



## CORPORATE POLICY

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## 1. Purpose

Addex Therapeutics Ltd, a company incorporated in Plan-les-Ouates/Geneva, Switzerland, and listed on the SIX Swiss Exchange (**SIX**) (**Addex**), and all the companies included in its consolidated financial statements (**Addex Group**) have to comply with all applicable laws of Switzerland, as well as the federal securities laws of the United States of America and the rules of the Nasdaq Stock Market LLC.

Addex has implemented this anti-corruption policy (**Policy**) for the purpose of ensuring compliance with Swiss anti-corruption laws, the U.S. Foreign Corrupt Practices Act of 1977, as amended (**FCPA**), the U.S. Travel Act, the U.S. Domestic Bribery Statute; the UK Bribery Act 2010 and all other anti-corruption laws and regulations applicable to Addex Group's business anywhere in the world.

This Policy has been approved by Addex Board of Directors (**Board**) and is a supplement to Addex Organizational Rules and should be read in conjunction therewith.

References in this Policy to one gender shall be deemed to include the other gender.

## 2. Who is Subject to this Policy?

This Policy applies to all world-wide directors, officers, employees, and individuals serving as independent contractors of the Addex Group (collectively **Addex Employees**). In addition, Addex expect its agents, consultants, representatives, suppliers/vendors, resellers, distributors, customs or other brokers, contractors, advisors, and other business partners to comply with the principles contained in this Policy.

## 3. Prohibition of Bribery

Addex Employees are strictly prohibited from promising, offering, providing, or authorizing cash payments (such as bribes or kickbacks) or anything else of value directly or indirectly to any person to achieve an improper purpose related to Addex Group's business.

Addex Employees are strictly prohibited from requesting, agreeing to receive, or accepting money or anything else of value from any person to achieve an improper purpose related to Addex Group's business.

Addex Employees must comply with all of Addex's internal controls, especially those designed to (i) ensure accurate and complete books and records or (ii) otherwise prevent corruption, self-dealing, embezzlement, fraud, money laundering, or other improper activities.

There are no exceptions to this Policy, even if Addex's competitors engage in improper behavior or corruption is an accepted practice in a country where Addex operates. Addex Employees are required to adhere to both the spirit and the letter of this Policy with respect to Addex Group's business anywhere in the world.

Bribery is the offering, promising, giving or accepting of any illegal pecuniary or other advantage to or by:

- a public official at a local, national or international level;
- a political party, party official or candidate; and
- a director, officer, employee or agent of a private enterprise,

in order to obtain or retain a business or other illegal advantage, e.g. in connection with regulatory permits, taxation, customs, judicial and legislative proceedings.

#### 4. What Steps Should be Taken by Addex Employees when Working with External Partners?

All Addex Employees shall follow the following rules when working with external partners:

- Verify that external partners shall be well qualified and with good reputation;
- Obtain a valid reference on the external partner, such as a copy of the excerpt of the commercial registry, a certificate of good standing, a copy of external partner passport or organizational documents (such as articles of incorporation), a financial institution reference letter, etc.;
- Contact a senior manager of Addex and ask for advice if he identifies "red flags of alert", such as a questionable reputation of the external partner, or if external partner proposes a transaction which suggests bribery payments (e.g. asks for unusual payment methods, such as cash payment), or if external partner claims to be able to secure the success of a public bid or conclusion of a public contract because of "special arrangements" with authorities or officials.

#### 5. What Should Agreements with External Partners Contain?

Any agreement concluded with an external partner should at least contain:

- a representation that the external partner has complied and will comply in the course of their activities with all applicable laws and regulations, including the OECD Convention on Controlling Bribery of Foreign Public Officials in International Business Transactions, the FCPA and the UK Bribery Act;
- when external partner is a physical person, a representation that he is not, nor any member of their immediate family, an official, officer or representative of any government, governmental entity or political party, or candidate for political office;
- when applicable, a description of the services to be provided by external partner;
- when applicable, a requirement that the external partner reports on a periodic basis its activities to Addex;
- a provision that any assignment by the external partner of their rights or obligations stemming from their agreement with Addex to any third party requires Addex's written pre-approval;
- a requirement for indemnification in case of breach by external partner of their obligations; and
- a provision that enables Addex to terminate the agreement should the external partner breach any of these covenants.

