



ABSTRACT FROM THE ANTI-CORRUPTION CODE

[Abstract]

[CATEGORY]

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Table of Contents

INTRODUCTION	2
1. Purpose and subject.....	2
2. Applicability.....	2
3. About the Anti-Corruption Code.....	3
RULES	4
4. General anti-bribery and anti-corruption principles.....	4
5. Detailed anti-bribery and anti-corruption principles.....	6
6. Reporting violations of the Anti-Corruption Code and the law	11
7. Glossary.....	12
Appendix 1 – Positions of Public Officials and Persons Performing Public Functions.	15

INTRODUCTION

1. In the following Abstract from the Anti-Corruption Code (respectively: the Abstract; the Code) we inform you, as our contractor or counterparty, on our internal rules regarding:
 - counteracting and reacting to corruption and bribery; and
 - your obligations resulting from cooperation with us.
2. You and your contractors and counterparties who work with us must read the Abstract carefully and bear in mind its provisions while performing obligations related to us.
3. Some of the provisions of the Code described in this Abstract may not be applicable to you, due to the nature of the activities that you perform for us or on our behalf.

1. Purpose and subject

4. The purpose of the Anti-Corruption Code is to:

- ✓ **create** safe working environment and spread anti-bribery and anti-corruption awareness and knowledge among our employees and associates, as well as our contractors and counterparties (to the extent that they act for us or on our behalf)
- ✓ **prevent** violation of law and ensure compliance with market standards
- ✓ **minimalize** the risk of your or our participation in corruption or bribery activities
- ✓ **ensure** safe handling of the conflict of interest
- ✓ **define** and **ensure** uniform rules for our relations with HCPs, other contractors and counterparties, also in case any authorities or external entities wanted to verify it

5. In the Abstract you will find definitions of corruption and conflict of interests, our rules on how to prevent and handle them and your obligations, that arise from both legal provisions and the Anti-Corruption Code.
6. You have to apply these rules in all situations, when you act for us or on our behalf.
7. If you have any doubts regarding the rules, you should contact us.

2. Applicability

As our contractor or counterparty you must comply with the Anti-Corruption Code rules described in this Abstract as set out in an agreement we sign with you.

YOUR OBLIGATION	Contractor	Counterparty
obey the provisions of the Anti-Corruption Code and applicable legal regulations	X	X
prevent corruption	X	X
avoid conflict of interest in connection with the performance of official duties on <u>our</u> behalf	X	X
cooperate with the person carrying out a review of compliance with the Anti-Corruption Code	X	
confirm in the agreement that you have read the abstract from the Anti-Corruption Code	X	X
declare absence of conflict of interest in the agreement	X	

3. About the Anti-Corruption Code

8. We developed and implemented our Anti-corruption Code in accordance with:

- our Code of Ethics and other procedures under the Ethical Programme of the Polpharma Group,
- applicable and planned legal requirements in EU,
- applicable and planned legal requirements in Poland,
- principles of good practice, intended to counter corrupt behaviours.

9. The Anti-Corruption Code is crucial because:

- our employees and associates, as well as
- contractors and counterparties, especially our wholesalers, distributors and pharmacies we cooperate with, acting for us and on our behalf

must always act transparently and in compliance with law, especially while contacting public officials and HCPs.



As a contractor or a counterparty you may be required to confirm in the agreement with us that you have read the Abstract from the Anti-Corruption Code and obey the provisions of the Code set therein, as well as applicable legal regulations.



Your failure to comply with the Anti-Corruption Code provisions described in this Abstract may:

- be treated as a serious breach of your duties as a contractor or a counterparty;
- lead to termination of cooperation with you.

RULES

4. General anti-bribery and anti-corruption principles



We do NOT tolerate corruption or any actions that may be taken or understood as corrupt.

10. What does corruption mean?

Corruption (or bribery) happens whenever one:

- accepts, demands; or
- promises, offers or hands (directly or indirectly) to another person

any undue benefit (financial or personal) in return for a specific action or omission in performance of their duties.



Corruption may occur towards:

- persons performing public functions (public corruption)
- persons performing obligations for a public authority (institution) - managing a unit that doesn't belong to the public finances sector; or working in any capacity on behalf of such a unit
- in the course of business activity towards persons representing company, e.g. counterparty (private corruption).

11. What should you do?

When you apply our internal anti-bribery and anti-corruption rules you should undertake specific measures, that we describe in the Abstract. Those measures aim to prevent committing offences, taking actions contrary to our internal procedures and accepted good practices.

