

Clarity Pharmaceuticals Limited

Anti-Bribery and Corruption Policy

1 INTRODUCTION

- 1.1 This Policy sets out the policy of Clarity Pharmaceuticals Ltd ACN 143 005 341 (**Company**) in relation to bribery and corruption matters and should be read together with the Company's other corporate governance policies.
- 1.2 As set out in the Company's statement of values in its Code of Conduct, the Company is committed to conducting its business with reliability and trust, which requires detecting and eliminating misconduct and promoting and supporting a culture of honesty, integrity, compliance and sound corporate governance. This can only be achieved and maintained if the Company takes a zero-tolerance approach to bribery and corruption.
- 1.3 The Company strictly prohibits the offer, provision or acceptance of bribes to further its business interests. The Company is committed to adopting effective systems to counter bribery and related improper conduct and to monitoring and enforcing these systems.
- 1.4 The Company will uphold all laws relevant to countering bribery and corruption in all jurisdictions in which it operates. The Company remains bound by the laws of Australia in respect of its conduct both in Australia and overseas.
- 1.5 Bribery and corruption expose the Company to the risk of criminal and civil proceedings and individuals engaged in that conduct may also be subject to such proceedings. The penalties for such conduct are severe. Bribery and corruption can also expose the Company to the risk of reputational damage.

What is bribery and corruption?

- 1.6 Bribery is the giving, offering, promising, requesting, soliciting, agreeing to receive, receipt, and/or acceptance of any advantage, which need not be financial, as an inducement for action which is illegal, unethical or a breach of trust, to or from any person for the purpose of corruption or with the intent to induce an action which is illegal, unethical or a breach of trust (**Improper Influence**). A bribe is an inducement or reward offered, promised in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages.
- 1.7 Corruption is the misuse or abuse of public or private office or power for personal gain.

2 POLICY OBJECTIVES

- 2.1 The purpose of this Policy is to:
- (a) provide clear policies and procedures for employees and other workers in relation to bribery and corruption issues that may arise in the course of their employment;
 - (b) provide guidelines for the offering or acceptance of gifts or hospitality;
 - (c) assist in the protection of the Company's reputation, business and interests;
 - (d) provide a reporting mechanism for allegations of bribery and corruption; and
 - (e) assist in compliance with legal obligations.

Application of this Policy

- 2.2 This Policy covers:

- (a) bribes;
- (b) gifts and hospitality;
- (c) facilitation payments;
- (d) political contributions; and
- (e) charitable contributions.

2.3 This Policy applies to all persons who perform work for the Company in any capacity (**Our People**), including:

- (a) all employees (including executives, managers and supervisors);
- (b) contractors, subcontractors and outworkers;
- (c) volunteers;
- (d) agents; and
- (e) directors.

2.4 This Policy applies to the Company's operations in Australia and overseas. Laws in overseas jurisdictions may differ from this Policy but must also be complied with.

2.5 This Policy:

- (a) does not form part of, and is not incorporated into, any contract of employment; and
- (b) does not place, and must not be relied on as placing, any obligations on the Company.

3 POLICY

Bribes

3.1 Bribery exists where there is an intention to influence another person corruptly or improperly in the performance or exercise of their duty.

3.2 Bribes can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit.

3.3 Bribery includes the giving of a bribe to another party with the purpose of Improperly Influencing a third party.

3.4 Our People are not permitted to give, offer, promise, accept, request or authorise a bribe, whether directly or indirectly. All forms of bribery are strictly prohibited.

3.5 If any of Our People are unsure about whether a particular act constitutes bribery, it should be raised with their manager or the Chief Financial Officer of the Company (**CFO**).

