



Anti-Bribery and Corruption Policy

Avecho Biotechnology Limited

ACN 056 482 403

1. Overview

- 1.1 Avecho Biotechnology Limited (**Company**) is committed to maintaining high standards of integrity and accountability in conducting its business. Compliance in all respects with applicable laws is a fundamental principle that guides our corporate culture and how we conduct our business. This Anti-bribery and Corruption Policy (**Policy**) provides a framework of guidelines and principles to encourage ethical behaviour in our business conduct.
- 1.2 The Policy applies equally to all persons acting on behalf of the Company including directors, officers and employees (including such persons representing the Company's foreign subsidiaries and affiliates regardless of citizenship) and also to all business partners, including, but not limited to, agents, sub-agents, consultants, representatives, contractors, distributors and business partners involved in business transactions, representation, or business development or retention in a foreign jurisdiction (collectively, **Agents**), wherever located. Employees involved in international business must familiarise themselves with this policy in order not to knowingly or unknowingly compromise our Company's values or violate the law.

2. Compliance with Law

- 2.1 As stated in the Company's Code of Conduct, all employees shall comply with all applicable governmental laws, regulations and rules. All persons subject to this Policy are required also to comply with all local laws in the jurisdictions where they are conducting business, and in the case of any proposed payment or transaction shall (following consultation with the responsible officers of the relevant business unit) take advice from qualified local counsel to assure that such payments or transactions also comply with all applicable local laws.

3. Persons responsible for implementation of this Policy

- 3.1 The Company's Board of Directors has appointed the Chief Executive Officer ("**CEO**") to oversee this Policy.
- 3.2 The CEO shall be responsible for:
- (a) establishing and maintaining the practices and procedures necessary to implement this Policy and prevent any violation of its provisions; and
 - (b) disseminating this Policy to all employees.

4. Prohibited Activity

- 4.1 The Company, its directors, officers, employees and Agents shall not, either directly or indirectly through an agent:
- (a) authorise, offer or pay anything of value to any foreign public official, political party or candidate for the purpose of influencing or causing another person to influence any act or decision of the foreign official or entity in order to obtain or retain an advantage in the course of business;
 - (b) demand, solicit or accept an improper payment; or

- (c) falsify books and records;
 - (d) misappropriate funds, securities, supplies, or other assets;
 - (e) improperly handle money or report financial transactions;
 - (f) improperly disclose to other persons regarding the activities engaged in, or contemplated by, the Company;
 - (g) improperly destroy or alter records; and
 - (h) make a facilitation payment of any amount, even if the payment is a generally accepted practice in that particular country explained (except if the payment is made in the rare circumstance of duress, where strict rules apply).
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5. Legal Payments

- 5.1 As a general rule, payments to foreign public officials that would otherwise be prohibited are permitted only if:
- (a) they are lawful under the written laws of the foreign official's country; or
 - (b) subject to the written laws of the foreign official's country, they are made as a reasonable and bona fide expenditure directly related to either promotional activities or the execution or performance of a contract with a foreign government; or
 - (c) subject to the written laws of the foreign official's country, they are payments made to expedite or secure performance of routine governmental action.
- 5.2 Proper guidance should be sought from the Company's senior management, and if necessary, appropriate external legal counsel in the relevant jurisdiction, and the process documented, before determining the legality of a proposed payment.
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6. Caution in dealing with Agents

- 6.1 To ensure compliance with the applicable laws on foreign corrupt practices, the Company must exercise caution in dealing with Agents. The Company may be liable for the actions of its Agents, and this risk can be substantial in countries where illicit payments are prevalent. The Company should be consistent in its implementation of the due diligence process.
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7. Due Diligence

- 7.1 Prior to the Company retaining an Agent, the employee hiring the Agent should make his or her best efforts to research the reputation, background and past performance of the prospective Agent in as many of the following areas as is practicable in the context of the nature and materiality of the proposed contract and report back to the CEO for authorisation:
- (a) Management Information: Identify the directors, officers and other members of management of the proposed Agent, where applicable and determine if any of them are public officials;
 - (b) Ownership Information: Identify the stockholders, partners or other principals of the proposed Agent, where applicable and determine if any of them are public officials;