You should, in particular:



obey the provisions of the law, always and without exceptions



obey the provisions of the Code described in the Abstract

report to us:



– all law violations, in particular corrupt behaviour (performed, suggested or planned)

– conflicts of interest that you know of

12. What should you not do?

We do not tolerate bribery, corruption nor any actions which could be understood as ones. In order to avoid them, you must:

✗ **not give** or **receive** bribes, or induce other employees, associates, contractors and counterparties to do so

✗ **not undertake** actions suggesting that corruption is used or tolerated by us

✗ **not offer** or **give** gifts or other benefits in order to gain favourable treatment nor to achieve an increase in the sales of our products

✗ **not offer** or **give** cash and cash equivalents (applies also to cash transferred by a bank transfer)

✗ **not create** corruption funds nor **conceal** them by creating fake documentation and by not including them in the accounting records

✗ **not create** nor **use** documentation intended to conceal or misrepresent the real objective of a business operation, including concealing corrupt behaviour

✗ **not accept** gifts in connection with the activities performed for us that could be harmful to our public image and that could influence your business decisions or decisions of other employees, associates, contractors and counterparties

not advertise our products to HCPs by:

-
- ✗**
- giving, offering or promising any kind of financial or personal benefits (especially gifts, facilitations, rewards, tours)
 - organising and/or financing promotional meetings during which hospitality exceeds the main purpose of the meeting
-

Our business operations are documented in a **transparent** manner that makes it possible to present and prove their real character in specific situations (e.g. inspections). Business transactions are included in the accounting records, described and recorded in appropriate accounts.



In agreements concluded with employees, associates, contractors, counterparties and any other parties, we include **anti-corruption clauses** adequate to the corruption risk level.


We avoid conflicts of interest both internally and in relations with external entities.


5. Detailed anti-bribery and anti-corruption principles

As our counterparty or contractor you must follow the rules below when performing activities for us or on our behalf. These rules are also respected by our employees and associates.


13. Public officials

GIFTS


 **do not offer** any gifts or other objects of value, especially undue benefits, to public officials

 **do not make** facilitation payments to public officials


you may make facilitation payments only when (both conditions must be met):


- 
- you are paying a fee for extension of validity of documents or for speeding up certain procedures and
 - such a fee is legally permissible under the official internal code of conduct of a specific office or institution
- (e.g. you may pay a higher fee for faster issuing of a visa).

MEETINGS

 **hold** a meeting in a presence of a witness


document the meeting in the form of a memo which includes:

- 
- date and place,
 - participants,
 - purpose of the meeting,
 - issues discussed,
 - arrangements of the meeting,
 - information on the costs of the meeting.

 **keep** the memo from the meeting according to your internal document retention rules which apply to you

14. Healthcare Professionals (HCPs)

GIFTS

 **give** only such promotional gifts that:

- are properly marked
- meet legal requirements

✓ **pay attention** that offered gifts are not perceived as attempt to exert inappropriate influence

✓ **take care** that the nature or type of a gift does not pose a threat to our image

✗ **do not conceal** the fact of giving a gift

✗ **do not give** gifts in a manner suggesting that we want to hide the fact of it being given

✗ **do not offer** HCP promotional gifts that can be used for private purposes - all promotional gifts should be aimed at helping patients and providing medical services



You must not give gifts that could be deemed inappropriate.

MEETINGS

✓ **record** the date, place and purpose of the promotional meeting with an HCP

✓ **state** additionally the participants, the agenda of the meeting and information on the costs, in case of promotional meetings for the group of HCPs

✗ **do not exceed** standards of hospitality

CONFERENCES AND OTHER SCIENTIFIC EVENTS

✓ **sponsor** participation of an HCP in conference, congress or convention **only** if it is substantively related to the HCP's profession or their scientific work (i.e. medical or scientific activities of the HCP)

✓ **make sure** that times of arrival of an HCP to the location of the event and return transport are strictly related to the time of the event, provided that transport is sponsored

✓ **offer** only such hospitality that is suitable to the event's purpose

✗ **do not finance** trips of persons accompanying HCP such as partners, spouse or other family members

✗ **do not sponsor** any other benefits and events not related to the main substantive purpose of the scientific event

✗ **do not sponsor** conferences, other scientific events and participation in such events in order to increase the sales of our products



do not offer excessive hospitality



The cost per participant should not deviate from the average prices of accommodation, meals and travel.