#### 6. What Rules Apply to Charitable Contributions and Sponsorships?

The following rules apply when charitable contributions and sponsorships (**Donations**) are made by an Addex Employee:

- Donations should only be made to political parties, party officials, candidates and charitable organizations in accordance with applicable law and public disclosure requirements.
- When making a Donation, the amount and timing of the contributions should be reviewed to ensure that they are transparent and not used as a subterfuge for corruption.
- Special care should be exercised in reviewing contributions to organizations in which prominent political figures, or their close relatives, friends and external partners are involved.

## 7. What Rules Apply to Gifts, Hospitality and Entertainment Expenses?

The following rules apply when gifts, hospitality or entertainment expenses (**Gifts**) are made by an Addex Employee:

- Gifts should never be offered in secret (without an Addex senior manager knowing about it).
- Money should never be offered as a gift.
- When offering a Gift, the economic situation of the receiver should always be considered, and a Gift should never exceed the recipient's ability to repay.
- Gifts should never be offered when bidding for a contract or at any stage of a concession tender.
- Voyages and business trips should always have a legitimate business purpose and should never be offered in secret.

## 8. What Rules Apply to Facilitation Payments?

Generally speaking, an Addex Employee shall not make Facilitation Payments (**Facilitation Payments** refer to the situation, in which small payments are made to low-level officials for routine administrative or clerical tasks).

Should it not be possible to eliminate entirely any recourse to a Facilitation Payment, an Addex Employee shall, before making or authorizing a Facilitation Payment, ensure that the following cumulative conditions are met:

- all other reasonable possibilities have been exhausted; and
- the amount of the Facilitation Payment is minimal; and
- the Facilitation Payment will be accounted for by Addex.

## 9. What Rules Apply to Addex Employees Holding Public Office?

Any Addex Employee appointed (or seeking appointment) to a governmental commission, official position, or representative position of any government, governmental entity or political party, or being candidate for political office shall immediately disclose such fact in written to the Chief Executive Officer (**CEO**) of Addex. This disclosure obligation should also apply if it

is a member of the immediate family of such Addex Employee which is appointed (or seeking appointment) to such official position.

## 10. How Should Transactions Be Recorded and Accounted For?

All Addex Employees shall always properly and fairly record all financial transactions in the appropriate books of accounts available for inspection by the audit committee of the Board, as well as by the auditors.

There must be no “off the books” or secret accounts, nor may any documents be issued which do not properly and fairly record the transactions to which they relate.

Violations of the above accounting standards can occur if an Addex Employee conceals bribes or falsify other transactions or expenses, even if they are not related to a bribe, in Addex’s ledgers or other records. Even small misreported amounts may result in violations. Annex 4 contains examples of potential accounting violations.

## 11. Special Concerns in the HealthCare Sector

The healthcare sector has received significant attention with respect to anti-corruption concerns. Several leading companies in this industry have been the subject of investigations and other enforcement actions for violating anti-corruption laws. In light of this risk, it is important that all Addex Employees note the following:

- Improper payments made in exchange for clinical trial permits or other related government approvals are strictly prohibited by this Policy.
- Researchers, doctors, other healthcare professionals, or certain other individuals may be considered government officials for purposes of the FCPA and other anti-corruption laws by virtue of their employment by government-affiliated hospitals, universities, laboratories, research institutions, or other organizations.
- Employees or officials of public international organizations such as the World Health Organization will be considered government officials for purposes the FCPA and other anti-corruption laws.
- In certain cases, private persons acting in an official capacity (such as a prime contractor) on behalf of a government hospital or other health agency or a public international organization could be viewed as government officials.
- Special care must be exercised when Addex retains doctors, other healthcare professionals, key opinion leaders, or other government officials as conference representatives, advisory board members, consultants, or contractors, especially if their employers are current or prospective customers or regulators of Addex’s business.
- Anti-corruption concerns can arise in the context of research grants provided by Addex to persons or organizations at the request of or otherwise affiliated with government officials. No grant may be used to confer a personal benefit on a healthcare professional, other

government official, or other person in exchange for regulatory approvals, business, or other improper advantages. Grant requests must be reviewed by the Compliance Officer to ensure that appropriate anti-corruption standards are followed.

