

**STELIS BIOPHARMA PRIVATE LIMITED**

**Anti-Corruption  
and  
Anti-Money Laundering Compliance  
Policy**

## I. INTRODUCTION

Stelis Biopharma Private Limited, including its subsidiaries (collectively, “**Stelis**” or the “**Company**”), is committed to conducting all aspects of its business in keeping with the highest legal and ethical standards and expects all employees and other persons acting on its behalf to uphold this commitment. In accordance with this commitment, Stelis has adopted this Anti-Corruption and Anti-Money Laundering Compliance Policy (the “**Policy**”), which is applicable to all directors, officers, and employees of Stelis (collectively “**Company Personnel**”). In addition, the Company expects its agents, representatives, consultants, business partners, suppliers, and other associated persons of the Company (“**Third-Party Intermediaries**”) to conduct their business with the Company in a manner consistent with the principles set forth in this Policy.

In brief, Stelis will not tolerate bribery, kickbacks, or corruption of any kind, directly or through third parties, whether or not explicitly prohibited by this Policy or by law. Company Personnel are not permitted to give or offer anything of value (including gifts, hospitality, or entertainment) to anyone for the purpose of improperly obtaining or retaining a business advantage, including to Government Officials.<sup>1</sup> Similarly, Company Personnel may not solicit or accept such improper payments.

Stelis is also committed to compliance with all applicable laws and regulations related to combating money laundering and terrorist financing.

Company Personnel who violate this Policy may be subject to disciplinary action, up to and including termination. The pages that follow provide a general guide to anti-corruption and anti-money laundering compliance, but do not address every potential scenario that may implicate issues bearing on compliance with this Policy. Therefore, any Company Personnel who have any questions concerning the requirements of this Policy should consult with Compliance Officer.

## II. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

### A. Company Personnel shall pay or receive bribes.

Company Personnel must conduct their activities in full compliance with this Policy, and the laws of India, the United States, and other jurisdictions where the Company conducts business. Company Personnel must abide by all applicable anti-

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<sup>1</sup> The term “Government Official” includes all officers or employees of a government department, agency or instrumentality; permitting agencies; customs officials; candidates for political office; and officials of public international organizations (e.g., the Red Cross). This term also includes officers or employees of government-owned or controlled commercial enterprises such as state-owned or controlled universities, airlines, oil companies, health care facilities or other vendors. The term also includes family members and close associates of such individuals (e.g., it is not permissible to give a lavish gift to the sibling, spouse or child of a government employee if a gift to the individual would be prohibited under this Policy). The term also includes a “public servant” as defined in Section 2(c) of the Indian Prevention of Corruption Act, 1988.

corruption laws, including the Prevention of Corruption Act of India, the United States Foreign Corrupt Practices Act (“FCPA”), and the UK Bribery Act (“UKBA”).

Under this Policy, Company Personnel are not permitted to give or offer anything of value or any undue advantage, directly or indirectly, to any Government Official or any commercial party, particularly any Health Care Professionals (HCPs),<sup>2</sup> for the purpose of improperly obtaining or retaining a business advantage or for any other purpose. “Anything of value” should be broadly interpreted to include cash, gifts to family members, forgiveness of a debt, loans, personal favors, entertainment, meals and travel, political and charitable contributions, business opportunities and medical care, among other items. “Undue advantage” should be broadly interpreted to include any gratification whether in money or anything estimable in money, other than legal remuneration (including all remuneration which the concerned Government Official is entitled to receive by the organization/agency which they serve). Simply put, bribes, kickbacks or similar payments are never permitted, whether made to a Government Official or to customers, investors, clients or other private parties. Similarly, Company Personnel may not solicit or accept such payments.

If confronted with a request or demand for an improper payment or other violation of this Policy, the request or demand must be immediately rejected and reported to the Compliance Officer. Similarly, if any employee or agent knows or believes that an improper payment has been or will be made, the employee or agent must also report such payment to the Compliance Officer. Stelis’ policy is that no adverse employment action will be taken against any personnel in retaliation for, honestly and in good faith, reporting a violation or suspected violation of anti-corruption laws or this Policy.

**Facilitation Payment.** This Policy prohibits facilitation, or “grease,” payments (small payments to Government Officials to expedite the performance of routine governmental actions such as obtaining licenses, customs clearance, permits or other needed government documents).

## **B. Gifts, Meals, Entertainment and Employment**

This Policy sets forth various rules relating to gifts, entertainment, travel, meals, lodging and employment. All such expenditures must be recorded accurately in the books and records of the Company, in accordance with **Section VI** below.