15. Contractors and counterparties



make sure that your contractors and counterparties that perform activities for us or on our behalf are acquainted with the provisions of the Code (the Abstract) and follow the rules set therein



You must not give any financial or personal benefits to influence a specified action or omission.

Accordingly, the nature and value of hospitality offered to you by your contractor or counterparty cannot influence your decisions regarding cooperation with us.

16. Receival of gifts

If you receive a gift that could cause a conflict of interest in connection with the provision of services to us, report it to us.

17. Donations



You must not make any donations on our behalf.

18. Public procurement

The following rules apply when selling our products:



Before submitting a tender or initiating a public procurement procedure, you must:

- **familiarize** yourself with the provisions on public procurement and an Abstract from the Anti-Corruption Code
- **comply** with the rules set out therein.



do not offer or give any benefits to persons exposed to corruption who are responsible for carrying out the public procurement procedure

do not participate in:



- the preparation of the terms of reference (ToR),
- the preparation of the description of the subject of contract (DSC),
- any other activities at the stage of contract preparation

19. **Purchasing processes and sales decisions**

Any activities aimed at influencing our purchasing or selling decisions are prohibited.

20. **Business expenses**

All business expenses must be documented in a transparent manner.



You must not finance or settle financial benefits, or any other advantages which are not compliant with the Code or the law, with business expenses.

21. **Lobbying**

All entities providing lobbying services to us must:

- act in accordance with the law, and
- know and understand the principles of the Anti-Corruption Code.



You must not give any benefits on our behalf while providing lobbying services or using services of other entities providing lobbying services.

22. **Conflict of interest**

Conflict of interest is a situation where an employee's or an associate's personal interests or relationships are in conflict with our interests, as in such a situation, the objectivity of the employee or the associate acting for and on our behalf may be impaired.

Conflicts of interest may arise, i.a.:



- due to your competitive activity in relation to us;
- due to our existing or potential business relationship with you, if you are a close relative or a related entity of our employee or associate responsible for cooperation with you (personal, organisational or capital ties between the employee or associate and a related entity being a contractor or counterparty);
- in the area of our charitable or sponsorship activities, if you are a close relative or a related entity of our employee or associate who makes decisions on our behalf about sponsoring or donating you.



avoid conflict of interest in connection with the performance of your official duties for us or on our behalf and any actions or situations that may lead to conflict of interest



report to us the conflict of interest that occurred and refrain from activities associated with the conflict of interest until the case is reviewed by us



When you are notifying us of conflict of interest, you must not provide us with personal data of your close relatives.

23. All reported conflicts of interest situations are thoroughly evaluated in terms the risks they pose to us.



All reported cases of conflict of interest are handled according to integrity, confidentiality and personal data protection rules.

24. **Sanctions lists**



No employee, associate, contractor or counterparty can be subject to sanctions - be included on sanctions lists published *i.a.* by the following bodies or organisations: EU, OFAC, UN, FATF or act against international sanctions imposed on other entities.



immediately **inform** us if you are on sanctions list

25. The same rules regarding confidentiality and personal data protection apply in terms of sanctions lists reports as those applying to conflict of interest.

6. Reporting violations of the Anti-Corruption Code and the law

You are obliged to:

file a violation report, when you:



- notice a violation of the provisions of the Code described in the Abstract
- know or suspect that someone prepares, attempts or commits a prohibited act, especially if the act might lead to bribery or corruption
- observe irregularities in the organisation of operations which could lead to committing a prohibited act
- notice a failure to meet obligations, abuse of powers, failure to exercise due diligence expected in the given circumstances



You submit the violation report through a dedicated channel provided on the Polpharma website www.polpharma.pl.



All reported violations regardless of their type are:

- **thoroughly** and **objectively investigated** by us
- **protected** in terms of the **confidentiality** of their content
- **protected** in terms of the **confidentiality** of reporting person
- **protected** in terms of the **personal data** of the reporting person or personal data contained in them
- processed in **compliance with** our law.

