

Factor Therapeutics Limited

Anti-Bribery and Corruption Policy

Adopted by the Board on 24 August 2021

1. Introduction

Factor Therapeutics Limited, including all of its subsidiaries and affiliates (together, the “Company”), is committed to conducting its business and operations with honesty, integrity and the highest standards of personal and professional ethical behaviour. It has zero tolerance for bribery and corruption in any form.

This Policy sets out the Company’s anti-bribery and corruption rules to ensure the Company’s compliance with the local anti-bribery and corruption legislation and regulations, namely the Criminal Code Act 1995 (Cth) and the legislation in the various States and Territories of Australia. Where any actions are undertaken by or on behalf of the Company in, or in connection with, another jurisdiction then the anti-bribery legislation in that jurisdiction must also be complied with including (but not limited to) the UK Bribery Act and the US Foreign Corrupt Practices Act both of which can apply to acts committed anywhere in the world.

2. Scope

This Policy applies to all Directors, officers, senior management and other employees, consultants and contractors of the Company (collectively, Employees) and agents of the Company. It is mandatory for all Employees and agents to understand and comply with this Policy.

This Policy must be complied with in all of commercial dealings including (but not limited to) interactions with customers, retailers, local authorities, government bodies, subcontractors and service providers.

All individuals, regardless of their position, are responsible for their own behaviour and the consequences of their actions and decisions.

An Employee that engages in prohibited conduct may be liable for disciplinary or administrative action, and in some cases, legal proceedings and investigation/prosecution by the relevant government authorities.

In addition, pursuant to the laws and regulations in certain jurisdictions, the Company can be held liable for the conduct of its Employees and third parties (such as its agents, intermediaries and consultants) when their actions are carried out within the scope of their employment or business relationship with the Company and benefit the Company to any extent. Therefore, and depending on the jurisdiction, non-compliance with this Policy and applicable laws and regulations can expose the Company to regulatory risk and legal liabilities, as well as potentially exposing individuals to criminal and civil liability.

3. Summary of prohibited conduct

Employees and agents of the Company must not, either directly or indirectly:

- (a) offer, promise, give, solicit, accept or request any Bribe, Facilitation or Acceleration Payments
- (b) falsify any books, records or accounts relating to the Company
- (c) offer or provide Gifts, Hospitality or any other benefit to Public Officials without prior written approval of the Chairman of the Board
- (d) make any political or charitable donations on behalf of the Company which are or could be perceived to be a Bribe
- (e) engage with or deal with third parties or agents acting for or representing the Company in a manner contrary to this Policy. This includes the prohibition of offering or giving secret commissions to those acting in an agency or fiduciary capacity

- (f) cause, authorise or wilfully ignore any conduct that is believed or suspected to be contrary to this Policy or any anti-corruption laws, or to aid or abet such conduct. Any notice of such conduct or suspected conduct must be immediately reported to the Company Secretary.

If there is any doubt about whether a particular conduct may violate this Policy, or if there are any questions about the application of the Policy, you should contact the Company Secretary for clarification.

4. Prohibition against Bribes or Facilitation or Acceleration Payments

It is not permitted to promise, offer, provide (or cause to be provided) any Bribe or Facilitation or Acceleration Payment, whether directly or indirectly, with the intention of securing business or a commercial advantage for the Company.

This prohibition applies to dealings with private and public businesses and individuals, as well as Public Officials.

When dealing with Public Officials, particular care must be taken. Employees are prohibited from providing any Benefit to any Public Official while the Company is having dealings of any kind with that Public Official's Government Body. Any benefits (including Hospitality or Gifts) offered or provided to a Public Official must be in compliance with this Policy and can only be made with the prior written approval from the Chairman of the Board irrespective of amount.

There will be no penalty or adverse consequences for refusing to pay a Bribe, Facilitation or Acceleration Payment, even if it may result in the Company losing business.

It is also not permitted to accept or request any benefit from any person, such as a supplier, in return for doing or not doing something in relation to the Company's business such as agreeing to renew a contract or giving information to the supplier about a competitor's pricing.

5. Exception to the Prohibition

A person will not be in breach of this Policy if a payment or benefit is provided to a Public Official or another third party, due to an imminent risk of serious physical harm. The same will generally also allow to avoid criminal prosecution.

Where possible any such exception should be discussed first with the Chief Executive Officer and/ or the Chairman of the Board.

In any event, where a payment or benefit is provided under such circumstances, that person must promptly report the payment or benefit made to the Company Secretary and set out the full circumstances of that payment (including the value of the payment, the recipient and the nature of the threat).

6. Books and records

The Company must maintain accurate records and accounts of all its transactions. This means that all transactions involving the Company's funds must be properly authorised and recorded. Any falsification or mis-description of records, accounts or any other documents is strictly prohibited.

All invoices, agreements, receipts and expenditure approvals must be accompanied by supporting documents which accurately describe the transaction or accounts.

7. Gifts and Hospitality guidelines

Gifts, presents, hospitality and entertainment offered for the purpose of establishing and strengthening business relationships are acceptable from a commercial perspective and are not a breach of this Policy. However it becomes a breach of this Policy and a criminal offence when such gifts, hospitality and entertainment are offered in order to influence the other party to obtain a benefit.

Hospitality and entertainment should not be lavish and should always be at venues which are conducive to business conversations and which would not negatively affect the reputation of the Company.

The giving and acceptance of gifts should be limited and never be given for the purpose of obtaining or retaining business or accepted in return for any action or business decision.

8. Charitable or political donations

Charitable donations can be used as a form of Bribe. Therefore charitable donations must not be made, offered or promised on behalf of the Company, without prior written approval from the Chairman of the Board, and in compliance with this Policy. All due diligence in relation to charitable donations, along with the relevant details of the donations, must be recorded in the Donations Register. Employees are permitted to make charitable donations in their personal capacity so long as they are not made in order to obtain or retain any business or business advantage.

A political donation includes payments such as memberships, entry fees and tables purchased at political fundraising events. Any financial or other support or assistance to, including a gift offered or provided to or for the benefit of, political parties, political campaigns, individual politicians, government departments or administrative bodies on behalf of the Company can only be made if permitted under the laws of the applicable jurisdiction with written approval from the Chairman of the Board. Employees are permitted to make political donations in their personal capacity so long as they are not made in order to obtain or retain any business or business advantage and are permitted under the law of the applicable jurisdiction.

9. Engaging agents

Any Employee that deals with agents is responsible for taking reasonable precautions to ensure that those agents are ethical in their conduct of business and compliant with this Policy.

Payments to agents may only be made upon the presentation of a valid invoice or statement that evidences the services were provided. Any commissions or service fees made to agents should be comparable to the prevailing market rates for similar services. Any contracts with agents must include anti-bribery clauses requiring the agent to comply with all relevant anti-bribery legislation and to provide the Company with audit rights.

It is important for the Company to ensure that a fulsome due diligence review of agents is undertaken prior to any engagement. If there are any concerns or red flags about the conduct of agents in their business dealings that may be contrary to this Policy, such concerns must be reported to the Company Secretary prior to proceeding or continuing with the engagement to ensure compliance with the applicable anti-bribery and corruption laws.

10. Review of Policy

The Company will periodically review this policy to ensure it is operating effectively and determine whether any changes to the Policy are required.