### **1. Gifts**

As a general matter, the Company competes for and earns business through the quality of its personnel, products and services, not with gifts or lavish entertainment. The

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<sup>2</sup> A Health Care Professional (HCP) is any person or entity (a) authorized or licensed to provide health care services or items to patients or (b) who is involved in the decision to purchase, prescribe, order, or recommend a medical/pharmaceutical product.

use of Company funds or assets for gifts, gratuities, or other favors to Government Officials or any other individual or entity in the private or public sector that has the power to decide or influence the Company's commercial activities (particularly HCPs) is prohibited, , unless all of the following circumstances are met.

- (a) the gift does not involve cash or cash equivalent gifts (*e.g.*, gift cards, store cards or gambling chips);
- (b) the gift is permitted under both local law and the guidelines of the recipient's employer;
- (c) the gift is presented openly with complete transparency;
- (d) the gift is properly recorded in the Company's books and records; the gift is also recorded in the Gift Register maintained by the Compliance Officer;
- (e) the gift is provided as a token of esteem, courtesy or in return for hospitality and should comport with local custom; and
- (f) the item costs less than \$100 or equivalent in local currency.

**Gifts that do not fall specifically within the above guidelines require advance consultation and approval by the Compliance Officer.**

Note that the provision of gifts, as well as the reporting requirements, in this Policy, apply even if Company Personnel are not seeking reimbursement for the expenses (*i.e.*, paying these expenses out of your own pocket does not avoid these requirements).

Company Personnel must not accept, or permit any member of his or her immediate family to accept any gifts, gratuities or other favors from any customer, supplier or other person doing or seeking to do business with the Company, other than items of nominal value. Any gifts that are not of nominal value should be returned immediately and reported to your supervisor. If immediate return is not practical, they should be given to the Company for charitable disposition.

The Compliance Officer shall maintain a Gift Register to track all gifts given or received by Company Personnel.

## **2. Meals, Entertainment, Travel and Lodging**

Business entertainment may from time to time be offered or given in the course of the Company's business. Common sense and moderation should prevail when providing meals or entertainment to external parties. Meals and entertainment should never be offered as a means of influencing another person's business decision or directly or indirectly influencing a Government Official. Each should only be offered if it is

appropriate, offered or accepted in the normal course of a business relationship, and if the primary subject of discussion or purpose is business.

Expenses for meals and entertainment for any external party may not be incurred unless the following conditions are met:

- (a) The expenses are bona fide and related to a *legitimate business purpose*<sup>3</sup> and the events involved are attended by appropriate Company representatives;
- (b) The meal/entertainment is permitted under local law;
- (c) The meal/entertainment takes place at an appropriate venue; and
- (d) The cost of the meal/entertainment (per person)<sup>4</sup> is less than INR 5000.

Pre-approval by the Compliance Officer is required for meals or entertainments that do not meet the above guidelines. In the event that a meal or entertainment unexpectedly exceeds the limit, it must be reported to the Compliance Officer as soon as possible. Company Personnel should seek to avoid such situations.

For all such expenses, the reimbursement request must identify the total number of all attendees and their names, employer, and titles. In all instances, reimbursements for meals or entertainment for friends and family members of Government Officials or HCPs are prohibited. All expense reimbursements must be supported by receipts, a thorough description of the business purpose, and a record of any required approvals, all of which must be accurately and completely recorded in the Company's records.

Please note any meals or entertainment provided to external parties where Company Personnel are not in attendance shall be considered gifts, and subject to the rules and requirements for gifts specified above (including the identified value limits).

### **3. Travel Support**

From time to time, the Company may provide travel support (air transportation, train travel, lodging, etc.) or complimentary accommodation to external parties. Travel support should never be offered as a means of influencing another person's business decisions or directly or indirectly influencing a Government Official. When the provision of travel support is required by business necessity, common sense and moderation

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<sup>3</sup> The expenses must be ordinary, reasonable, and necessary to conduct business. Meetings and functions where business is discussed are considered reasonable, while entertainment that is unrelated to business would not be considered necessary or reasonable.

<sup>4</sup> Sequential events should be treated as a single event for purposes of this Policy. For example, a round of drinks followed by dinner should be treated as a single event and should collectively be under the applicable meal limit.

should prevail. The appropriateness of a particular mode and class of travel and lodging depends upon the nature of activity and individual involved. This is determined based on whether or not the expenditure is sensible and proportionate to the nature of the activity involved.