7. Glossary

In the Code we use the following terms:

<u>Accounting records</u>	- record of <u>business operations</u> performed by the <u>our entities</u> .
<u>Associate</u>	- a person who performs activities for <u>Polpharma Group</u> on a basis other than an employment contract or on the basis of a decision of a competent authority or a contract, deals with property matters or manages business activities of <u>Polpharma Group</u> .
<u>Business expenses</u>	- expenses to cover costs that incur while performing professional duties in connection with cooperation with <u>us</u> . All <u>business expenses</u> must be incurred in compliance with law and provisions of the Code
<u>Business operation</u>	- event affecting the assets, liabilities, income or costs that has been recorded in the <u>accounting records</u> of <u>our entity</u> .
<u>Close relative</u>	- this means: <ul style="list-style-type: none"> ○ spouse; ○ parents; ○ child; ○ sibling ○ children of sibling; ○ parents' sibling ○ child of parents' sibling (first cousins) ○ spouse of sibling ○ any person who is in a particularly close personal relationship with the above-mentioned persons (e.g. cohabitation, affinity)
<u>Competitive activity</u>	- any activity conducted by an <u>employee</u> or <u>associate</u> within the scope of the main business activities of <u>Polpharma Group</u> , i.e. activities defined in the Polish Classification of Business Activities as: <ul style="list-style-type: none"> - 21.10.Z manufacture of basic pharmaceutical substances, - 21.20.Z manufacture of drugs and other pharmaceutical products - 46.46.Z wholesale of pharmaceutical and medical goods - 47.73.Z retail sale of pharmaceutical goods conducted in specialized shops - 72.11.Z scientific research and development in the field of biotechnology - 72.19.Z scientific research and development in other natural and technical sciences in the field of medical sciences, including clinical research
<u>Conflict of interest</u>	- a situation where the objectivity of an <u>employee</u> or <u>associate</u> acting for and on behalf of <u>Polpharma Group</u> may be impaired as a result of conducting <u>competitive activity</u> towards <u>Polpharma Group</u> or due to personal, organizational or capital ties with another person or entity. A <u>conflict of interest</u> leads to an undesirable situation where an <u>employee</u> or <u>associate</u> may perform duties for <u>Polpharma Group</u> in a biased or inefficient manner
<u>Contractor</u>	- a natural person, a legal person or a person without legal personality, acting on the basis of a contract with <u>Polpharma Group</u> , performing activities commissioned by <u>Polpharma Group</u> or acting on its behalf, in particular an

	entity participating in tender procedures or offering <u>Polpharma Group</u> products or services
<u>Corrupt behaviour</u>	<ul style="list-style-type: none"> - actions or omissions that lead to committing <u>criminal offence</u> that is corruption-related, for example: <ul style="list-style-type: none"> o offering; o promising; o handing over; o accepting <u>financial benefits</u> or <u>personal benefits</u>. This also includes e.g. exerting unlawful influence on tenders.
<u>Corruption fund</u>	<ul style="list-style-type: none"> - assets (financial and non-financial) collected in order to commit corruption-related offences and offer <u>financial benefits</u>. The <u>corruption fund</u> refers also to funds collected outside the <u>accounting records</u>. Creation of <u>corruption funds</u> is strictly prohibited in <u>our entities</u>.
<u>Corruption risk</u>	<ul style="list-style-type: none"> - identified areas of activity of: <ul style="list-style-type: none"> o <u>employees</u>; o <u>associates</u>; o <u>contractors</u> that are: <ul style="list-style-type: none"> o exposed to the occurrence of <u>corruption</u>; o potentially resulting in <u>our</u> liability for <u>violation</u> of anti-corruption provisions referred to in the Code o potentially threatening <u>our</u> good reputation.
<u>Counterparty</u>	<ul style="list-style-type: none"> - a legal or natural person carrying on a business, in particular a supplier or customer of Polpharma Group, irrespective of the legal form of collaboration adopted
<u>Employee</u>	<ul style="list-style-type: none"> - a natural person employed on the basis of an employment contract with <u>Polpharma Group</u>.
<u>Facilitation payment</u>	<ul style="list-style-type: none"> - payment made to a <u>public official</u> or a <u>person performing a public function</u> in order to speed up administrative actions the result of which is determined in advance, even if no such <u>facilitation payment</u> is made
<u>Financial benefit</u>	<ul style="list-style-type: none"> - undue (unlawful) gain or avoidance of material loss, e.g.: obtaining money (e.g. salary, commission) or its equivalent (e.g. cheques, stocks, bonds or other securities, gift certificates, prepaid cards, etc.), preferential terms for private purchases, gifts, services, obtaining employment or promotion, acquiring ownership, usufruct, easement, claim, use of another's property or right, which leads to the avoidance of an expense, the discharge of a debt, the avoidance or reduction of a loss. A <u>financial benefit</u> is a benefit both to yourself and for someone else.
<u>Good practice</u>	<ul style="list-style-type: none"> - generally accepted rules of conduct in the given environment and circumstances; such rules that are contrary to the law and <u>our</u> Code of Ethics are not <u>good practice</u>
<u>Healthcare professional or HCP</u>	<ul style="list-style-type: none"> - either: <ul style="list-style-type: none"> o a physician, pharmacist, pharmacy technician, nurse, midwife, dentist, paramedic or another person, including a researcher, who:

