

CYNAPSUS THERAPEUTICS INC.
(the “Corporation”)

SECURITIES TRADING AND REPORTING GUIDELINES

ARTICLE 1 - OBJECTIVES

1.1 The purpose of these Securities Trading and Reporting Guidelines (this “Policy”) is to ensure (a) compliance with applicable Canadian and United States securities laws governing trading in securities of the Corporation while in possession of material non-public information concerning the Corporation; (b) tipping or disclosing material non-public information to outsiders; (c) reporting the trades of insiders in the securities of the Corporation and any change in their status; and (d) avoiding the appearance of improper trading or tipping.

1.2 In conjunction with regulatory requirements, it is the policy of the Corporation that, once a person becomes an insider (as described below), his or her security holdings in the Corporation, and any change therein, must be reported to the appropriate securities commissions. The responsibility for compliance with insider reporting obligations rests with the insiders and not with the Corporation. However, the Corporation has an interest in monitoring the holdings of its insiders and ensuring that their holdings are accurately reported, as the identity of insiders and the size of their holdings may be relevant in determining whether the Corporation is permitted, under applicable securities laws and stock exchange rules, including the rules of the NASDAQ Stock Market LLC (“NASDAQ”), to undertake certain types of transactions.

ARTICLE 2 - SCOPE

2.1 This Policy covers all officers and Directors of the Corporation and all employees and consultants of the Corporation and its subsidiaries. Each officer, Director, employee and consultant covered by this Policy is responsible for making sure he or she complies with the Policy, and that any family member, household member or entity whose transactions are subject to this Policy, as discussed herein, also comply with this Policy.

2.2 This Policy applies to any transactions in any securities of the Corporation, including, but not limited to, common shares, debentures, options or other securities exchangeable or exercisable into common shares, as well as exchange-traded options or other derivative securities that are not issued by the Corporation but are based on securities of the Corporation.

2.3 This Policy applies not only to the securities of the Corporation which a Director, officer, employee or consultant owns, but also those over which control or direction is exercised (for example as a trustee or executor of an estate) and also to the securities of the Corporation that are indirectly owned (for example by a corporation controlled by a Director, officer, employee or consultant or by an immediate family member of a Director, officer, employee or consultant).

2.4 This Policy applies not only during the course of a Director's, officer's, employee's or consultant's service to the Corporation, but also after the completion of such employment and/or service to the extent the relevant person possesses material non-public information at the time such service is completed.

ARTICLE 3 - INSIDERS

3.1 The Directors and officers of the Corporation and its subsidiaries and others who are considered to be insiders of the Corporation pursuant to applicable securities laws and as such are subject to a higher standard of scrutiny and disclosure requirements than other people who may trade in securities of the Corporation. Insiders should contact the Chief Executive Officer ("CEO") or the Chief Financial Officer ("CFO") of the Corporation when considering a transaction in securities of the Corporation to ensure that there is no material non-public information which has not been widely disseminated.

ARTICLE 4 - REPORTING BY INSIDERS

4.1 Initial Reports

An initial report must be filed within ten date of the date on which a person or corporation becomes an insider. An initial report is not required, however, when a person becomes an insider if he or she has no direct or indirect beneficial ownership, control or direction over securities of the Corporation.

4.2 Changes in Beneficial Ownership

A person or corporation who is an insider must report any changes in his or her direct or indirect beneficial ownership of, or control over, securities of the Corporation within ten days of the date such change takes place.

4.3 Stock Options

A person or corporation who is an insider is reminded that the grant of an option, or the exercise of an option, gives rise to reporting obligations and an insider report must be filed with respect to these matters within ten days of the date such transaction takes place.

4.4 Filing

A person or corporation who is an insider is required to use the System for Electronic Disclosure by Insiders ("SEDI") for reporting insider trades. Reporting through SEDI can be completed by insiders themselves through the internet or through an agent. Insiders are referred to the internet website for SEDI at www.sedi.ca. As well insiders are encouraged to contact the CEO or the CFO with respect to any questions about filing through the SEDI system.

