

PALLA PHARMA LIMITED
ACN 107 872 453



PALLA PHARMA
CODE OF CONDUCT



CODE OF CONDUCT

1. OVERVIEW OF THE POLICY

The Directors and management of Palla Pharma Limited and its controlled entities ("Company") are committed to maintaining good standards in corporate governance, ethics and behaviour in all of the Company's activities, including the Company's interaction with its shareholders, employees, business partners, customers, suppliers, the community and the environment in which the Company operates.

The Company recognises its responsibilities as a developer of pharmaceutical products and that it must conduct its business in accord with relevant Australian and international regulatory requirements and laws.

All employees of the Company play an important role in establishing, maintaining and enhancing the reputation of the Company by ensuring observance of the high standards of ethics and behaviour to which the Company is committed. The Company requires that its employees display the highest levels of professionalism in all aspects of their work to facilitate the Company's compliance with this code of conduct and all applicable laws.

2. OBJECTIVES AND PURPOSES

This code provides the ethical and legal framework for how the Company will conduct its business and how the Company will relate to its stakeholders, including shareholders, employees, business partners, customers, suppliers, the community and the environment in which the Company operates.

Directors and employees have an obligation to comply with this code, company policies and the law. Directors and employees have a personal responsibility to uphold the reputation of Palla Pharma Limited and its subsidiaries, and to do the right thing when dealing with shareholders, customers, partners, suppliers and employees. In addition, the Company expects contractors, consultants, suppliers and other third parties to comply with the intent of this Code when dealing with the Company and/or its subsidiaries.

3. GENERAL PRINCIPLES

The Company expects all Directors, employees and third parties representing the Company to follow the Company's principals and uphold the highest moral, legal and ethical standards. The Board have set the following general principles:

3.1 Honesty, integrity and fairness

Honesty, integrity and fairness are integral to the way the Company operates and should guide all decision making. Directors, employees and any other party representing the Company must, at all times:

- (a) act in the best interest of the Company;
- (b) act honestly and with high standards of personal integrity;
- (c) comply with the laws and regulations that apply to the Company and its operations;



- (d) act ethically and not enter into any arrangement which negatively impact the Company's operations;
- (e) act in a way which does not take advantage of their position within the Company, and
- (f) comply with this Code.

Disciplinary and/or legal action will be taken where an individual or group of individuals do not comply with relevant laws, regulations or engage in behaviour which is either unethical or dishonest or represents other breaches of this code. Material breaches of this code will be promptly reported to the Chair of the Audit & Risk Committee.

3.2 Compliance with Laws

The Company's business activities will be conducted in accordance with the laws and regulations of the countries in which the Company operates.

The Company operates in a highly regulated business environment and its activities are subject to numerous laws, regulations and licensing conditions. The Company requires its employees to familiarise themselves with the laws, regulations and licence conditions applicable to their activities. If in doubt, employees are required to seek advice.

3.3 Fair Dealing

The Company will compete effectively and fairly in markets in which it operates. It will be honest, ethical and responsible in the way it presents products and services to its business partners and customers, uses its market power and its pricing practices.

The Company will be fair and honest in its relationship with suppliers and contractors from selection through to payment and termination of the relationship.

The Company will not engage in unlawful anti-competitive business practices or conduct, nor will it enter into any unlawful anti-competitive agreements.

Corrupt practices are unacceptable and will not be tolerated.

3.4 Confidentiality and Protection of Company Assets

The Company will maintain the confidentiality and privacy of all information that would reasonably be considered to be confidential and private including, but not limited to, employee details, intellectual property, performance and financial details.

Misappropriation of property owned by the Company, employees, business partners, customers or suppliers will not be tolerated. Any misappropriation is required to be immediately reported and properly investigated. Appropriate disciplinary and/or legal action will be taken.

3.5 Conflicts of Interest

Directors and employees are required to act in the best interests of the Company.

Directors and employees are not permitted to engage in activities that involve, or could appear to involve, a conflict between their personal interests and the interests



of the Company. Areas where conflicts may arise include share ownership, direct or indirect personal interest in contracts, dual employment or seeking or accepting gifts or entertainment beyond levels considered reasonable in the Company's business environment.

