

# Pharmaxis Ltd

## Anti-Bribery and Corruption Policy

### 1. Introduction

Pharmaxis is committed to a high standard of integrity, investor confidence and good corporate governance. Our Anti-Bribery and Corruption Policy (Policy) forms part of Pharmaxis Corporate Governance Framework (CGF), which includes Pharmaxis Code of Conduct and other associated risk and compliance policies.

This Policy is an important policy which protects you and your reputation and minimises potential negative consequences for you and Pharmaxis.

Under the Policy you must:

- not give or accept gifts and/or benefits that will compromise, or appear to compromise, your integrity and objectivity in performing your duties
- not give or accept gifts and/or benefits that cause, or appear to cause a conflict of interest
- report all gifts or benefits worth \$100 or more to your manager using the Gift Reporting workflow.

The Policy applies globally. If travelling outside of Australia, Pharmaxis employees are subject to the laws of the country they are in; however, the principles of this Policy must be followed regardless of whether or not that country has specific bribery and corruption laws.

This Charter sets out the functions and responsibilities of the Board of Pharmaxis Ltd within Pharmaxis CGF.

### 2. Scope

This Policy applies to anyone who is employed by or works at Pharmaxis, including all employees, contractors, consultants and directors wherever located (collectively referred to as **employees** in this Policy).

**Third party** means any individual or organisation you come into contact with during the course of your work, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

### 3. What is Bribery and Corruption?

**Bribery** is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised

or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages.

**Corruption** is the abuse of entrusted power for private gain.

## **4. Policy**

### **4.1. Bribes**

Pharmaxis employees are not permitted to give, offer, promise, accept, request or authorise a bribe, whether directly or indirectly.

### **4.2. Gifts and Hospitality**

Employees must declare and report all gifts and benefits, valued at \$100 or more, to their manager using the Gift Reporting workflow. If the value is not known, estimate what value would a reasonable person place on the gift.

#### **4.2.1. Approval process for gifts and benefits**

- Employees should, where possible, discuss with their manager the fact that they have been offered a gift / benefit before accepting it, in order to determine the appropriate action.
- Employees are required to report any gift or benefit to their manager within 5 working days of receiving or being offered the gift / benefit using the Gift Reporting workflow.
- Managers need to action (approve, decline, donate or return) any gifts and benefits reported to them within 5 working days of receiving the disclosure from the employee.
- The Gift Reporting workflow will copy the financial controller on the notification and manager response.

Note that gifts / benefits should not be accepted on a re-occurring basis or broken down into parts of less than \$100.

#### **4.2.2. Acceptable gift and entertainment expenditure**

Gifts and genuine hospitality and entertainment expenditure that is reasonable and proportionate is allowable provided it complies with the following:

- made for the right reason – it should be clearly given as an act of appreciation or common courtesy associated with standard business practice
- no obligation – it does not place the recipient under any obligation
- no expectation – expectations are not created by the giver or an associate of the giver or have a higher importance attached to it by the giver than the recipient would place on such a transaction
- made openly – if made secretly and undocumented then the purpose will be open to question
- reasonable value – its size is small and in accordance with general business practice
- appropriate – its nature is appropriate to the relationship

- at “arm’s length” – all transactions / gifts should be at an “arm’s length” basis with no special favours and no special arrangements
- legal – it complies with relevant laws
- documented – the expense or gift, if valued at \$100 or more, is fully reported

Some examples of acceptable gifts and/or benefits:

- token gifts / benefits where offered in business situations or to all participants and attendees (e.g. work related seminars, conferences, trade and business events and would include items such as a pen, cap, stationery, coffee mug, stress ball, mouse pad, corporate umbrellas and memory sticks)
- a gift / benefit for presenting at a work related conference, seminar, and / or business event
- a ceremonial gift from another organisation to the individual on behalf of Pharmaxis. Please note that ceremonial gifts belong to Pharmaxis
- a gift / benefit given in gratitude where refusal would be unreasonable and unnecessarily offensive
- refreshments and meals provided in and around meetings, including in-house dining and restaurants
- invitations to sporting, cultural events and seasonal celebrations (eg Christmas parties)
- frequent flyer programs (noting the Pharmaxis Travel Policy in relation to choice of airline)

These circumstances are never acceptable:

- gifts in the form of cash and / or cash equivalent vouchers or gift certificates
- “quid pro quo” (a benefit or advantage offered for something in return)
- gifts arising from loyalty programs sponsored by the Company’s suppliers (other than frequent flyer programs – see above)
- making incomplete, false or inaccurate disclosure to the employee’s manager

#### **4.3. Facilitation Payments**

Facilitation payments are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, e.g. Processing papers, issuing permits and other actions of an official in order to expedite performance of duties of a non-discretionary nature (i.e. which they are already bound to perform). The payment or other inducement is not intended to influence the outcome of the official’s action, only its timing. Facilitation payments, whether legal or not in a country, are prohibited under this Policy.

#### **4.4. Political Contributions**

As stated in its Code of conduct, Pharmaxis does not make donations to political parties.

#### **4.5. Charitable Contributions**

From time to time Pharmaxis makes donations and charitable contributions to organisations working in disease areas of interest to and relevant to the Pharmaxis business plan. Pharmaxis can only make charitable donations that are legal and ethical under local laws and practices. In Australia, this means that an organisation must have deductible gift recipient status with the Australian Taxation Office. This status makes the organisation entitled to receive income tax deductible gifts and deductible contributions.

No donation may be offered or made on behalf of Pharmaxis without the prior approval of the CEO. Sponsorship of industry conferences are excluded from this policy and subject to the Company's expenditure policies and procedures.

#### **5. Your Responsibilities**

You must ensure that you read, understand and comply with this Policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for Pharmaxis or under its control. All employees are required to avoid any activity that might lead to, or suggest a breach of this Policy. You must notify your manager as soon as possible if you believe or suspect that a conflict with, or breach of, this Policy has occurred, or may occur in the future. Any employee who breaches this Policy will face disciplinary action, up to and including in termination of employment or engagement. Remember, a bribe does not actually have to take place – just promising to give a bribe or agreeing to receive a bribe is an offence.

#### **6. Record-Keeping**

We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties. You must report gifts and benefits to your manager within 5 business days. You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. Note that it is an offence under the Crimes Legislation Amendment (Proceeds of Crime and Other Measures) Act 2016 for a person to make, alter, destroy or conceal an accounting document (including being reckless in their conduct which allowed such an act) to facilitate, conceal or disguise the corrupt conduct.

Please also refer to the Travel and Expenditure Policies.

## **7. How to Raise a Concern**

All Pharmaxis employees have a responsibility to help detect, prevent and report instances of bribery and corruption as well as any other suspicious activity or wrong doing in connection with Pharmaxis business. Pharmaxis is committed to ensuring that all employees have a safe, reliable and confidential way of reporting any suspicious activity. You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage with your manager. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries or concerns, these should be raised with your manager and/or Enterprise Compliance.

If you are not comfortable, for any reason, with speaking directly to your manager, Pharmaxis has a Whistleblower Policy which affords certain protections for making the report.

## **8. Reporting to the Board**

The Board is to be informed of any material breaches of this policy.