Travel support for external parties, including Government Officials or any other individual or entity that has the power to decide or influence the Company's commercial activities, may not be provided unless the following conditions are met:

- (a) The expenses are bona fide and related to a *legitimate business purpose* and the events that the travel and/or accommodations are in support of are attended by appropriate Company representatives;
- (b) The provision of the travel support is permitted under local law;
- (c) The duration of the trip is the shortest possible to satisfy the legitimate business purpose;<sup>5</sup>
- (d) The routing of travel is as direct as reasonably possible with no unnecessary stopovers;
- (e) AIR TRAVEL: For air travel, economy class tickets are required; business class tickets are not permitted unless specifically pre-approved in writing by the Compliance Officer.
- (f) LODGING: For lodging, only single occupancy rooms at business-appropriate hotels will be permitted. All-inclusive or luxury resorts are not permitted.

All travel support for Government Officials must be pre-approved in writing by the Compliance Officer.

For all such expenses, the reimbursement request must identify the name, employer, and title of each traveler. In all instances, reimbursements for travel or lodging for friends and family members of Government Officials are prohibited. All expense reimbursements must be supported by receipts, a thorough description of the business purpose, and a record of any required approvals, all of which must be accurately and completely recorded in the Company's records.

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<sup>5</sup> Generally, business obligations requiring travel should be scheduled in the most efficient manner reasonably possible under the circumstances. Travelers should not arrive more than one day prior to the commencement of business meetings/obligations and should not depart more than one day following their conclusion unless no other reasonable travel arrangements exist.

Per diem allowances must not be provided to external parties in connection with travel support.

Payments for travel services must be made directly by the Company to the provider of the service and must not be paid directly as a reimbursement unless pre-approved in writing by the Compliance Officer.

#### **4. Employment/Internships**

On occasion, Government Officials, HCPs, or the Company's Third-Party Intermediaries may request that the Company provide internships or employment to certain individuals. Offering internships or employment to individuals with connections to Government Officials or other individuals connected to the Company's business may be viewed as providing an item of value (even if unpaid) or an undue advantage.

If a candidate is interviewed for an internship or employment *within* the ordinary course of filling a position, the Compliance Officer must be notified of the candidate's relationship to a Government Official or the Company's Third-Party Intermediary. If a candidate related to a Government Official or the Company's Third-Party Intermediary is interviewed *outside* of the ordinary course of filling a position, any internship or employment offer must be pre-approved in writing by the Compliance Officer.

#### **5. Use of Personal Funds**

All provisions of this Policy, as well as the reporting requirements, apply even if Company Personnel are not seeking reimbursement for the expenses (*i.e.*, paying these expenses out of your own pocket does not avoid these requirements).

##### **C. Political Contributions and Charitable Donations**

Company Personnel may not make political or charitable donations, whether in their own name or in the name of Stelis, to obtain or retain business or to gain an improper business advantage. Any political or charitable contributions by Stelis must be permitted under the law, permissible pursuant to the terms of this Policy, made to a bona fide organization, and in the case of political contributions or charitable contributions connected to any Government Official or government entity made with the prior approval of the Compliance Officer.

In certain instances where there is heightened risk of corruption, the Compliance Officer may require diligence to be conducted. The Compliance Officer must be notified if a Government Official solicits a political or charitable contribution in connection with any government action related to Stelis or its affiliates. Individual employees or agents may not make political contributions on behalf of Stelis or its affiliates.

### **III. RELATIONSHIPS WITH THIRD-PARTIES INTERMEDIARIES**

The Company could be held liable for the actions of third parties acting on its behalf. Therefore, Company Personnel who interact with Third-Party Intermediaries are responsible for taking reasonable precautions to ensure that the third parties conduct business ethically and comply with this Policy and applicable laws. Such precautions would include conducting an integrity due diligence review of a Third-Party Intermediary, inserting appropriate anti-corruption compliance provisions in the Third-Party Intermediary's written contract, requiring the Third-Party Intermediary to certify that it has not violated and will not violate this Policy and any applicable anti-corruption laws during the course of its business with the Company, and monitoring the reasonableness and legitimacy of the services provided by and the compensation paid to the Third-Party Intermediary during the engagement.

Company Personnel retaining Third-Party Intermediaries who will represent the Company before governmental entities or interact with Government Officials on the Company's behalf must discuss the engagement with the Compliance Officer prior to hiring the Third-Party Intermediary. Any doubts regarding the scope of appropriate due diligence efforts in this regard should be resolved by contacting the Compliance Officer. The Compliance Officer must sign off on any and all third-party engagements.

