

POLICY: ANTI-CORRUPTION & ANTI-BRIBERY

Objective

The objective of this policy is to:

- set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption
- provide information and guidance to those working for us on how to recognize and deal with bribery and corruption issues.

Scope & Applicability

Bribery and corruption are punishable for individuals and companies and if we are found to have taken part in corruption we could face an unlimited fine, be excluded from tendering for public contracts, face damage to our reputation and imprisonment. We therefore take our legal responsibilities very seriously.

This policy applies to all Idorsia employees (whether permanent, fixed-term or temporary), working at all levels and grades, including consultants, suppliers, contractors, trainees, agents, sponsors, members of Idorsia Committees, Groups, sub-Groups and pay-to-play Groups as well as any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as workers in this policy).

Definitions / Abbreviations

In this policy, third party means any individual or organization you come into contact with during the course of your work for us, and includes actual and potential clients, customers, consultants, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

Content

It is our policy to conduct all of our business in full compliance to all applicable laws. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally in all our

business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate.

What is bribery?

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

Examples:

Offering a bribe

You offer a potential client tickets to a major sporting event, but only if they agree to do business with us.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.

Receiving a bribe

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official

You arrange for the business to pay an additional payment to a foreign official to speed up an administrative process.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

Gifts & Hospitality

This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties.

The giving or receipt of gifts, hospitality and reimbursed expenses is not prohibited, if the following requirements are met:

- it complies with local law;
- it is given in Idorsia's name, not in your name;
- it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- it is of a reasonable value in the circumstances and accords with general business practice according to Swiss or US standards in all territories.;
- the nature of the gift, hospitality or reimbursed expense is of an appropriate type and given at an appropriate time;
- it is received/given, recorded, documented and reported to your line manager;
- gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of your manager.

What is not acceptable?

It is not acceptable for you (or someone on your behalf) to:

- give, promise to give, or offer, accept a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure or any other advantage not based on applicable laws;
- accept any payments from a third party in relation to your work for Idorsia except where a written official business or administrative transaction in compliance with all applicable laws exists where such a payment is explicitly authorized by Idorsia in writing;
- accept a gift or hospitality that is not reasonable in terms of common business practice according to US or Swiss standards;
- accept gifts and hospitality services if the cumulation of these is unreasonable according to US or Swiss standards;
- threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any activity that might lead to a breach of this policy.

Facilitation or "grease" payments

We do not make, and will not accept, facilitation payments of any kind. Facilitation payments are small, unofficial payments made to secure or expedite a routine government action by a government official such as issuing permits, immigration controls, providing services or releasing goods held in customs. They are common in some jurisdictions but are not tolerated in Idorsia.

If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your manager.

All employees must avoid any activity that might lead to, or suggest, that a facilitation payment will be made or accepted by us.

Political donations

We do not make donations to political parties. A political party donation is a gift of money to a political party and is to be distinguished from bona fide payments to political parties (which may be described as donations) for good or services such as passes to attend party conferences and to host events at such conferences.

Charitable donations

We only make charitable donations that are legal under local laws and practices. All donations, including those made by Committees, Groups, sub-Groups and pay-to-play Groups, must be authorised, recorded, documented and reported to your line manager.

Lobbying

Anyone that lobbies or is otherwise retained to advocate on our behalf must be made aware of and abide by this policy and follow our procedures on donations, gifts and hospitality.

Business relationships with third parties

It is our policy that:

- appropriate due diligence is carried out in respect of any third party who performs or will perform services for or on our behalf;
- we avoid dealing with any third party known or reasonably suspected to be paying bribes;
- we require our suppliers (eg. contractors, consultants) to comply strictly to all applicable laws.
- All contracts with third parties must be authorised and documented.

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 us or under our 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 this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with others if they breach this policy.

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 ensure that all expense 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. No accounts must be kept "off-book" to facilitate or conceal improper payments.

How to raise a concern

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your line manager. Concerns should be reported by following the procedure set out in our Whistleblowing Policy.

What to do if you are a victim of bribery or corruption

It is important that you tell your manager as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

Protection

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Group Compliance Officer immediately.

Training & Communication

Training on this policy forms part of the induction process for all new workers. All existing workers will receive regular, relevant training on how to implement and adhere to this policy.

Our zero-tolerance approach to bribery and corruption must be communicated to all material suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

Who is responsible for the policy?

The Management has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The Group Compliance Officer/General Counsel has primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

Monitoring & Reviewing

The Group Compliance Officer/General Counsel will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Compliance Office. This policy does not form part of any employee's contract of employment and it may be amended at any time.

Potential risk scenarios. "red flags"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly using the procedure set out in the Whistleblowing Policy:

- you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us; this does not include so called "non-refundable administration fees" required in some countries for the execution of Clinical Trial Agreements, as long as the performances associated with these fees are accurately described;
- a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- a third party requests an unexpected additional fee or commission to "facilitate" a service;
- a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- you are offered an unusually generous gift or offered lavish hospitality by a third party;
- a third party requests that a payment is made to "overlook" potential legal violations;
- a third party requests that you provide employment or some other advantage to a friend or relative;
- you receive an invoice from a third party that appears to be non-standard or customised;
- a third party insists on the use of side letters or refuses to put terms agreed in writing;
- you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- you ask a public official to provide consultancy services and they request a payment which you consider is unreasonable and which does not reflect the fair market value of the services to be provided.

Idorsia is an independent biopharmaceutical company based on science and innovation. The company is specialized in the discovery and development of small molecules, to transform the horizon of therapeutic options. It is headquartered in Allschwil/Basel, Switzerland and is quoted on the SIX Swiss Exchange (tickersymbol: IDIA). All trademarks are legally protected by their respective owners.

Disclaimer This fact sheet has the sole purpose to provide members of the public with general information about the activities of Idorsia. The forward-looking statements in this fact sheet are based on current expectations and belief of company management, which are subject to numerous risks and uncertainties.

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