

SUTRO BIOPHARMA, INC.

ANTI-CORRUPTION POLICY

As Adopted on September 14, 2018

Sutro Biopharma, Inc. (collectively with its subsidiaries, the “*Company*”) is committed to promoting the highest standards of ethical business conduct and to compliance with all applicable laws, rules, and regulations. As part of this commitment, all Company directors, officers, employees, independent contractors and consultants, agents and representatives worldwide, including individuals employed by or acting on behalf of the Company or its subsidiaries, are required to comply with the Foreign Corrupt Practices Act (“*FCPA*”), the UK Bribery Act (“*UKBA*”), other applicable anti-bribery laws, local laws, this Anti-Corruption Policy (this “*Policy*”) and any procedures developed by management to implement this Policy.

I. Prohibited Conduct

This Policy contains information intended to reduce the risk of corruption and bribery from the Company’s activities. The Company and its directors, officers, employees, independent contractors and consultants, agents and representatives are prohibited from, directly or indirectly, authorizing, making, offering, promising, requesting, receiving or accepting bribes, kickbacks or other improper payments in any form. This prohibition applies to all forms of bribery, including commercial bribery as well as bribery of government officials.

The U.S. and other anti-corruption laws prohibiting bribery are very broad, so that many kinds of gifts or entertainment provided to government employees might be considered improper. For that reason, you may not give anything of value to any government official in order to wrongfully influence the government official, obtain or retain business or receive any improper advantage. This prohibition applies regardless of whether the payment or offer of payment is made directly to the government official or indirectly through a third party.

Examples of prohibited conduct include:

- payments made directly to a government official for an improper purpose;
- payments or gifts to third parties where you know or have reason to know that at least a portion of the payments or gifts is likely to be offered by the third party to a government official for an improper purpose;
- acts “in furtherance of” an improper payment, such as arranging for funds to be available for the improper payment; and
- payments to retain assets, such as an “under the table” payment to a tax official to settle a tax claim or to a regulatory official to obtain or expedite regulatory approval.

It is important to avoid even the appearance of impropriety. The Company has designated the Company’s Executive Director, Legal Affairs as its Compliance Officer (the “*Compliance Officer*”). In the event of the Executive Director, Legal Affairs unavailability, the Company’s Chief Financial Officer or Chief Executive Officer will be authorized to serve as the Compliance Officer in the interim or to designate another person as the Compliance Officer. If you have any questions about whether a payment, gift, offer or other act may be improper or violate this Policy, consult the Compliance Officer before making any such payment, gift or offer or engaging in such other act.

II. Important Concepts

“*Government official*” includes, but is not limited to:

- any official or employee of a government, including any political party, administrative agency, or government-owned business;
- any person acting in an official capacity on behalf of a government entity;
- employees or agents of a business or other organization that is owned or controlled by a government, including the employees of a government-owned hospital;
- any person or firm employed by or acting for or on behalf of any government;
- any political party official, employee or agent of a political party, or candidate for political office (or political party position); and
- any family member or other representative of any of the above.

Any doubts about whether a particular person is a government official should be resolved by assuming that the individual involved is a government official for FCPA and UKBA purposes.

“*Anything of value*” includes money (including charitable or political contributions, loans or non-arm’s length transactions) and monetary equivalents (such as gambling chips and gift cards), entertainment, accommodations, and any other benefit (such as business, employment or investment opportunities). There is no “minimum” required under the FCPA or UKBA – any amount can be sufficient to trigger a violation.

“*Improper advantage*” includes payments intended to wrongfully:

- influence a decision by an official, including a failure to perform his or her official functions;
- induce an official to use his or her influence to affect a decision by someone else in his or her government; and
- induce an official to use his or her influence to affect or influence any act or decision.

In addition to obtaining or retaining business, “improper advantage” includes reducing taxes or duties, “looking the other way” at minor code or rule violations, and any form of preferential treatment.

III. Gifts, Entertainment, Travel & Promotional Expenditures

Gifts in the business context can be an appropriate way for business people to display respect for each other. The Company expects you to use good judgment and moderation when giving or receiving entertainment or gifts. No gift or entertainment should ever be offered, given, provided or accepted by you unless it:

- is reasonable and not extravagant;
- is appropriate under the circumstances and serves a valid business purpose;
- is customary and appropriate under U.S. and local customs;

- is not being offered for any improper purpose, and could not be construed as a bribe, kickback or payoff;
- does not violate any Company policy;
- does not violate any U.S., local or international laws or regulations; and
- is accurately and timely described in your expense or other reports and the Company's books and records after the gift is given or entertainment provided.

It is essential that you accurately report expenditures for gifts or entertainment so that the purpose, amount, and recipient of the gift are obvious (*i.e.*, transparent) to finance and other personnel who may review the Company's books and records. Expense reports should accurately state the purpose of the expenditures and the identities of the individuals receiving the gifts or entertainment and state whether the gift or entertainment was given to a public sector official or to any employee of a government entity.