ARTICLE 5 - DEFINITION OF MATERIAL NON-PUBLIC INFORMATION AND NON-PUBLIC INFORMATION

5.1 Material Information

Securities legislation and this Policy make frequent reference to material information. In this Policy, material information is any information relating to the business and affairs of the Corporation that results in, or would reasonably be expected to affect the investment decisions of a reasonable holder of securities of the Corporation or an investor or if the information would reasonably be expected to affect, positively or negatively, the market price or value of any of the securities of the Corporation. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material include, but are not limited to:

- (a) a potential business acquisition;
- (b) important business or regulatory developments;
- (c) changes in management;
- (d) pending or threatened significant litigation or the resolution of such litigation;
- (e) the acquisition or loss of a major customer or supplier; or
- (f) internal information about revenues, earnings, prospects or other aspects of financial performance that departs from what the market would expect based upon prior disclosure.

5.2 Non-Public Information

Material information is 'non-public' if it has not been generally disclosed. Information is considered to have been generally disclosed if: (i) the information has been disseminated in a manner calculated to effectively reach the marketplace, and (ii) public investors have been given a reasonable amount of time to analyze the information. For the purposes of this Policy, information will be considered public, i.e. no longer non-public, after information has been generally disclosed by means of a broadly disseminated press release and the trading has closed on the first full trading day following such press release.

If you are unsure whether the information that you possess is material or non-public, the CEO or the CFO of the Corporation should be consulted before trading in any securities of the Corporation. However, in all cases, the responsibility for determining whether an individual is in possession of material non-public information rests with the individual, and any action on the part of the Corporation, the CEO, the CFO or any other employee or Director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws.

ARTICLE 6 - STATEMENT OF POLICY AND PROCEDURES

6.1 Prohibited Activities

(a) Except as otherwise specified in this Policy, no insider, employee or consultant may trade in securities of the Corporation while in possession of material non-public information concerning the Corporation.

(b) No insider, employee or consultant may trade in securities of the Corporation outside of the ‘trading windows’ described in Section 6.2 of this Policy, or during any designated special trading blackout periods.

(c) No insider, employee or consultant may trade in securities of the Corporation during any trading blackout period imposed on employees and consultants of the Corporation generally, including as further discussed in Section 6.2 of this Policy.

(d) No insider, employee or consultant may trade in puts, calls, short sales or other types of derivatives or hedging transactions relation to the future prices of the securities of the Corporation.

(e) No insider, employee or consultant may disclose material non-public information concerning the Corporation to any outside person (including family members, analysts, individual investors and members of the investment community and news media) unless such disclosure is necessary in the course of business and in accordance with the Corporation’s Communications, Corporate Disclosure and Confidentiality Policy. In any instance where such information is disclosed to outsiders, the outsider must be advised that they must not disclose the information to anyone else, other than in the necessary course of business, and they may not trade in securities of the Corporation until the information has been generally disclosed.

(f) No insider, employee or consultant may give trading advice of any kind relating to securities of the Corporation to anyone while possessing material non-public information about the Corporation, except that insiders, employees and consultants should advise others not to trade securities of the Corporation if such trade might violate the law or this Policy.

(g) No insider, employee or consultant may (i) trade in securities of any other public company, trust, partnership or other entity (a “company”) while possessing material non-public information concerning that company; (ii) ‘tip’ or disclose material non-public information concerning any company to anyone; or (iii) give trading advice of any kind to anyone concerning any other company while possessing material non-public information about that accompany that such insider, employee or consultant learned in the course of service to the Corporation.

(h) In order to avoid possible inadvertent conflict with this Policy, it is recommended that, outside of any stock option plans, no insider leave with a broker any outstanding sell or purchase orders.

6.2 Trading Windows and Blackout Periods

(a) Definition of Blackout Period and Trading Window

A “blackout period” for the purposes of the Corporation shall consist of the period commencing on the [10th] day before the end of the last month of any financial quarter to and including the end of business on the second full business day following disclosure of the Corporation’s financial results of the quarter. For greater certainty, a “blackout period” also includes any time where an insider, employee or consultant is restricted by the terms of this Policy or applicable

securities law from trading in securities of the Corporation. Alternatively, a “trading window” is the period of time between blackout periods where an insider, employee or consultant is not restricted by the terms of this Policy or applicable securities laws from trading in the securities of the Corporation.