Any actual or potential conflicts of interest are required to be fully disclosed to appropriate management.

3.6 Shareholders and the Financial Community

The Company is committed to increasing shareholder value in conjunction with its responsibilities to act as a good corporate citizen.

The Company is committed to making sure that accurate information about its affairs is made available to its stakeholders in a timely way, in particular to make sure that the market is properly informed of anything which would be likely to have a material effect on the price of the shares of Palla Pharma Limited.

The Company's Continuous Disclosure and Shareholder Communication Policy sets out this policy in more detail.

3.7 Trading in Palla Pharma Securities

Directors and employees must not buy or sell shares and securities of the Company if they are in possession of price sensitive information that is not generally available to the market. Certain employees are also restricted from any trading in such shares and securities during certain periods of each financial year.

The Company's Security Trading Policy sets out this policy in more detail.

3.8 Equal Opportunity

The Company aims to:

- (a) make human resource decisions on the basis of merit with the information available to it; that is, employment decisions will be made on the basis of the possession of skills, experience, qualifications and characteristics relevant to the performance of work;
- (b) ensure unlawful discrimination does not occur in the workplace, in the provision of goods and services within its venues or in circumstances arising out of an employment relationship; and
- (c) maintain a workplace and public environment free from sexual and other unlawful harassment, unlawful discrimination, victimisation and vilification and other offensive conduct.

The Company will comply with relevant and applicable equal opportunity, anti-discrimination and affirmative action laws and regulations.

The Company requires all employees to follow all reasonable directions of their direct supervisor and to comply with all applicable policies and laws and reasonable standards of behaviour.

3.9 Health, Safety and Environment

The Company aims to provide a safe environment in which to work and for



customers and suppliers to visit.

The Company requires all employees to follow all reasonable directions from their direct supervisor; to comply with all applicable occupational, health, safety and risk management policies of the Company and laws; and to work safely and apply appropriate practices to endeavour to protect the health, safety and wellbeing of themselves, other employees, customers and suppliers.

The Company endeavours to reduce the environmental impact of its business activities and will seek to do this through continual improvement of environmental performance, protection and safety.

The Company is committed to providing effective support and training for its employees to assist them in their responsibilities of ensuring a safe workplace and to reduce the environmental impact of their activities.

3.11 Bribes and Financial Inducements

The Company will not directly or indirectly offer, pay, solicit or accept bribes.

Directors and employees of the Company must not receive personal financial rewards or inducements in return for making particular business decisions. Directors or employees must not accept gifts or other benefits where doing so may influence, or be seen as influencing, the exercise of objective business judgement in decision making.

3.12 Political Donations

The Company does not affiliate itself with any particular political party and does not make payments to political parties without specific Board approval.

4. REPORTING NON-COMPLIANCE AND GRIEVANCES

Employees are encouraged to report through to their direct supervisor genuine suspicions of non-compliance with this code.

Employees who have genuine suspicions of wrongdoings have a safe environment in which to speak up without fear, reprisal or victimisation. The Company's Whistleblower Policy sets out this policy in more detail.

Non-compliance with this code will be monitored and reported on.

5. ADMINISTRATION

5.1 Publication of the Code

This code will be available for viewing by any person on the Company's website or a copy will be sent upon request.

5.2 Continual Improvement

The Company will continue to monitor the appropriateness and effectiveness of this code and adopt appropriate agreed improvements and reporting procedures.

5.3 Questions about this Code

Questions about this code and its application by employees should be directed to their direct supervisor.



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Questions about this code and its application by shareholders and members of the public should be directed to the Company Secretary.

5.4 Training

Upon commencement of employment, the Company will provide appropriate training to employees in regards to their obligations under the Code and will provide additional training as necessary.

6. REVIEW OF CODE

The Company's Board of Directors approved this Code on 4 June 2020.

The Board will review this Code as often as the Board determines appropriate and make any changes it determines necessary or desirable.