Significant legal restrictions apply with regard to providing gifts, entertainment, travel and promotional expenditures related to government officials. You must make sure you fully understand the following restrictions and associated policies and procedures:

- all gifts, entertainment, or promotional expenses which are intended to induce a government official to misuse his position or to obtain an improper advantage are prohibited, regardless of their value;
- expenses must have a valid business purpose and be reasonable and necessary under the circumstances;
- gifts must be of token value (such as shirts or tote bags that reflect the Company's business name and/or logo), legal and customary, and openly given; and
- expenses and gifts must be fully, accurately and timely reflected in the Company's books and records and backed by receipts.

You should avoid even the appearance of impropriety. Any gift or expense that is lavish or might otherwise prove embarrassing for the Company is prohibited. If you have any question regarding the appropriateness of any gift or expense, you should consult the Compliance Officer prior to giving the gift or incurring the expense.

IV. Facilitating Payments

The FCPA and other anti-bribery laws may provide limited exceptions for certain minor payments for the purpose of facilitating or expediting routine, lawful services or non-discretionary administrative actions. However, other anti-corruption laws prohibit such payments. Any and all facilitating payments require prior written approval from the Compliance Officer.

V. Representatives, Partners, Consultants, Distributors, Agents, and Other Third Parties

Before initiating a relationship with a representative, agent, partner, independent contractor, consultant, collaborator, manufacturer, university, contract manufacturer, research facility, pharmaceutical company or other third party, you must look for any "red flags" that indicate any improper conduct by the third party.

A “red flag” is a fact or circumstance which requires additional consideration and extra caution. Red flags may appear in many forms and can include:

- payments in a country with a history or reputation for corruption;
- refusal to provide a certification of compliance with the FCPA and UKBA;
- unusual payment patterns or requests, including payments to third parties, in cash, and payments made to bank accounts outside the country;
- representations or boasting about influence or connections;
- use of a shell or holding company that obscures ownership without credible explanation;
- accusations of improper business practices (credible rumors or media reports, etc.);
- family, personal or business relationship with the government or a government official;
- requests for payments “up front” or statements that a particular amount of money is needed to “get the approval,” “make the necessary arrangements,” or similar expressions;
- unusually high commissions, agents’ fees, or payments for goods or services;
- apparent lack of qualifications or resources;
- whether the representative or joint venture partner has been recommended by an official of the potential government customer;
- requests to be able to make agreements without the Company’s approval; and
- requests that agreements or communications be kept secret (other than a customary nondisclosure or confidentiality agreement).

You are responsible for monitoring your email and other communications and documents for red flags. Any red flags should be brought promptly to the attention of your supervisor or the Compliance Officer. Failure to do so is considered a violation of this Policy.

VI. Books and Records

All officers, employees, independent contractors and consultants, agents and representatives must maintain accurate records of all transactions and assist in ensuring that the Company’s books and records accurately and fairly reflect, with appropriate detail, all transactions, expenses, or other dispositions of assets. To that end, you are prohibited from falsifying any business or accounting record and must truthfully and timely report and record all dispositions of assets. Undisclosed or unrecorded funds or assets, for any purpose, are prohibited.

Any questions on how to record transactions should be referred to the Company’s finance department and the Compliance Officer.

In addition to the guidelines set forth above, all directors, officers, employees, independent contractors and consultants, agents and representatives must comply with the Company’s Code of Business Conduct and Ethics.

VII. Reporting Breaches of this Policy

Compliance with this Policy is, first and foremost, the individual responsibility of every director, officer, employee, independent contractor and consultant, agent and representative of the Company. Company directors, officers, employees, independent contractors and consultants, agents or representatives who violate this Policy are subject to disciplinary action, up to and including termination of employment or other relationship with the Company. Third-party representatives who violate this Policy may be subject to termination of all commercial relationships with the Company. You must report, in person or in writing, any known or suspected violations of this Policy to your supervisor or either the Compliance Officer or the Chair of the Audit Committee of the Company's Board of Directors (the "*Chair*"). Additionally, all such persons may contact the Compliance Officer or the Chair with questions or concerns about this Policy. Any questions or violation reports will be addressed promptly, and can be made anonymously. Please see the Company's Whistleblower and Complaint Policy for additional information.

The Company will not allow any retaliation against any Company directors, officers, employees, independent contractors and consultants, agents or representatives who act in good faith in reporting any violation of this Policy. The Company will investigate reported violations and will determine an appropriate response, including corrective action and preventative measures, and will involve the Chair or Chief Financial Officer when required. All reports will be treated confidentially to the extent possible. In the course of any investigation, the Company requires all directors, officers, employees, independent contractors and consultants, agents and representatives to cooperate with the Company, outside legal counsel, outside auditors, or other similar parties. The Company views failure to cooperate in an internal review as a breach of such person's or entity's obligations to the Company, and will deal with this failure severely in accordance with any local laws or regulations.

VIII. Enforcement

From time to time, Company personnel may be required to complete anti-corruption training and acknowledge commitment to, full understanding of, and compliance with this Policy. Any Company personnel who violate this Policy may be subject to disciplinary action, up to and including termination of employment or of the business relationship.

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