(b) Designation of Blackout Periods

The Corporation will use reasonable efforts to notify insiders, employees and consultants by email when a general blackout period is in effect. However, it is the obligation of every insider, employee and consultant to ensure, prior to effecting a trade, that a blackout period is not in effect or such person is not otherwise restricted from trading in the securities of the Corporation. In the event that an insider, employee or consultant is unsure whether they may trade in securities of the Corporation, they should contact the CEO or the CFO of the Corporation to determine if a general blackout period is in effect or if the insider, employee or consultant is in possession of material non-public information.

(c) Trading Windows for Employees and Consultants

All other employees and consultants who are not insiders may trade in securities of the Corporation at any time, provided they are not in possession of material non-public information and no blackout period applicable to such employee or consultant is in place.

(d) Trading Prohibitions

No insider, employee or consultant possessing material non-public information concerning the Corporation may trade in the securities of the Corporation even during applicable trading windows. Persons possessing such information may trade during a trading window only after the close of trading on the next full trading day following the widespread public release of such information.

No insider, employee or consultant may trade in the securities of the Corporation outside of applicable trading windows or during any designated blackout periods. No insider, employee or consultant may disclose to any outside third party that a special blackout period has been designated.

6.3 Rule 10b5-1 Plans

Rule 10b5-1 under the United States Securities Exchange Act of 1934, as amended, provides a defense from insider trading liability under Rule 10b-5 of the Act. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for transactions in the securities of the Corporation that meet certain conditions specified in the Rule (a “Rule 10b5-1 Plan”). If the plan meets the requirements of Rule 10b5-1, the securities of the Corporation may be purchased or sold without regard to certain insider trading restrictions. To comply with this Policy, a Rule 10b5-1 must be approved by the Corporation and meet the requirements of Rule 10b5-1. In general, a Rule 10b5-1 Plan must be entered into at a time when the person entering into the plan is not aware of material non-public information. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the

amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party. Any Rule 10b5-1 Plan must be submitted for approval at least five days prior to the entry into the Rule 10b5-1 Plan. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required.

6.4 Priority of Statutory or Regulatory Trading Restrictions

The trading prohibitions and restrictions set forth in this Policy will be superseded by any greater prohibition or restrictions prescribed by applicable securities laws and regulations.

ARTICLE 7 - ENFORCEMENT

The consequences of prohibited insider trading or tipping can be severe. Below are the certain of the penalties under Canadian and United States securities legislation for insider trading.

7.1 Penalties Under Canadian Securities Laws

Under Canadian securities laws, persons violating insider trading or tipping rules may be required to disgorge the profit made or the loss avoided by trading, pay the loss suffered by the persons who purchased securities from or sold securities to the insider tippee, pay fines up to the greater of \$1,000,000 and three times the profit made or loss avoided, pay administrative penalties of up to \$500,000 and serve a jail term of up to five years less a day. The Corporation may also be required to pay penalties and could, under certain circumstances, be subject to private lawsuits by traders for damages suffered as a result of illegal insider trading or tipping by persons under the Corporation's control.

7.2 Penalties Under United States Securities Laws

Under United States securities laws, insider trading or tipping is a crime punishable by fines up to \$1,000,000 and ten years in jail for individuals. In addition, the United States Securities and Exchange Commission may seek to impose on the violator a civil penalty of up to three times the profits made or losses avoided from the trading. Violators must also disgorge any profits made and are often subject to an injunction against future violations. Finally, under some circumstances violators may be subjected to civil liability in private lawsuits. The Corporation may also be required to pay penalties and could, under certain circumstances, be subject to private lawsuits by traders for damages suffered as a result of illegal insider trading or tipping by persons under the Corporation's control.

7.3 Discipline of Insider, Employee or Consultant by the Corporation

Violation of this Policy or applicable securities laws and regulations, including the rules of NASDAQ, by any insider, employee or consultant may subject such person to disciplinary action up to and including termination for cause in the case of an insider or employee or termination of the consulting contract in the case of a consultant.

If it is discovered that anyone subject to these policies has violated applicable securities laws, the matter may be referred to the appropriate regulatory authorities.

ARTICLE 8 – CERTIFICATION

8.1 This Policy was duly approved on May 13, 2015 by the Board of Directors of the Corporation, and made effective on June 18, 2015.