3.6 Corruption includes but is not limited to:

- (a) giving, promising to give or offering a payment, gift or hospitality to a third party with the expectation of receiving a business advantage or to reward a business advantage already given;
- (b) giving, promising to give or offering a payment, gift or hospitality to a third party with the expectation of receiving a personal advantage, or to reward a personal advantage already given;
- (c) giving or accepting a gift, hospitality or other benefit during commercial negotiations or a tender process which is intended to, or may be perceived to, influence the outcome;
- (d) accepting a gift, hospitality or other benefit from a third party where it has been, or may be perceived to have been, offered for the purposes of Improper Influence;
- (e) providing an additional benefit in excess of reimbursing genuine and reasonable business expenses (for example, the cost of an extended hotel stay for the recipient and

his/her family);

- (f) offering an educational opportunity to the child of a foreign government official to influence that official to award a contract;
- (g) hospitality which is unduly lavish or extravagant under the circumstances;
- (h) facilitation payments and kickbacks (discussed further in sections 3.10 to 3.12 inclusive); and
- (i) threatening or retaliating against another individual who has refused to engage in bribery or corruption or who has raised concerns under this Policy.

3.7 Business practices vary between countries and regions so what may be acceptable in one country or region may not be acceptable elsewhere. The test to be applied is whether in all the circumstances the benefit is reasonable and justified and the intention behind it is bona fide.

Facilitation payments and kickbacks

3.8 A facilitation payment refers to a small payment or other inducement provided to a government official in order to secure or expedite a routine function that the official is ordinarily obliged to perform already. Routine government functions do not include a decision or encouraging a decision about whether to award new business, to continue existing business or the terms of new or existing business. The payment or other inducement is not intended to influence the outcome of the government official's action, only its timing. Whilst facilitation payments are permitted under Australian law, they are prohibited under international legislation that can have extra-territorial effect.

3.9 A kickback refers to a payment made in return for a business favour or advantage.

3.10 The Company does not make, and will not accept, facilitation payments or kickbacks of any kind, regardless of whether they are legal in a country.

3.11 If any of Our People are asked to make a payment on behalf of the Company, they should be mindful of what the payment is for and whether the amount requested is proportionate to the goods and services provided.

3.12 Any of Our People who are not sure whether a payment is acceptable should speak to their manager or the CFO.

Gifts and hospitality

3.13 Our People should not accept a gift, secret commission or a benefit from any person or organisation outside the Company if the intent of the gift or the benefit is to induce the staff member to extend a financial or other benefit to a person or organisation to the detriment of the Company's interests.

3.14 As a general rule, Our People should not accept a gift or benefit if it could be seen by the public, knowing the full facts, as intended or likely to cause that person to:

- (a) perform their job in a particular way, which the person would not normally do; or
- (b) deviate from the proper or usual course of duty.

3.15 The reasonable and appropriate use of gifts, hospitality or entertainment may be in the interests of the Company if they are offered or received for the purposes of:

- (a) establishing or maintaining good business relationships;
- (b) improving or maintaining the Company's image or reputation; or
- (c) marketing or presenting the Company's products and/or services effectively.

3.16 Offering or receiving gifts or hospitality is acceptable if:

- (a) it is consistent with this Policy;
- (b) it is not made with the intent of Improper Influence or in implicit or explicit exchange for

favours or benefits;

- (c) it is not seen to compromise independent business judgment, particularly in relation to a pending or anticipated business transaction or regulatory approval;
- (d) it is done in the Company's name;
- (e) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- (f) it is token, seasonal or due to a special occasion or local custom;
- (g) it is appropriate in the circumstances, taking account of the reason, timing and value;
- (h) it is reasonable, proportionate and justifiable;
- (i) it is given openly and not secretly;
- (j) it complies with any applicable law; and
- (k) it does not involve a public or government official or representative, politician or political party, unless approved in writing by the Board.

3.17 Our People should, where possible, discuss with their manager or the CFO the fact that they have been offered a gift or benefit before accepting it, in order to determine the appropriate action.

3.18 Promotional gifts of low value such as branded stationary to or from existing or potential customers, suppliers and business partners will usually be acceptable.

3.19 Gifts of a nominal value generally used for promotional purposes by the donor, or moderate acts of hospitality may be accepted by Our People. As a general rule gifts valued at \$500 or less would be considered nominal.

3.20 Our People are expected to decline (or avoid accepting) gifts and benefits which are valued at \$500 or more. Exceptions to this may include gifts or benefits in circumstances approved by the Board, provided that there is no possibility that the staff member might be, or might be perceived to be, compromised in the process. Such exceptions include (with Board approval):

- (a) work related conferences;
- (b) invitations to speak at professional / work related events (including flights and accommodation); or
- (c) working lunches.