When retaining and overseeing Third-Party Intermediaries, Company Personnel must remain vigilant of potential red flags. Red flags are certain actions or facts which should alert the Company that there is a high possibility of improper conduct by a third party. A red flag does not mean that something illegal has happened, but rather that further investigation is necessary. Red flags are highly fact-dependent, but some examples of red flags are:

- Unusual or excessive payment requests, such as requests for over-invoicing, up-front payments, ill-defined or last-minute payments, success fees, unusual commissions or mid-stream compensation payments;
- Requests for payments to an account in a country other than where the third party is located or is working on behalf of the Company;
- Requests for payment to another third party, to a numbered account, or in cash or other untraceable funds;
- Requests for or suggestions to make political or charitable contributions;
- The third party is related to a Government Official or has a close personal or business relationship with a Government Official;
- Any refusal or hesitancy by the third party to disclose its owners, partners or principals;

- The third party uses holding companies or other methods to obscure its ownership, without adequate business justification;
- The third party expresses a desire to keep his representation of the Company or the terms of his retention secret; or
- The third party has little experience in the industry but claims to “know the right people.”

If Company Personnel have reason to suspect that a Third-Party Intermediary is engaging in potentially improper conduct, they should report their concerns to the Compliance Officer, immediately. The Company shall conduct an investigation and take appropriate remedial action, including stopping further payments to the Third-Party Intermediary if the Company’s suspicions are verified through the investigation.

#### **IV. ANTI-MONEY LAUNDERING POLICY**

Company Personnel may not facilitate, participate, or provide assistance in any money laundering activity or terrorist financing activity regardless of where the activity takes place.<sup>6</sup> Since Stelis is operating or doing business in multiple jurisdictions, it must comply with applicable anti-money laundering or counter-terrorism financing laws in those jurisdictions, including the Indian Prevention of Money Laundering Act, 2002 and related notifications, orders, directions issued from time to time by the Reserve Bank of India or other authorities, in this respect.

Company Personnel have a duty to report violations, or suspected violations, of the Policy to the Compliance Officer or his or her supervisor.

Non-compliance with the Policy will subject any involved Company Personnel to disciplinary action, which may include fines, termination of employment, and/or possible civil or criminal penalties.

Any Company Personnel with questions regarding the Policy should contact the Compliance Office.

#### **V. RECORDKEEPING AND INTERNAL CONTROLS**

This Policy requires that all expenditures made by the Company are accurately reflected in the Company’s financial records and that all payments made with Company funds, or on behalf of the Company, have been properly authorized. Company Personnel

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<sup>6</sup> Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the proceeds appear to have been derived from legitimate origins or constitute legitimate assets. Terrorist financing occurs when people gather funds to support terrorists, terrorist activities, or terrorist groups. In contrast to money laundering, terrorist financing can involve the use of legally derived money to carry out illegal activities.

must follow all applicable standards, principles, laws and practices for accounting and financial reporting (including reporting requirements under or in relation to the Indian Prevention of Money Laundering Act, 2002). Company Personnel must be timely and complete when preparing all reports and records required by management. In particular, Company Personnel should ensure that no part of any payment is to be made for any purpose other than that to be fully and accurately described in Stelis' books and records. Company Personnel should use best efforts to ensure that all transactions, dispositions, and payments involving Company funds or assets are properly and accurately recorded in the Company's financial records. No undisclosed or unrecorded accounts are to be established for any purpose. False or artificial entries are not to be made in Stelis' books and records for any reason. Finally, personal funds must not be used to accomplish what is otherwise prohibited by this Policy.

The Compliance Officer is primarily responsible for the oversight and enforcement of this Policy. The Company will conduct periodic audits of its books and records to monitor compliance with this Policy.

## **VI. COMPLIANCE PROCEDURES AND TRAINING**

As part of Stelis' ongoing commitment to anti-corruption compliance, all employees must receive and review a copy of this Policy. All such employees must then certify in writing that they (1) have reviewed the Policy; (2) agree to abide by the Policy; and (3) agree to report any potential violations of the Policy to Compliance Officer.

In addition, the Company will offer periodic anti-corruption and anti-money laundering compliance training programs to educate employees about the requirements and obligations of anti-corruption and anti-money laundering laws and this Policy. All employees of the Company must participate in such training and the Compliance Officer must retain attendance records establishing compliance with this requirement.

## **VII. REPORTING REQUIREMENTS**

Stelis expects and requires any Company Personnel who have knowledge of, or reason to suspect, any violation of this Policy to contact Compliance Officer immediately. For detailed guidance, please refer to the **Whistleblower Policy**.

All questions regarding this Policy should be directed to Compliance Officer.

**Adopted vide approval of the Board of Directors on July 9, 2021**