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**AURINIA PHARMACEUTICALS INC.**  
**FRAUD POLICY**

(Approved June 26, 2019)

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**FRAUD POLICY**

Policy Summary:

The Corporate Fraud Policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against, and/or for the benefit of, Aurinia Pharmaceuticals Inc. and all operating divisions thereof (hereinafter “**Aurinia**” or the “**Company**”). It is the intent of the Company to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

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**A. OBJECTIVE**

The Fraud Policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against, and/or for the benefit of, the Company and all of its operating divisions. It is the intent of the Company to promote consistent organizational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

**B. FRAUD**

This Policy applies to any irregularity involving employees as well as officers of the Company and the Board of Directors ("**Board**") of the Company. For the purpose of this Policy the term employees includes officers of the Company and the Board.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Company.

**C. GENERAL BACKGROUND**

Management is responsible for the detection and prevention of fraud. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any irregularity that is detected or suspected must be reported immediately to the Chair of the Audit Committee (who will coordinate all investigations with corporate counsel and other affected areas, both internal and external). Detected or suspected irregularities can be reported to an independent whistleblower hotline (*In Touch*) as detailed below. *In Touch* will, on a confidential basis, provide the information to the Chair of the Audit Committee for further action as deemed appropriate.

Should the detection or suspicion involve the Chair of the Audit Committee directly, *In Touch* will provide the information directly to the Chairman of the Board.

To report a detection or suspicion of fraud, contact *In Touch* as follows:

- Dial toll-free **1-844-727-2481** 24 hours a day, 7 days a week; **OR**
- Email to: [AuriniaEthics@getintouch.com](mailto:AuriniaEthics@getintouch.com).

**D. ACTIONS CONSTITUTING FRAUD**

Actions constituting fraud if intentionally performed by the employee include, but are not limited to:

- misappropriation of Company funds;
- impropriety in the handling or reporting of money or financial transactions;
- seeking anything of material value from contractors, vendors, or persons providing services/materials to the Company for personal gain;
- destruction or theft of furniture, fixtures and/or equipment;
- false entries to the Company's books and records;
- fictitious items claimed on employee expense reports;

- establishing a fictitious customer, employee or vendor in Company's records; and
- Generating false or fictitious scientific results.

#### **E. INVESTIGATION RESPONSIBILITIES**

The Chair of the Audit Committee has the primary responsibility for the investigation of all suspected fraudulent acts including those defined in this Policy. If the investigation substantiates that fraudulent activities have occurred, the Chair of the Audit Committee will issue reports to appropriate designated personnel and, if appropriate, to the Board of Directors through the Audit Committee.

#### **F. CONFIDENTIALITY**

The Chair of the Audit Committee will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity should notify *In Touch* immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act. See "G - Reporting Procedures" below.

#### **G. REPORTING PROCEDURES**

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact *In Touch* immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her legal representative or any other inquirer will be directed to the Chair of the Audit Committee who will consult corporate counsel as appropriate.

Information regarding an investigation will only be given to the public by an authorized Company spokesperson as described in the Company's Corporate Disclosure Policy. No other employee shall provide information to the public concerning the status of an investigation. The proper response to any inquiry is "**I am not at liberty to discuss this matter.**" Under no circumstances should any reference be made to the:

- Allegation;
- Crime;
- Fraud;
- Forgery;
- Misappropriation, or;
- any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual(s) in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions or allegations with anyone unless directed by corporate counsel or the Chair of the Audit Committee.

## **H. REMEDIAL AND DISCIPLINARY ACTIONS**

The Chair of the Audit Committee does not have any authority to determine the method of remedial and disciplinary action for any individual engaging in fraudulent activities. Any remedial and disciplinary action decision is to be made by the individual's management. Should the Chair of the Audit Committee believe that the management decision is inappropriate for the facts presented, the facts will be presented to executive level management for review.

Any individual who engages in fraudulent activity may be subject to any combination of the following remedial and disciplinary actions:

### **a. Termination**

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the Board, before any action is taken.

### **b. Criminal Investigation and Further Legal Action**

All individuals that are proven to have engaged in fraudulent activity may be pursued to the full extent of the law initiated with the filing of a formal police file.

### **c. Requirement to Make Full Restitution and Recovery**

The Board may require that individuals engaging in fraudulent activity make full restitution and recovery of any misappropriations made in the conduct of, or as a result of, the fraudulent activity.

## **I. INTERPRETATION AND REVIEW**

Any questions regarding the application of this Policy should be first directed to the Chair of the Audit Committee via *In Touch*. However, the Board has final authority to interpret and resolve any questions regarding the application of the contents, and spirit, of this Policy.

The Board will review this Policy on an annual basis and implement any changes as necessary.