3.21 A declaration by staff members of gifts and benefits they have received over the nominal threshold is to be lodged with the CFO as soon as the gift or benefit is received. Benefits include free travel, hospitality, accommodation or entertainment for staff or their families. These will be recorded by the CFO.

3.22 Staff must not demand or accept any unauthorised gifts, rewards or benefits because of their status. They must not take advantage or seek to take advantage of their position either for themselves or for someone else.

3.23 The following circumstances are never acceptable:

- (a) gifts in the form of cash or a cash equivalent (such as gift certificates or vouchers);
- (b) "quid pro quo" (a benefit offered for something in return);
- (c) gifts or hospitality given to or received from any person or entity involved in any tender in which the Company is also involved (until that tender process is completed); and
- (d) accepting any offer of free travel or accommodation unless it is on Company business. If there is a valid business purpose to attend or travel, authorisation should be obtained from senior management and it will generally be paid for by Company.

Foreign public officials

3.24 The definition of 'public official' is relatively broad and extends beyond what may commonly be

understood by that term.

- 3.25 For the purposes of Australian law and this Policy, a 'foreign public official' is:
- (a) a member of any legislature of a foreign country or part of a foreign country (for example, a member of the country's parliament, or a member of a regional council);
 - (b) any candidate for political office;
 - (c) an employee or official of a foreign government body;
 - (d) an individual who performs work for a foreign government body under a contract;
 - (e) an individual who holds or performs the duties of appointment, office or position under a law of a foreign country or a part of a foreign country;
 - (f) an individual who is otherwise in the service of a foreign government body (including service as a member of a military or police force);
 - (g) judge or magistrate of a foreign country or part of a foreign country;
 - (h) an employee, office holder or otherwise in the service of a public international organisation (for example, the United Nations or the World Bank);
 - (i) an authorised intermediary of a foreign public official; or
 - (j) someone who holds himself or herself out to be the authorised intermediary of a foreign public official.
- 3.11 Bribery of a foreign public official is an offence under Australian law. The punishment for an individual convicted of this offence may be up to 10 years' imprisonment or a fine of up to \$2.1 million (for an individual), or both.
- 3.12 Bribery of a foreign public official may also be an offence in the country where the conduct occurs. The Company and the Department of Foreign Affairs may be very limited in the assistance either can offer to Our People accused of bribery in a foreign jurisdiction.

Political contributions

- 3.13 Political contributions are prohibited under this Policy.

Charitable contributions

- 3.14 Charitable support and donations are acceptable, however Company employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. The Company only makes charitable donations that are legal and ethical under local laws and practices.
- 3.15 In Australia, this means that an organisation must have deductible give recipient status with the Australian Taxation Office.
- 3.16 Any donations using company funds rather than personal funds must be approved by the Chair of the Board and will be recorded.
- 3.17 Note that promises of donations and sponsorships, even if no payment is ever made, can be caught by the anti-bribery and corruption laws in a number of countries.

Intermediaries, agents and business partners

- 3.18 The Company may engage another party to:
- (a) represent its interests to current and potential private or government business partners (such as a sales agent or lobbyist);
 - (b) conduct work on its behalf as an agent; or
 - (c) work with it on a particular project or matter as a joint venture or business partner.
- 3.19 The employee or official of the Company responsible for this engagement must:
- (a) ensure that an appropriate and documented due diligence process is undertaken to

ensure the integrity, reputation, credentials and qualifications of the person or entity engaged;

- (b) ensure that fees payable to the person or entity engaged are reasonable for the services being rendered. Ad valorem or percentage-based fees require written approval from the Board before such an arrangement can be entered into;
- (c) ensure that the person or entity engaged is informed about and agrees in writing to comply with this Policy. Where the entity engaged has a policy which is substantially similar to this Policy which the entity is committed to complying with, this precondition may be waived;
- (d) ensure that the agreement with the person or entity engaged incorporates the Company's standard terms in relation to anti-bribery and corruption, as appropriate following a proper assessment of risk (including clauses relating to warranty, guarantee, reporting, audit, termination and indemnification); and
- (e) undertake regular reviews of the person or entity engaged to monitor performance and prevent a breach of this Policy.