## 12. Whom to Contact in Case of Questions or Suspicion of Breach of this Policy?

All Addex Employees have an affirmative obligation to report all violations of this Policy to the Compliance Officer by writing an email to the Compliance Officer: Eric Gaillard at [compliance@addextherapeutics.com](mailto:compliance@addextherapeutics.com).

Reports may also be submitted anonymously (see Whistleblower Policy on how to do this). However, Addex encourages all Addex Employees to consider revealing their identity so that Addex can properly follow up and investigate alleged violations. Addex will ensure that appropriate confidentiality measures are taken and will not retaliate against any individual for reporting violations in good faith.

All Addex Employees must also notify the Compliance Officer of any corrupt, improper, illegal, or other unusual requests for payments or other benefits made by customers, intermediaries, vendors, business partners, government officials, or other Addex Employees.

Addex welcomes any constructive comments or questions that Addex Employees may have regarding the substance and implementation of this Policy in their respective sector and/or territory. Such communications have to be directed to the Compliance Officer.

## 13. Sanctions in Case of a Violation of this Policy

This Policy is a binding directive approved and issued by the Board. Full compliance with this Policy is of utmost importance to the Addex Employees and the reputation of Addex. Any evidenced breach of this Policy shall be regarded as a serious disciplinary offence.

In addition, violation of anti-corruption legislation is a crime and punishable by fines or imprisonment in Switzerland and elsewhere. It should be noted that most jurisdictions have sanctions or definition of prohibited bribery which are more severe, respectively much broader, than Article 322ter-322octies of the Swiss Criminal Code and Article 4a of the Swiss Act Against Unfair Competition.



## Annex 1 – Swiss Anti-Corruption Laws

### Swiss Criminal Code

Bribery of Swiss and non-Swiss public officials as well as the bribery of private individuals are criminal offences under Title 19 (Bribery) of the Swiss Criminal Code (**SCC**).

With respect to Swiss public officials, any person who offers, promises or gives a member of a judicial or other authority, a public official, an officially-appointed expert, translator or interpreter, an arbitrator, or a member of the armed forces an undue advantage, or offers, promises or gives such an advantage to a third party in order to cause the public official to carry out or fail to carry out an act in his official capacity which is contrary to his duty or dependent on his discretion shall be punished with a prison sentence of up to five years or with a fine (Article 322ter SCC). The Swiss public officials accepting a bribe falling under Article 322ter SCC shall also be punished with a prison sentence of up to five years or with a fine (Article 322 quarter SCC). If a monetary bribe or any other undue advantage is given merely to encourage a Swiss public official to carry out his official duties (and not for the purpose of encouraging such official to act contrary to his duty or to use his/her discretion in a certain way), both the grantor of such advantage and the recipient shall be punished with a prison sentence of up to three years or with a fine (Article 322 quinques and sexes SCC).

Article 322 septies SCC relating to the corruption of non-Swiss public officials is similar in its scope and penalty to Article 322ter SCC.

Under Article 322octies SCC (private sector bribery), any person who offers, promises or gives an employee, partner, agent or any third party in the private sector an undue advantage in order that the person carries out or fails to carry out an act in his professional capacity which is contrary to his duties or dependent on his discretion shall be punished with a prison sentence not exceeding three years or a fine. Any private individuals accepting a bribe falling under Article 322octies SCC shall also be punished with a prison sentence of up to three years or with a fine (Article 322 quarter SCC).

Besides the individuals involved in the bribery, the business entities (irrespective of its legal form) who employed such individuals may also incur criminal liability if such business entities failed to take all reasonable and necessary organizational measures to prevent bribery (or if the responsible person within the business entities cannot be identified). Consequently, business organizations themselves are exposed to a prosecution risk. However, unlike the UK Bribery Act, which puts the burden of proof on the business organization to demonstrate adequate policies and procedures, Swiss law requires the prosecutor to prove the organizational deficiency of the business organization.

