



Anti-Corruption Compliance Policy

Kazia Therapeutics Limited

Approved by the Board on 24 February 2021

Anti-Corruption Compliance Policy

Introduction

1. Kazia Therapeutics Limited (“Kazia”) is committed to conduct its business and operations with honesty, integrity and the highest standards of personal and professional ethical behaviour in Australia. It has zero tolerance for bribery and corruption in any form.
2. This Policy sets out Kazia's anti-bribery and corruption rules to ensure 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. Where any actions are undertaken on behalf of the Kazia in, or in connection with, another jurisdiction then the anti-bribery legislation in that jurisdiction must also be complied with including the UK Bribery Act and the US Foreign Corrupt Practices Act.
3. This Policy should be read together with Kazia's Code of Conduct, and Kazia’s Values Statement.

Scope

4. This Policy must be strictly complied with by all employees, officer, directors and any agents acting for, or representing, Kazia, in all their commercial dealings including (but not limited to) interactions with customers, retailers, local authorities, government bodies, subcontractors or service providers.
5. All individuals, regardless of their position, are responsible for their own behaviour and the consequences of their actions and decisions.
6. An employee that engages in prohibited conduct may be liable for disciplinary or administrative action, and in some cases, legal proceedings and investigations by the relevant government authorities.

Definitions

7. **Benefit** includes any advantage and is not limited to property. It can include (but is not limited to) cash, vouchers, gifts to family members, loans, personal favours, entertainment, meals and travel, political and charitable contributions, business opportunities and medical care.
8. **Bribe or Bribery** means to provide, promise, offer or cause a benefit to be provided to another person, either directly or indirectly, with the intention to influence that person to obtain or retain a benefit or business advantage that is not legitimately due. For the purpose of determining if a benefit or business advantage is legitimately due, these circumstances should be disregarded: the fact that the benefit or business

advantage may be (or be perceived to be) customary, the value of the benefit or business advantage and official tolerance of the benefit or business advantage.

9. **Facilitation Payment** means unofficial payments of small sums to induce a Public Official to facilitate the performance of their government functions, such as issuing licences or permits to obtain routine services.
10. **Gift(s)** means free or heavily discounted items, money or other intangible benefits offered in relation to work activities. Examples include, but are not limited to a gift basket, gift vouchers, shopping cards, wine, tickets to a sporting event or concert, or any other item of value.
11. **Government Body** includes a foreign government body.
12. **Hospitality** means any form of entertainment including meals, drinks, sporting events, movie or theatre visits and hotel accommodation and includes any travel associated with that hospitality.
13. **Public Official** means employees or officers of a government body including individuals who perform work under contract for a government body or hold or perform the duties of an appointment, office or position of a government body. This includes employees or officers of government owned or controlled enterprises such as public institutions and state owned enterprises. Examples of Public Officials include planning officers or other employees of local planning authorities, council certifiers, council members, police officers, members of judiciary and politicians at any level of government.
14. **Secret Commission(s)** means a situation where an agent, or someone acting in a fiduciary capacity, accepts a commission or other unauthorised payment or benefit from a third party, without the consent or knowledge of their principal, for services rendered or other benefits provided which are connected with the relationship between the agent/fiduciary and their principal. For example, A makes a cash payment to a leasing agent who acts for B (a retail Kazia). B is not aware of the payment by A to the leasing agent. The leasing agent advises B take up a lease at a site which A operates.

