



# workplace reporting anti-fraud policy

(Reviewed/Ratified January 6th, 2021)

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- CONFIDENTIAL -



**Workplace Reporting  
Anti-Fraud Policy**  
January 6, 2021

**Introduction**

Axogen, Inc., and its subsidiary Axogen Corporation, (“collectively Axogen or the Company”) is committed to the highest possible standards of openness, honesty and accountability in all its affairs. The Company is determined to maintain a culture of honesty and opposition to fraud and corruption. In line with that commitment, the Company’s Anti-Fraud Policy outlines the principles we are committed to in relation to preventing, reporting and managing fraud and corruption. This Anti-Fraud Policy reinforces the Company’s approach by setting out the ways in which employees or members of the public can voice their concerns about suspected fraud or corruption. It also outlines how the Company will deal with such complaints.

**Implementation**

This policy is to be implemented where suspicions of fraud or corruption have been raised. Axogen employees will be trained on this policy annually or as changes are made, whichever occurs first.

*Fraud* is defined as:

**“The intentional distortion of financial statements or other records by persons internal or external to the Company which is carried out to conceal the misappropriation of assets or otherwise for gain.”**

*Corruption* is defined as:

**“The offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person.”**

Fraudulent or corrupt acts may include:

- 1. Systems Issues - Where a process/system exists which is prone to abuse by either employees or public.**
- 2. Financial Issues - Where individuals or companies have fraudulently obtained an inappropriate financial benefit from the Company.**
- 3. Equipment Issues - Where the Company’s equipment is used for inappropriate personal use.**
- 4. Resource Issues - Where there is a misuse of resources, (e.g., theft of materials).**

**Other Issues-** Activities undertaken by employees of the Company which may be: (a) unlawful; (b) against the Company’s policies; (c) falls below established standards or practices; or (d) amounts to improper conduct.

This is not an exhaustive list. If you are in any doubt about the seriousness of your concern, advice and guidance can be obtained from the Chief Executive Officer (CEO), General Counsel, or Chief Financial Officer.



## **Safeguards**

**Harassment or Victimization** - The Company recognizes that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. The Company will not tolerate harassment or victimization and will take action to protect those who raise a concern in good faith.

**Confidentiality** - The Company will do its best to protect an individual's identity when he or she raises a concern and does not want their name to be disclosed. It must be appreciated, however, that the investigation process may reveal the source of the information and a statement by the individual may be required as part of the evidence.

**Anonymous Allegations** - This policy encourages individuals to put their names to allegations. Concerns expressed anonymously are much less powerful, but they will be considered at the discretion of the Company. In exercising this discretion, the factors to consider would include: the seriousness of the issues raised; the credibility of the concern; and the likelihood of confirming the allegation from attributable sources.

**Untrue Allegations** - If an allegation is made in good faith, but it is not confirmed by the investigation, no action will be taken against the originator. If, however, individuals make malicious and false allegations, action may be considered against the individual making the allegation.

## **Employee Actions**

Employees are often the first to realize that there is something seriously wrong within the Company. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Company. They may also fear harassment or victimization. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion.

The Company's Whistleblower Policy is intended to encourage and enable staff to raise serious concerns within the Company. Employees should utilize the Whistleblower system to report any allegations. If the claim is substantiated, the CEO, General Counsel and Chief Financial Officer will be notified and consulted. The nature of the complaint will determine the Company's course of action.

## **Receipt of Employee Complaints**

Employees with concerns or complaints may report these matters to the Audit Committee and Company, on a confidential or anonymous basis, through the following third-party maintained platforms:

**Website:** [axogeninc.ethicspoint.com](http://axogeninc.ethicspoint.com)

**Toll-free hotline number: 1-844-989-2990**

All calls are received and maintained by a third-party group, who then submits reports to the General Counsel and Chief Compliance Officer and the Chair of the Audit Committee. In the event that any of the individuals serving in these rolls is named in the call, the report will then be forwarded by the third-party group to another officer of the company. Summary reports will be provided to the Board on a quarterly basis.



### **How will allegations of fraud or corruption be dealt with by the Company?**

For issues raised by employees or members of the public, the action taken by the Company will depend on the nature of the concern. The matters raised may:

- be investigated internally
- be referred to the appropriate authorities

As soon as practical after a concern is received, the CEO or designated officer will write to the complainant, addressing one or more of the following:

1. Acknowledging that the concern has been received;
2. Indicating how it proposes to deal with the matter;
3. Giving an estimate of how long it will take to provide a final response;
4. Telling them whether initial inquiries have been made; and
5. Telling them whether any further investigations will take place, and if not, why not.

Where the loss is substantial, legal advice should be obtained without delay. Legal advice should also be obtained about prospects for recovering losses, where the perpetrator refuses repayment. The Company would normally expect to recover costs in addition to losses.

The Company accepts that those people who reported the alleged fraud or corruption needs to be assured that the matter has been properly addressed, and, subject to legal constraints, information about the outcomes of any investigation will be forwarded to the complainant.

### **Review**

This plan will be reviewed at least annually or after each use. Any need for change will be reported to the audit committee for approval.