In case of a conviction, a business may be subject to a fine of up to CHF 5 million. In addition, profits stemming from a business deal concluded through bribes may be seized. In any event, a criminal investigation on bribery may entail serious reputational damage for the affected business.

### Swiss Federal Act on Therapeutic Products

Article 33 of the Swiss Federal Act on Therapeutic Product (**ATP**) explicitly prohibits the grant, offer or promise of material benefits to any person who prescribes or dispenses medicinal products (such as doctors or pharmacists) or to the organisations which employ them (such as public or private hospitals). Article 33 ATP provides two exceptions to the above rule: (i) material benefits of modest value and which are related to the medical or pharmaceutical practice, and (ii) commercially and economically justified discounts which are directly reflected on the retail price of the medicinal products, are permitted.

A violation of Article 33 ATP does not carry any prison sentence and the maximum fine is CHF 50,000 but it still has a very significant practical impact. There is no requirement to prove intent and there is no need to prove that the bribe's aim was to induce an individual to breach her or



her duties. The mere grant of a material advantage to a health professional (and the persons who employ them, such as hospitals) which could influence his or her decision to prescribe or dispense medicinal products is sufficient to meet the requirements of Article 33 ATP.

## Annex 2 – FCPA Anti-Bribery Prohibitions

The FCPA and other anti-bribery/anti-corruption laws prohibit Addex Employees and Addex from corruptly promising, offering, providing, or authorizing the provision of money or anything of value directly or indirectly to a government official and certain other persons to achieve an improper purpose. **Improper purposes** include:

- (i) influencing any act or decision of the recipient in his official capacity;
- (ii) inducing the recipient to do or omit to do any act in violation of his lawful duty;
- (iii) inducing the recipient to influence any act or decision of a government or instrumentality of a government, or
- (iv) securing any improper advantage,

in order to obtain, retain, or direct regulatory approvals, contracts, business or other benefits.

The FCPA prohibits improper payments provided to officials of governments, state-affiliated entities, and political parties outside the United States. However, the provision of improper benefits to government or private-sector recipients within the United States will violate U.S. domestic bribery statutes.

Given the broad prohibitions under the FCPA and other anti-corruption laws applicable to Addex, this Policy prohibits bribes, kickbacks, and the provision of other improper benefits and advantages to any person, entity, or organization, including, but not limited to, employees, officials, representatives, or agencies of any

- (i) government;
- (ii) state-owned or affiliated entity, including, but not limited to, a state hospital, research institution, utility, public university, or sovereign wealth fund;
- (iii) public international organization such as the United Nations, the World Health Organization, or the World Bank;
- (iv) political party, including the party itself as well as candidates for public office;
- (v) non-governmental organization, including the Red Cross, Partners in Health, Médecins Sans Frontières, action medeor e.V., and similar humanitarian organizations that play a role in the provision and financing of health services; or
- (vi) private-sector company.

The scope of “government officials” is very broad and can cover (i) doctors or other healthcare professionals employed by state-affiliated hospitals as well as (ii) individuals responsible for classifying our products as eligible for government-subsidized medical reimbursements.

One may be asked by certain parties to provide a bribe or other improper benefit in exchange for

- (i) the award of a contract, sponsorship opportunity, research grant, or other business;
- (ii) the issuance or renewal of a concession, license, or business, construction, or other permit or registration;
- (iii) a favorable government classification of our products;
- (iv) an impermissible reduction in duties or other taxes;
- (v) the successful filing of a patent or trademark application;
- (vi) avoiding mandatory inspections;
- (vii) obtaining a favorable inspection result or court decision, even if the facts or circumstances do not support such a result; or

(viii) the grant of some other improper advantage.

This Policy prohibits all Addex Employees from providing bribes or other improper benefits to any person to achieve any of the above purposes.

A violation of this Policy can occur even if the bribe fails to achieve the purpose for which it was intended. This means that a person can violate this Policy if that person provides an improper payment or benefit to a recipient and the recipient does not grant any business or other advantage in return. In addition, the mere offer or promise of a bribe or other improper benefit is sufficient to cause a violation. All of the anti-bribery prohibitions contained in this Policy apply irrespective of whether an Addex Employee use Addex funds or their personal funds to finance improper payments or other benefits.

