FCOI;
- Name of the entity with which the Investigator has an FCOI;
- Reason(s) for the retrospective review;
- Detailed methodology used for the retrospective review (e.g., methodology of the review process, composition of the review panel, documents reviewed);
- Findings of the review; and
- Conclusions of the review.

As necessary, based on the results of the retrospective review, Company will update the previously submitted FCOI report, specifying the actions that will be taken to manage the FCOI going forward. If bias is found, Company will notify the PHS Awarding Component promptly and submit a mitigation report to the PHS Awarding Component. Minimally, the mitigation report must include the key elements documented in the retrospective review, a description of the impact of the bias on the Research project, (e.g., impact on the Research project; extent of harm done, including any qualitative and quantitative data to support any actual or future harm; analysis of whether the Research project is salvageable) and the Company's plan of action or actions taken to eliminate or mitigate the effect of the bias, including disclosure of the FCOI in public presentations of the results of the research and requesting an addendum to previously published presentations. Thereafter, the Company will submit FCOI reports annually. Depending on the nature of the FCOI, Company may determine that additional interim measures are necessary with regard to the Investigator's participation in the PHS-funded Research project between the date that the FCOI or the Investigator's noncompliance is determined and the completion of Company's retrospective review.

In the case where a PHS-funded project includes clinical research with the purpose to evaluate the safety or effectiveness of Company's medical device or treatment and said PHS-funded project was designed, conducted, or reported by an Investigator with an FCOI that was not managed or reported by the company as required by 42 CFR 50.606(c), Company will require the Investigator involved to disclose the FCOI in each public presentation of the results of the research, and to request an addendum to previously published presentations.

Summary Disposition Procedures

The Designated Official may implement procedures for the disposition of matters involving compliance with this policy that it deems reasonable and appropriate. These procedures may include written approvals for annual reports, renewals, and no-cost extensions where the Designated reasonably determines that the facts and circumstances pertaining to the matter being approved have not materially changed since the date of the original review and approval. All such summary approvals shall be in writing.

Public Disclosure for FCOIs Managed by Lisata, related to PHS-Funded Research

Investigator FCOIs managed by Lisata will be made available within this section of Lisata's publicly accessible website to ensure public accessibility of information concerning any Significant Financial Interest disclosed to Lisata that meets the following three criteria: 1) the Significant Financial Interest was disclosed and is still held by the Senior or Key Personnel; 2) Lisata determines that the Significant Financial Interest is related to the PHS-funded research; and 3) Lisata determines that the Significant Financial Interest is a FCOI. Such Significant Interest will remain disclosed on Lisata's website for the period during which the research is ongoing, in situations where a conflict exists, but not less than three (3) years from the date that the information was most recently updated.

Sanctions and Remedies for Violation of Lisata's FCOI Policy

Whenever an Investigator has violated this policy, including failure to make a required disclosure of Significant Financial Interests or failure to comply with the requirements of any Management Plan, the Designated Official shall be responsible for enforcing this policy, and shall take reasonable steps to respond appropriately to violations, including, but not limited to: 1) suspending expenditures on applicable Research account; 2) administratively suspending approval; and 3) instituting disciplinary measures to include suspension or termination of such Investigator.

Subcontractors/Consultants

Subcontractors/consultants who perform services within the definition of an Investigator must certify in their proposal that they are free of FCOIs and maintain a policy that complies with the aforementioned regulatory requirements or comply with this Policy. All applicable subcontract/consulting agreements must contain a clause that requires compliance with the applicable federal regulations either through a policy maintained by the subcontractor/consultant or this Policy. Examples of appropriate clauses are shown below.

Financial Conflicts of interest – Compliance with Subcontractor's Policy

Subcontractor, its employees and agents agree to comply with the applicable requirements of Subpart F of 42 CFR Part 50 or 45 CFR Part 94. Subcontractor certifies that it maintains a policy that requires compliance with these requirements. Subcontractor shall report all identified financial conflicts of interests to Company within five (5) business days of discovering the conflict and submit with this report a mitigation plan for Company's review and approval. Company is under no obligation to approve a mitigation plan. Company reserves the right to terminate this Agreement or require removal of Subcontractor's employee or lower tier subcontractor as a result of Subcontractor, its employee, or lower tier subcontractor's financial conflict of interest. Subcontractor must include this clause in its agreements

with any applicable lower tier subcontractors or consultants. Failure to comply with these requirements is a material breach of this Agreement.

Financial Conflicts of interest – Compliance with Company’s Policy

Subcontractor, its employees and agents agree to comply with the applicable requirements of Subpart F of 42 CFR Part 50 or 45 CFR Part 94. Subcontractor agrees to comply with Company’s Policy on Financial Conflicts of Interest in Public Health Service Funded Research. Subcontractor shall report all identified financial conflicts of interests to Company within five (5) business days of discovering the conflict and submit with this report a mitigation plan for Company’s review and approval. Company is under no obligation to approve a mitigation plan. Company reserves the right to terminate this Agreement or require removal of Subcontractor’s employee or lower tier subcontractor as a result of Subcontractor, its employee, or lower tier subcontractor’s financial conflict of interest. Subcontractor must include this clause in its agreements with any applicable lower tier subcontractors or consultants. Failure to comply with these requirements is a material breach of this Agreement.

Public Accessibility

As required by the PHS FCOI regulations, this policy is publicly available on our website at www.lisata.com.

Prior to Company’s expenditure of any funds under a PHS-funded Research project, Company must ensure the public accessibility, via written response to any requestor within five (5) business days of receipt, of information concerning any SFI disclosed to Company that is (a) held by Senior/Key Staff performing services for the project, (b) related to the PHS-funded research, and (c) determined by Company to be a FCOI. The FCOI information that shall be provided in response to such requests is set forth below:

- 1) Investigator’s name;
- 2) Investigator’s title and role with respect to the research project;
- 3) Name of the entity in which the SFI is held;
- 4) Nature of the SFI; and
- 5) Approximate dollar value of the SFI (dollar ranges are permissible: \$0-\$4,999; \$5,000-\$9,999; \$10,000-\$19,999; amounts between \$20,000-\$100,000 by increments of \$20,000; amounts above \$100,000 by increments of \$50,000), or a statement that the interest is one whose value cannot be readily determined through references to public prices or other reasonable measures of fair market value.

Written responses to requests shall include a note that the information provided is current as of the date of the correspondence and is subject to updates, on at least an annual basis and within sixty (60) days of the Company’s identification of a new financial conflict of interest, which should be requested subsequently by the requestor.

Information provided in response to such requests shall remain available for at least three (3) years from the date that the information was most recently updated.

The IO will consult with outside legal counsel concerning responses to requests for such information.

Reporting to PHS Awarding Component

Lisata shall be responsible for reporting to the applicable PHS Awarding Component all Significant Financial Interests in accordance with federal requirements. Lisata will promptly notify the applicable PHS Awarding Component in accordance with federal regulations if bias is found with the design, conduct, or reporting of any Research. This report will address the impact of the bias of the Research and the actions Lisata has taken, or will take, to eliminate or mitigate the bias.

Record Retention of Financial Conflict of Interest Disclosure Forms

Records of and related to Significant Financial Interest disclosures shall be retained by Lisata for no less than three (3) years after the termination or completion of the PHS-funded research to which they relate or from the date the final expenditure report is submitted to the PHS Awarding Component, whichever is later.