4 YOUR RESPONSIBILITIES

- 4.1 Our People are required to read, understand and comply with this Policy.
- 4.2 Any breach of this Policy will be treated as serious misconduct and investigated on that basis.
- 4.3 You must notify your manager or the CFO as soon as possible if you believe or suspect that a conflict with or breach of this Policy has occurred or may in the future.
- 4.4 Any of Our People who breach this Policy will face disciplinary action. The nature of that action will depend upon the severity of the breach. The consequences of any substantiated breach of this Policy may include a reprimand, demotion, termination with notice or summary dismissal.
- 4.5 Any breach of this Policy (whether substantiated or not) may be reported to regulatory or law enforcement agencies.
- 4.6 The detection and reporting of bribery and other forms of corruption are the responsibility of all of Our People or those under their control. Our People are required to avoid any activity that might lead to, or suggest, a breach of this Policy.
- 4.7 Remember, a bribe does not need to actually take place – just promising to give a bribe or agreeing to receive a bribe is sufficient to prove the offence.

5 RECORD-KEEPING

- 5.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 5.2 You must declare and keep a written record of all hospitality or gifts accepted or offered over the nominal threshold, which will be subject to managerial review. You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Company expenses policy and specifically record the reason for the expenditure.
- 5.3 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts are to be kept "off-book" to facilitate or conceal improper payments.

6 RAISING CONCERNS

- 6.1 The Company encourages Our People to raise concerns about any actual or suspected bribery or corruption at the earliest opportunity to their manager or the CFO.

- 6.2 If you are unsure whether a particular act constitutes bribery or corruption, or if you have other queries or concerns, these should be raised with your manager. Alternatively, you can follow the reporting procedure set out in the Company's Whistleblowing Policy which is available on the Company's website.
- 6.3 It is also important that Our People tell their manager or another contact under the Whistleblowing Policy at the earliest opportunity if they are offered a bribe, are asked to make one, suspect that this may happen in the future, or believe they are the victim of another form of unlawful activity.
- 6.4 The Company will attend to all reports of actual or suspected bribery or corruption in a timely manner.
- 6.5 Any of Our People who refuse to accept an offer or bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The Company aims to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.
- 6.6 Unless a report of bribery or corruption is found to have been made vexatiously, the Company will not take any action against the person who made the report, even if the bribery or corruption is not substantiated. Vexatious reports will be dealt with in accordance with the Company's Whistleblower Policy.
- 6.7 A report of actual or suspected bribery or corruption will not affect any performance management process or investigation into misconduct involving the person who made the report.

7 SOURCES OF LEGAL OBLIGATIONS

- 7.1 The sources of legal obligations behind this Policy are the anti-corruption laws of countries in which the Company operates. The anti-corruption legislation of some countries has extra-territorial operation so may apply to the Company even if the alleged corruption does not take place in that country.

8 MONITORING PUBLICATION AND REVIEW

- 8.1 This Policy will be available on the Company's website and the key features may be published in the annual report or a link to the governance page on the Company's website (www.claritypharmaceuticals.com).
- 8.2 This Policy will be reviewed regularly by the Board to ensure that it is operating effectively, having regard to the changing circumstances of the Company. Any changes to the Policy will be communicated by the Company to its staff, its shareholders and the market. This Policy may also be reviewed from time to time as part of the external audit process.
- 8.3 All new management or other relevant staff will be provided with a copy of this Policy as part of their induction into the Company. Any updates or amendments as approved by the Board will be notified to appropriate officers and staff by the CFO and corresponding updates and amendments will be made to this Policy and contained on the corporate governance page on the Company's website (www.claritypharmaceuticals.com).
- 8.4 Regular reviews of the gifts and benefits received enable the identification and management of any emerging risks e.g. if a particular company is presenting a significant number of gifts to various employees, or if companies are offering frequent and substantial hospitality to employees.

9 VARIATION

This Policy may be amended by resolution of the Board.

Adopted by the Board on 16 July 2021