This Policy also prohibits all Addex Employees from soliciting or accepting bribes, kickbacks, or other improper payments/benefits from Addex's vendors or other persons in relation to Addex's business.

## Annex 3 – The UK Bribery Act 2010

Among various matters, the UK Bribery Act 2010 (the **UKBA**) prohibits individuals and entities from offering, promising, or giving (directly or indirectly through a third party) a financial or other advantage to a recipient with (i) the intention that the advantage induce the recipient to perform improperly a relevant function or activity or to reward a person for the improper performance of such function or activity, or (ii) the knowledge or belief that the acceptance of the advantage would itself constitute an improper performance of a relevant function or activity. A violation of the UKBA will occur irrespective of whether the recipient of an improper payment or advantage is a government official or an employee of a private-sector entity.

The UKBA contains four principal offenses as follows: (i) offering, promising, or giving of a bribe to another person (Section 1); (ii) requesting, agreeing to receive, or accepting a bribe (Section 2); (iii) bribery of a foreign (non-UK) public official (Section 6); and (iv) failure by certain commercial organizations to prevent Section 1 or 6 bribery offenses by their associated persons (including employees, contractors, Intermediaries, or anyone else performing services for or on behalf of a company) of any nationality anywhere in the world (Section 7). The UKBA provides a statutory defense to a Section 7 violation for companies that can demonstrate that they had in place adequate systems and controls designed to prevent offenses under UKBA. This policy is part of Addex's overall effort to establish such systems and controls.

Courts in the United Kingdom exercise broad jurisdiction over UK as well as non-UK persons who commit UKBA offenses. Although Addex does not currently maintain a UK subsidiary, there could be circumstances where Addex's non-UK entities and employees could be subject to UKBA jurisdiction.

Under the UKBA, individuals guilty of bribery may be subject to imprisonment for up to 10 years and/or subject to a fine of an unlimited amount. Commercial organizations guilty of bribery or failure to prevent bribery may also be subject to a fine of an unlimited amount as well as debarment from government contracts. In addition, UKBA offenses could result in violations of other laws such as the UK Proceeds of Crime Act 2002, which contains the UK's principal money laundering offenses.

## Annex 4 – FCPA Accounting Requirements

Set forth below are examples of potential FCPA accounting violations. This is not an exhaustive list.

- Addex fails to record a transaction in its books in a manner that permits the preparation of financial statements in conformity with applicable accounting standards or other acceptable criteria.
- Records state that a payment was made to person A, when in reality it was made to person B.
- The records accurately describe the recipient and the purpose of the payment, but misrepresent the amounts involved.
- Bribes or kickbacks are hidden or disguised in company financial records as “consulting fees,” “commissions,” “service fees,” or other misleading terms.
- Any entry is falsified in company financial records even if it has no connection to a bribe.
- Employees incur expenses without the appropriate authorization.
- Employees submit fake expense receipts for reimbursement.
- Employees receive kickbacks from vendors.
- Employees maintain a slush fund or other off-the-books account.
- Employees misuse petty cash funds to make improper payments to third parties or to cover non-business, personal expenses.
- Addex fails to perform effective due diligence on its agents, representatives, contractors, joint venture partners, or target companies in merger/acquisition transactions.
- Addex enters into business relationships with (i) non-existent agents, contractors, or other partners or (ii) existing parties that do not provide any real services or products.
- Addex fails to monitor its on-going relationships with vendors and other business partners to ensure that they do not engage in corrupt or other improper activities.
- Employees engage in self-dealing, embezzlement or other similar schemes involving Company resources.
- Addex fails to impose effective internal controls on subsidiaries or joint ventures in which Addex has more than 50% of the voting interests.
- Addex fails to make a *good faith* effort to cause a joint venture, in which Addex has 50% or less of the voting interests, to adopt effective internal controls.
- Employees have access to unusually high amounts of cash from Addex sources.
- Addex fails to conduct effective periodic audits.
- Addex employees provide false, misleading, or incomplete information to auditors or otherwise prevent effective audits from occurring.
- Employees otherwise circumvent Addex’s internal controls.