

ZELIRA THERAPUTICS LIMITED

Corporate Governance Policies

Anti-Bribery and Corruption Policy

**Adopted by the Board on 21 July
2020**

1. Anti-Bribery and Corruption

Zelira Therapeutics Limited (the **Company**) conducts business in an honest and ethical manner and takes a zero-tolerance approach to bribery and corruption.

The offering of bribes or any other improper payment or benefit to public officials is a serious criminal offence and can damage the reputation and community standing of the Company.

The Company expects its directors, senior executives, Key Management Personnel, officers and employees (**Personnel**), along with its distributors and representatives (including agents, consultants and contractors) (together, **Business Partners**) to maintain the highest standards of integrity and ethical business practice.

Many countries have laws which prohibit benefits being provided to government officials or officers with the purpose of influencing them to carry out their duties in a particular way. The Company is committed to complying with all applicable laws and standards.

Anti-bribery and corruption laws may have extra-territorial reach and many jurisdictions in which the Company operates have equivalent or similar laws, to which all Personnel and Business Partners must comply. In particular, Australian anti-bribery and corruption laws may apply to the conduct of the Company, its Personnel and Business Partners regardless of where it occurs.

This Policy outlines what constitutes a bribe and who is considered to be a public official, along with the process and legal protections that are available when reporting a breach of this Policy and the applicable laws.

Appropriate action will be taken in respect of any Personnel who breach this Policy. Breaches by Business Partners will be dealt with in accordance with the terms of their engagement or appointment.

1.1 Definitions

In this Policy, the following definitions apply:

- (a) **Bribe** means money or any other benefit, including but not limited to cash, travel, gifts, entertainment, secret commissions, employment and directed charitable donations which are provided in order to influence a person to improperly exercise their duty. A benefit offered to a public official which is expressly permitted by written foreign law applicable to the official will not be a Bribe.
- (b) **Public Official** includes:
 - (i) any officer or employee of a government or government owned/controlled entity;
 - (ii) a public international organisation;
 - (iii) a department or agency of a government or public international organisation;

- (iv) any person acting in an official capacity for a government or public international organisation; or
 - (v) political parties or candidates.
- (c) **Facilitation payment** is a payment of a small amount to secure or expedite a routine governmental action to which a company is otherwise lawfully entitled. Examples of such action include, but are not limited to, obtaining permits or licences, processing governmental papers such as visas and providing mail pick up and delivery.
- (d) **Officer** includes a director, senior executive, Key Management Personnel or an employee.

1.2 Conduct

Each Personnel and Business Partner commits **not** to:

- (a) provide, offer or promise, either directly or indirectly, a Bribe to a Public Official or Officer with the intention of obtaining or retaining business or a business advantage;
- (b) provide, offer or promise, either directly or indirectly, a Bribe to any person;
- (c) permit, encourage or facilitate any other person to provide a Bribe to a Public Official or Officer;
- (d) request, receive or agree to receive a Bribe;
- (e) use false or fraudulent documents, including by establishing off-the-book accounts or falsifying accounts or transactions; or
- (f) intentionally and improperly destroy documents or financial records without the prior written consent of the Company.

Australian law permits the making of Facilitation Payments in certain circumstances. Notwithstanding this, our Personnel and Business Partners commit not to provide, offer or promise, directly or indirectly, any Facilitation Payments which amount to a Bribe.

1.3 Gifts and reimbursement of expenses

(a) Entertainment, corporate hospitality and gifts

The Company acknowledges that entertainment, corporate hospitality, sponsored travel or accommodation and the giving of modest gifts (together, **Gifts**) can, in appropriate circumstances, be legitimate business activities. The framework in this Policy is not intended to prohibit reasonably and proportionate Gifts. It is designed to prevent Gifts where there is an intention to influence, induce or reward improper performance, in which case the Gift will be considered a Bribe.

This Policy applies to any Gifts provided in the course of a Personnel's or Business Partner's activities, including Gifts provided or received by Personnel or as Business Partners.