Summary of prohibited conduct

15. Employees, officers, directors and agents of Kazia must not, either directly or indirectly:
 - (a) offer, promise, give, solicit or accept any Bribe or Facilitation Payments (section 1);
 - (b) falsify any books, records or accounts relating to Kazia (section 4);
 - (c) offer or provide Gifts, Hospitality or any other benefit to Public Officials without prior approval of the Company Secretary of Kazia, or provide any Gifts

or Hospitality which does not comply with the Travel and Expenses Policy (section 5);

- (d) make any political or charitable donations on behalf of Kazia which are or could be perceived to be a Bribe (section 6);
 - (e) and engage with or deal with third parties or agents acting for or representing Kazia in a manner contrary to this Policy (section 7). 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 (section 8).
16. There are serious criminal and penalties that may be incurred, and significant reputational damage that may be done, if Kazia or any of its officers, employees or agents are involved in bribery or corruption.
17. 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 your manager (or alternatively, the Company Secretary) for clarification.
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1. Prohibition against Bribes or Facilitation Payments

- 1.1 It is not permitted to promise, offer, provide (or cause to be provided) any Bribe or Facilitation Payment, whether directly or indirectly, with the intention of securing business or a commercial advantage for Kazia.
 - 1.2 This prohibition applies to dealings with private and public businesses and individuals, as well as Public Officials.
 - 1.3 When dealing with Public Officials particular care must be taken. 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 Kazia's Company Secretary.
 - 1.4 There will be no penalty or adverse consequences for refusing to pay a Bribe or Facilitation Payment, even if it may result in Kazia losing business.
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2. Situational examples

- 2.1 If an employee, director, officer or agent suspects that a situation they are involved in may result in a breach of the Policy, they should either seek guidance from the

Company Secretary or respectfully decline to act in a manner as proposed and promptly report the circumstances to their supervisor or Company Secretary.

Scenario	Recommended response
<p>Kazia is in the process of obtaining tenders from CROs to conduct a clinical trial. One CRO invites a Kazia executive and some employees to attend a major sporting event final which includes dinner and champagne at a 5 star restaurant and which is to take place just before the tender process concludes.</p> <p><i>What should the Employees do?</i></p>	<p>The Employees should decline attending the event or the meal as this could be perceived to be a Bribe. If in doubt seek guidance from the Company Secretary.</p>

3. Exception to the Prohibition

- 3.1 A person will not be in breach of this Policy if a payment or benefit is provided to a Public Official or another party, due to an imminent risk of serious physical harm .
- 3.2 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).

4. Books and records

- 4.1 Kazia must maintain accurate records and accounts of all its transactions. This means that all transactions involving Kazia's funds must be properly authorised and recorded. Any falsification or mis-description of Kazia records or accounts is strictly prohibited.
- 4.2 All invoices, agreements, receipts and expenditure approvals must be accompanied by supporting documents which accurately describe the transaction or accounts.

5. Gifts and Hospitality guidelines

- 5.1 Gifts, hospitality and entertainment offered for the purpose of establishing and strengthening business relationships are acceptable from a commercial perspective. However it becomes a criminal offence when such gifts, hospitality and entertainment are offered in order influence the other party to obtain a benefit.

- 5.2 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 Kazia.
- 5.3 The giving and acceptance of gifts should be limited and never be given for the purpose of obtaining or retaining business.
- 5.4 The financial thresholds and approval guidelines for Gifts and Hospitality are set out below.

(a) Gifts

Value of Gifts	Procedure
AU\$250 or less (to the Company generally)	May be received or given. However, consideration must be given as to whether the frequency or timing of the gifts may create an appearance of impropriety.
AU\$100 or less (for an individual)	
More than AU\$250/\$100	May only be received or given with written approval from the Company Secretary. The Company Secretary must agree that the gift is within the acceptable business norms and would not create the appearance of improper influence.

(b) Hospitality and Travel

Value of meals, travel and/or entertainment per person	Procedure
AU\$100 or less	May be received or given. However, consideration must be given as to whether the frequency or timing of the hospitality may create an appearance of impropriety.
More than AU\$100	May only be received or given with written approval from the Company Secretary of Kazia.

**Value of meals, travel
and/or entertainment per
person**

Procedure

The Company Secretary must agree that the hospitality is within the acceptable business norms and would not create the appearance of improper influence.