- (c) Affiliations: Identify the business and government affiliations of the proposed Agent, its, his or her family and close associates;
 - (d) Reputation: Obtain information concerning the reputation of the Agent particularly with respect to a history or demonstrated tendency to make prohibited payments;
 - (e) References: Obtain character and financial reference checks on the proposed Agent;
 - (f) Local Law: Confirm that the relationship with the Agent and the performance by the Agent of the services required in the contract are consistent with local law;
 - (g) Compensation: Confirm that the level of compensation is reasonable, given the experience of the Agent, the country where services are to be performed, the expected results and the amount and difficulty of work to be performed; and
 - (h) Employee Certification: The employee of the Company who is proposing retention of the Agent should confirm who introduced the Agent to the Company and provide an explanation of why the Agent was selected. The employee of the Company and his or her supervisor should certify that the Agent has been personally interviewed and that there is no reason to believe that the Agent has violated this Policy or will violate this Policy regarding future activities on behalf of the Company.
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8. Contracting with Agents

8.1 After having obtained the approval of the CEO, under his or her supervision, the Company should seek to retain an Agent using a written agreement that contains as many of the following provisions as is practicable in the context of the nature and materiality of the proposed contract:

- (a) the Agent shall acknowledge that it, he or she understands the provisions of this Policy and agrees to comply with its terms and applicable laws;
- (b) the Agent shall acknowledge that the contents of the agreement may be disclosed by the Company to third parties including government agencies;
- (c) the Agent shall provide representations and warranties that neither it, nor any of its owners, directors, officers, principals or key employees are public officials and that it will promptly inform the Company of any changes in that regard;
- (d) the Company expressly states that its choice of Agent was made after considering factors that support a belief that the applicable law and this Policy would not be violated;
- (e) assignment of the entire agreement or any rights, duties or obligations under the agreement by the Agent is prohibited without the Company's prior written consent;
- (f) payment should be by cheque or bank draft made out in the Agent's name or by wire transfer to a bank account that is registered in the name of the Agent, and located in the country in which the Agent performed the services unless there is an acceptable explanation for other arrangements;
- (g) travel, entertainment and other miscellaneous expenses should not be incurred by the Agent without the Company's prior written approval, and all requests for reimbursement should be supported by documentation reasonably acceptable to the Company. Detailed records of all approved expenses should be kept;

- (h) to the extent permitted by law, the agreement should provide for automatic termination without compensation in the event an Agent has made, attempted to make, makes, attempts to make, or proposes to make, a prohibited payment; and
 - (i) the Company has the right to audit the Agent's compliance with the agreement, including the expenses and invoices of the Agent.
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9. Managing Agents

9.1 The Company should take measures reasonably within its power to ensure that:

- (a) any payment made to any Agent represents no more than the amount outlined in the written agreement with the Agent and is an appropriate remuneration for legitimate services rendered by such Agent;
 - (b) no part of any such payment is passed on by the Agent as a prohibited payment or otherwise in contravention of applicable law or this Policy;
 - (c) the activities of the Agent are monitored to ensure that there is no breach of applicable law or this Policy.
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10. Foreign Joint Venture Partners

10.1 Prior to entering into any joint venture, the Company should conduct due diligence regarding the prospective partner(s) equivalent to that required for retaining an Agent. When appropriate, the Company should attempt to obtain equivalent written representations and warranties from the partner as is required of Agents. Commercially reasonable efforts should be used by the Company and employees of the Company to ensure that the principles set out in this Policy are incorporated into all international joint venture agreements (such as joint operating agreements).

11. Gifts and Entertainment

- 11.1 The offer and acceptance of entertainment, gifts and favours must at all times be in compliance with the policies of the recipient's employer and with the Company's Code of Conduct.
- 11.2 The Company, its directors, officers, employees and Agents shall not, either directly or through an intermediary, offer or provide gifts, hospitality or reimbursement of travel or other expenses to a public official, except with the prior approval of the CEO.
- 11.3 Unless otherwise agreed by the CEO, the Company's employees and Agents may, with the prior approval of the CEO, pay or reimburse reasonable meal expenses incurred in good faith by or on behalf of a public official related to the promotion, demonstration, or explanation of products or services of the Company or the execution or performance of a contract between the Company and the public official's government or agency thereof.
- 11.4 The CEO is responsible for ensuring that any gift, hospitality and/or reimbursement of travel or other expenses ultimately provided to a public official is fully and accurately recorded in the Company's records and is compliant with this Policy.

12. Political Donations

- 12.1 Political donations refer to contributions of anything of value to support a political goal - including donations made to persons/organizations which are close to political parties or other political institutions. These donations present particularly high risks for bribery and corruption, and are illegal in many countries.
- 12.2 Consequently, it is prohibited for directors, officers, employees and other Agents to make any political contributions on behalf of the Company, as it would be perceived as inappropriately 'buying influence'. Particular care should be taken in assessing requests for funding from organisations which may themselves provide funding to political parties, including trade unions and 'think tanks'.

