



BioLineRx Compliance Reporting Policy

1. PURPOSE

The Sarbanes-Oxley Act of 2002 requires that the Audit Committee (the "Audit Committee") of BioLineRx Ltd. (the "Company") establish procedures to receive, retain and treat complaints received by the Company regarding accounting, internal control or auditing matters (including anonymous confidential submissions by employees).

Furthermore, the Israeli Companies Law, 1999 (the "Companies Law") requires the Audit Committee to establish procedures to receive, retain and treat complaints received by the Company's employees regarding deficiencies with the Company's business management and the protection such complainants are entitled to.

2. SCOPE

The Policy applies to all Company personnel, including directors, officers, employees and consultants of the Company.

3. RESPONSIBILITY

3.1. The Audit Committee shall designate one person as the Company's Compliance Officer who shall be primarily responsible for the administrative implementation of this Complaint Procedure and its periodically updates. The Compliance Officer should have some degree of independence from the Company's accounting, auditing and financial disclosure functions. Initially, the Compliance Officer shall be the Company's General Counsel.

3.2. QA is responsible for ensuring the document control process is in accordance with Documentation Management (SOP-10-002).

4. OBJECTIVE

The purpose of this document is to outline the responsibilities of all the involved parties with respect to receive, retain and treat complaints received by the Company's employees regarding deficiencies with the Company's business management and the protection such complainants are entitled to

5. DEFINITIONS AND/OR ABBREVIATIONS

NA

6. EQUIPMENT AND MATERIALS

NA

7. PROCEDURE

7.1. Complaints and concerns regarding the Company's accounting, internal control, auditing function, ethical and other business matters as well as under the Company's various policies



(each, a "Complaint") may be submitted to the Compliance Officer or directly to the Chairperson of the Audit Committee. The Compliance Officer shall establish a mailing address for the confidential and anonymous submission of Complaints to the Chairperson of the Audit Committee (the "Chairperson").

Alternatively, the Compliance Officer may establish such other procedure, such as a toll-free hotline which shall allow for the confidential and anonymous submission of Complaints to the Compliance Officer and to the Chairperson.

Anonymous Complaints may make it harder for the Company to address a specific Complaint and provide the necessary solutions. Therefore, the employee who submits any Complaint is urged to submit his/her Complaint in a disclosed while confidential way. Such Complaint should include all the information and relevant details in order for the Company to be able to properly and efficiency address the Complaint.

7.2. The Company, through the Compliance Officer, shall implement a logging and tracking system to record:

- the time and date of receipt by the Compliance Officer of a Complaint
- the content of the Complaint;
- the status of the Complaint; and
- the conclusion of the Complaint procedure.

The Compliance Officer shall provide to the Audit Committee, on a quarterly basis, a written report, detailing the time, date and nature, status and conclusions of each complaint received by the Compliance Officer since the date of the prior report.

7.3. The records required to be maintained under this Complaint Procedure shall be maintained as required by law for all accounting and auditing records for the fiscal periods to which the Complaint relates and for the ethical violations and other business related Complaints for seven years from the date of conclusion of the Complaint procedure.

7.4. Any Complaint received in accordance with this Complaint Procedure will be forwarded in a confidential manner to the Chairperson as soon as reasonably practicable following receipt of such Complaint. In addition, management and employees will be informed that any Complaint received outside of this Complaint Procedure should be forwarded to the Compliance Officer who shall forward such Complaint to the Chairperson.

7.5. Following a receipt of a Complaint, the Chairperson will promptly begin to conduct an initial evaluation of the Complaint. The Chairperson may delegate this authority to another



member of the Audit Committee. In connection with this initial evaluation, the Chairperson or his or her designee will make a determination of:

- whether the Complaint requires immediate investigation;
- whether it can be held for discussion at the next regularly-scheduled meeting of the Audit Committee or whether a special meeting of the Audit Committee should be called; or
- whether it should be reviewed by a party other than the Audit Committee in accordance with the Company's Code of Conduct or other policies.

In any event, each Complaint will be discussed at the next meeting of the Audit Committee. At that meeting, the Audit Committee will make a determination as to whether and how such Complaint will be investigated, or if the investigation has commenced, how to proceed with such investigation. The Audit Committee may elect among the following options or may investigate the Complaint in another manner determined by the Audit Committee:

- the Audit Committee may choose to investigate the Complaint on its own;
- the Audit Committee may select a responsible designee within the Company to investigate the Complaint. Under no circumstances should a member of the division of the Company that is the source of the Complaint be charged with its investigation. In addition, if the Complaint was not made on an anonymous basis, the Audit Committee will determine whether it is appropriate to provide the designee with the identity of the complaining party.
- the Audit Committee may retain an outside party to investigate the Complaint and to assist in the Complaint's evaluation; or
- the Audit Committee may retain outside counsel to initiate an investigation.

During the investigation and upon its conclusion, the investigating party will be responsible for making a full report to the Audit Committee with respect to the Complaint, and, if requested by the Audit Committee, to make recommendations for corrective actions, if any, to be taken by the Company.

The Audit Committee will consider, if applicable, the recommendations of the investigating party and determine whether any corrective actions should be taken. The Audit Committee will report to the Board of Directors not later than its next regularly-scheduled

meeting with respect to the Complaint for which such investigation had been completed and, if applicable, any recommended corrective actions.

7.6. The Company shall alert its employees that the Company has established this Complaint Procedure by publishing a notice (or in such other form as may be approved by the Compliance Officer), in the following manner (or such other manner as may be approved by the Compliance Officer):

- periodically posting the notice on the message boards of the Company and its subsidiaries;
- annually notification via email to all employees;
- providing each new employee with a copy of the notice; and posting the notice on the Company's Internal network.

7.7. The Company, the Compliance Officer and the Chairperson undertake to protect employees who submit Complaints and maintain such Complaints in confident. Submission of Complaints by the Company's employees knowing that such Complaints will not adversely affect their position in the Company is essential for the proper implementation of this procedure. The Company's employees are expected to cooperate with any investigation to be conducted with respect to any Complaint.

It should be noted that any event of a false Complaint by an employee will be seriously addressed by the Company and following an inquiry of the matter may impose disciplinary sanctions against such employee.

Moreover, the Israeli Protection of Employees (Exposure of Offences, Unethical Conduct or Improper Administration) Law, 5757-1997 (the "Employee Protection Act") protects against layoff as a result of a submission of a Complaint against an employer, a colleague, or an employee who assisted another employee with submitting a Complaint. Violation of the Employee Protection Act is a criminal offense and the Labor Court may also rule monetary compensation.

No Retaliation

The Company expressly forbids any retaliation against any officer, employee or designated agent who, acting in good faith on the basis of a reasonable belief, reports suspected misconduct. Specifically, the Company will not discharge, demote, suspend, threaten, harass or in any other manner discriminate against such an officer, employee or designated



agent in the terms and conditions of his or her employment. Any person who participates in any such retaliation is subject to disciplinary action, including termination.