- 5.5 Gifts and/or Hospitality with a combined total value of more than AUD \$500 per year from or to the same person is not permitted. Approval from the Company Secretary is required to exceed this limit.
- 5.6 **(Frequency)** Gifts and/or Hospitality also should not be received by or given to the same person more than more than 2 times a year in order to avoid creating the perception of impropriety. Approval from the Company Secretary is required to exceed this limit.
- 5.7 **(Timing)** Gifts and/or Hospitality may be acceptable or unacceptable depending on when they are received or given. Gifts should not be given or received just before a business decision is to be made (for example, prior to the award of or tender for a contract).
- 5.8 All offers and acceptances of Gifts and Hospitality should be recorded in the Gifts Register and each entry must indicate whether gift was accepted or declined. Promotional items of a nominal value such as pens, drink bottles etc are exempt.

6. Charitable or political donations

(a) Charitable donations

- 6.1 Charitable donations can be used as a form of Bribe. Therefore charitable donations must not be made, offered or promised on behalf of Kazia, without prior written approval from the Company Secretary. All due diligence in relation to charitable donations, along with the relevant details of the donations, must be recorded in the Donations Register.
- 6.2 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.

(b) Political donations

- 6.3 Any financial or other support or assistance to, including a gift made to or for the benefit of, political parties, political campaigns, individual politicians, government departments or administrative bodies on behalf of Kazia can only be made with approval from the Company Secretary and if the necessary limits on amounts and disclosure requirements are complied with.

6.4 A political donation includes payments such as memberships, entry fees and tables purchased at political fundraising events.

7. Engaging agents

7.1 Any employee, director or officer 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.

7.2 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 audit rights.

7.3 The offering or giving of secret commissions is prohibited. Likewise, the receipt of any secret commissions is also prohibited.

7.4 It is important for Kazia to ensure that a fulsome due diligence review of agents is undertaken prior to any engagement.

7.5 If there are any concerns or red flags about the conduct of agents in their business dealings which 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.

7.6 Some examples of red flags could include:

- unusual or excessive payment requests, including upfront payments, suspicious commissions or payments into separate accounts in a country foreign to the nationality or business of that third party;
- reluctance or refusal by that third party to disclose the Kazia's beneficial owners, partners or principals; or
- the third party has little experience in the industry but "knows the right people".

7.7 Upon receiving a report, Kazia shall conduct relevant investigations and may suspend further payments to the agent pending the outcome of that investigation.

8. Compliance and reporting

8.1 All employees, directors, officers and agents must read, understand and comply with this Policy and they will be required to ensure they avoid any actions that may lead to or suggest a violation of this Policy.

8.2 Kazia will also offer periodic compliance training to ensure that all employees, directors, officers and agents are up-to-date on their obligations under the Policy and

the relevant anti-corruption laws. All employees, directors, officers and agents must participate in such training whenever they are requested to attend. Such training will include, but is not limited to, the following:

- (a) the obligations of employees and officers under this Policy;
- (b) how to recognise bribery and corruption; and
- (c) how to effectively deal with and report bribery, corruption or other breaches of this Policy.

8.3 Any employees, directors, officers and agents that becomes aware of or suspects the Policy has been breached by any person acting for or representing Kazia, must report the known or suspected breach to the Company Secretary and include the basis for their suspicion and/or knowledge. Reports may be made confidentially and on an anonymous basis. Please refer to the Whistleblower Policy for more details.

8.4 Any employee, directors, officers and agents that breaches this Policy or fails to report known or suspected breaches of the Policy will face disciplinary action, which may result in dismissal for misconduct. Any employees, directors, officers and agents that breaches this Policy may also face legal proceedings and be subject to investigations by the relevant government authorities.

9. Review of Policy

- 9.1 Kazia will periodically review this policy to ensure it is operating effectively and determine whether any changes to the Policy are required.
- 9.2 This policy was adopted by the Board of Kazia on 24 February 2021.