Personnel and Business Partners may provide Gifts to Public Officials or Officers where:

- (i) there is no intention to influence the recipient or any other Public Official or person to improperly exercise their duty;
- (ii) the Gift complies with local laws;
- (iii) the Gift is occasional, modest and reasonable, having regard to all of the surrounding circumstances, including the average income and standard of living in the recipient's place of residence;
- (iv) the Gift is not extravagant and does not create the appearance of impropriety and bribery;
- (v) the Gift is of an appropriate type and value and is given at an appropriate time, taking into account the reason for the Gift and the status, rank or position of the intended recipient;
- (vi) the Gift is not of an explicit or inappropriate nature and does not involve an explicit or inappropriate venue;
- (vii) the Gift is given openly, not secretly and, if posted, sent to the recipient's company address;
- (viii) if the Gift involves sponsored travel or accommodation:
 - (A) there is a documented commercial benefit to the Company of sponsoring the travel or accommodation (for example, travel to visit relevant operations);
 - (B) the travel or accommodation is no more than is reasonably necessary to achieve that benefit (for example, travel is limited to relevant decision makers and does not include spouses); and
 - (C) travel or accommodation payments are made by the Company directly to recognised travel providers; and
- (ix) prior written approval is obtained from the Chief Executive Officer.

When seeking the required written approval, Personnel must provide the following information:

- (i) the name and role of the recipient;
- (ii) a description of the Gift, including dollar value;
- (iii) the name and position of the Personnel or Business Partner providing the Gift;
- (iv) the reason behind the provision of the Gift;
- (v) the date the Gift is to be provided; and
- (vi) any other information reasonably required by the Company.

The receipt or provision of any Gift (or the refusal of any Gift due to it being inappropriate) must be appropriately notified to the Company Secretary and recorded in the Company's Gifts and Hospitality Register.

(b) Political contributions

Personnel must not contribute any funds, assets or anything else belonging to the Company to any political party or organisation. This extends to the granting of contributions to any individual who holds any form of public office, except where such contributions are authorised under this Policy.

(c) Reimbursement of expenses

Other than expenses which are occasional and of modest value, Personnel and Business Partners must not offer or promise to reimburse or pay expenses incurred by a Public Official or any other person, without the prior written approval of the Chief Executive Officer.

Reimbursement may be approved where:

- (i) there is a legitimate connection between the incurred expenses and the Company's legitimate business interests (i.e. where the expenses are reasonable travel expenses incurred as a result of a person attending the Company's premises or an event hosted by the Company);
- (ii) the reimbursement or payment does not create the appearance of impropriety or bribery; and
- (iii) the reimbursement is provided directly to the government, a government agency or organisation which the Public Official or Officer represents or the payment is made directly to the third party provider of the goods or services.

1.4 Reporting breaches

The Board self-reports¹ any suspected breaches of this Policy or any other suspicious or corrupt interactions between Public Officials and Personnel and/or Business Partners, such as any express or implied requests for Bribes from Public Officials or other persons, to the Australian Federal Police in order to:

- (a) proactively identify and address wrongdoing within the Company;
- (b) comply with the directors' obligations and duties to act in the best interests of the Company;
- (c) minimise reputational damage; and

¹"Self-report" means a report by a corporation to the Australian Federal Police (**AFP**) or another entity of suspected criminal conduct by the corporation, its officers, employees or agents at a time prior to the receipt of any referral or the commencement of an investigation by the AFP of the conduct which is the subject of the self-report by the corporation concerned. A corporation may self-report conduct by its officers or employees without admitting criminal responsibility on the part of the corporation.

(d) be a good "corporate citizen".²

Any internal reporting of a breach or other suspicious or corrupt interactions will be dealt with in accordance with the Company's Whistleblower Policy.

In accordance with the Whistleblower Policy, an Eligible Whistleblower (as defined in the Company's Whistleblower Policy) reporting the breach or inappropriate conduct will be protected from any victimisation or harassment, discrimination, demotion, dismissal or current or future bias as a result of making a report.

In making a report of a breach of this Policy or other inappropriate conduct, an Eligible Whistleblower may choose to remain anonymous or request that their name be kept confidential.

1.5 Review

The Chief Executive Officer will monitor compliance with this Policy. This Policy will be periodically reviewed to ensure it continues to operate effectively for the Company's business operations and will be amended as required.³

² See the 'AFP and CDPP Best Practice Guidelines for self-reporting of foreign bribery and related offending by corporations'.

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