13. Charitable Donations

- 13.1 Charitable donations may often be made for reasons of a personal interest, and used to disguise bribes and corrupt payments.
- 13.2 Consequently, such donations on behalf of the Company are not permitted, unless they are to established charities with recognised charitable aims, and formally approved by the CEO.

14. Sponsorships

- 14.1 Commercial sponsorship occurs when a company enters into a contractual agreement with a third party, under which the company makes payments in return for the opportunity to advertise its products/services through logos, promotional flyers or advertisements. Commercial sponsorship agreements are a relatively high-risk area, particularly where they are agreed in countries which have a poor record of preventing corruption.
- 14.2 Consequently, it is prohibited to enter into any such sponsorship agreements, or make any sponsorship payments, on behalf of the Company - unless formally approved by the CEO. Any such agreements would be formally documented; subject to appropriate due diligence; and provide specific advertising opportunities and commercial benefits for the Company.

15. Facilitation Payments

- 15.1 Facilitation payments are usually small payments made to secure or speed up routine actions - these actions (which are often undertaken by public officials) may include issuing permits, licenses, consents or immigration visas, or for releasing goods held in customs.
- 15.2 Facilitation payments of any amount (no matter how small) on behalf of the Company are strictly prohibited, even if such payment is a generally accepted practice in a particular country. These types of payment must never be made to influence another person in carrying out their business duties (especially where a public official is not permitted or required, by written law, to be influenced by the payment), or to obtain/retain any business or business advantage. Facilitation payments are only permitted if made in the rare circumstance of duress, where you genuinely fear for your safety (loss of life, limb or liberty), where strict rules apply (refer to section 16).

16. Practical Guidance for Agents being Requested to Make an Inappropriate Payment

16.1 The following guidance should assist Workers to deal with a situation in which they are faced with having to offer an inappropriate payment (or reward), in order to facilitate a business activity or transaction.

- (a) the payment/reward should be immediately refused, politely but firmly. You should make reference to the Company's relevant policies, including this Policy. It is important that you make it clear to the person making the demand that, if you make such a payment, it may mean that you, the Company, and possibly the official's organization, may be committing an offence under Argentine, Australian or other local law;
- (b) if the suggestion or demand for payment continues, you should ask for official documentary proof that the payment is payable. If such proof cannot be supplied (as evidence of the validity of the payment), you should again politely refuse, and ask to speak to a more senior official;
- (c) if it appears that the payment genuinely cannot be avoided (for example, if you are under duress and genuinely fear for your safety - loss of life, limb or liberty), you should contact the CEO for immediate guidance;
- (d) if you are unable to contact your CEO, or if it is determined that you have no option but to pay, you should make the payment. However, you must also endeavour to obtain some evidence of the transaction and immediately report it to the CEO. You should also document when, where, how and to whom the payment was made, including the names of any other senior officials involved or mentioned;
- (e) if any such situation ever occurs, you must report it to the CEO, as soon as practically possible. A full account of the incident should be provided, including details of the location, and the names of the involved company/official. You must record the amount of the payment; the purpose of the payment and the reasons why the payment was genuinely unavoidable;
- (f) the CEO must ensure that the incident is promptly followed up with the relevant receiving company/authority, to ensure that the payment can be properly investigated and documented/evidenced. The CEO should determine whether any further action needs to be taken, to ensure that a similar incident is not repeated, and ensure that such action is documented on file;
- (g) If the receiving company/authority refuses to take adequate action to investigate the incident, it must be promptly reported to the relevant country manager. A full account of the incident must be provided in writing, and this must be retained on file
- (h) the CEO will promptly report the incident to the Board so that the need for further action can be determined.

17. Violation Reporting

17.1 All directors, officers, employees and Agents are encouraged to report any deviations from the Policy or violations of applicable law. Any employee or other person may submit a complaint or concern regarding the matters covered by the Policy to the CEO. The Company

will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any party based upon any lawful action of such party with respect to good faith reporting of concerns regarding compliance with this policy.

18. Fundamental Principle

- 18.1 It is a fundamental principle of this Policy that discretionary decisions relating to payments to foreign officials should not be made “in the field”, but rather, should be referred to the Company’s CEO who will make such decisions with advice from corporate counsel if necessary.
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19. Additional Guidance

- 19.1 This Policy deals with a complex subject and seeking guidance when required is an integral part of ensuring compliance. All questions, concerns and enquiries should be directed to the CEO.
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20. Review of this Policy

- 20.1 The CEO will review this Policy annually or as often as he or she considers necessary.
- 20.2 Any amendment to this Policy must be approved by the Board.
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21. Approved and Adopted

- 21.1 This Policy was approved and adopted by the Board on 29 August 2019.