	<ul style="list-style-type: none"> ▪ can write prescriptions, prescribe, purchase, supply, recommend or administer medicinal products or trade in medicinal products - as part of professional duties; <p>or;</p> <ul style="list-style-type: none"> ○ a person who: <ul style="list-style-type: none"> ▪ manufactures or markets medicines, foodstuffs intended for particular nutritional uses or medical devices - which are subject to reimbursement from public funds; and ▪ may be subject to liability for corruption-related offences due to their characteristics <p>Such person ceases to be a <u>HCP</u>, if they are a <u>public official</u> or <u>person performing a public function</u>.</p>
<u>Person exposed to corruption</u> or <u>PEC</u>	- a <u>public official</u> , a <u>person performing a public function</u> or an <u>HCP</u>
<u>Person performing a public function</u>	- a <u>public official</u> , a member of a local government body, a person employed in an organisational unit disposing of public funds (including an association and a foundation), unless they perform exclusively service activities, as well as any other person whose powers and duties in the field of public activity are defined or recognised by law or by an international agreement which binds the Republic of Poland. The enumeration of the categories of these persons can be found in Appendix 1. "Positions of Public Officials and Persons Performing Public Functions"
<u>Personal benefit</u>	- undue (unlawful) gain other than <u>financial benefit</u> , meaning gain that cannot be measured in monetary terms, e.g.: receiving an unpaid position in a foundation, receiving an honorary title, receiving a distinction. A <u>personal benefit</u> is a benefit both to yourself and for someone else
<u>Polpharma Group</u>	- linked entities: Zakłady Farmaceutyczne Polpharma S.A. ("ZFP", "Polpharma") and Polfa Warszawa S.A. together with Branches in Poland and Representative Offices abroad
<u>Prohibited act</u>	- activity prohibited by law as criminal or fiscal offence
<u>Promotional gift</u>	- object that is: <ul style="list-style-type: none"> ○ intended as an advertisement; ○ offered in accordance with the rules set out in our internal procedures
<u>Promotional meeting</u>	- a meeting organised with HCP/s for promotional and scientific purposes
<u>Public official</u>	- a person who takes decisions in the exercise of state or local government authority and receives remuneration from the State Treasury or a local government unit - the positions specifically enumerated in Article 115§1.13 of the Penal Code.
<u>Related entity</u>	- an entity which does not belong to <u>us</u> and in which the <u>employee</u> , <u>associate</u> or their <u>close relative</u> : <ul style="list-style-type: none"> ○ performs work, for a fee or free of charge, under an employment contract or under any other legal relationship, or to which the <u>employee</u>, <u>associate</u> or <u>close relative</u> advises for a fee or free of charge; ○ is a member of the management board or supervisory board; ○ is a partner, member, shareholder, a so-called "silent partner" (i.e. a person who, in return for a capital contribution, participates in the

	<p>company's profits but is not disclosed in the relevant register) or otherwise influences the entity's decisions;</p> <ul style="list-style-type: none"> ○ may exert influence, even if only potentially, on the activities of a given entity due to other circumstances.
<u>Sales decisions</u>	- decisions on the level of sale prices or the amount of the discount granted
<u>Sanctions lists</u>	- lists of sanctioned persons and entities published by authorities or organisations such as the European Union (EU), the Office of Foreign Assets Control (OFAC), the United Nations (UN), as well as the List of persons and entities subject to specific restrictive measures under Article 118 of the AML/CFT Act of 1 March 2018, published by the General Inspector of Financial Information (GIIF)
<u>Third party</u>	- a person who is not an <u>employee</u> , an <u>associate</u> , <u>contractor</u> or <u>counterparty</u> , in particular the <u>third party is person exposed to corruption</u>
<u>Violation</u>	- actions contrary to: <ul style="list-style-type: none"> ○ the law; ○ <u>good practice</u>; ○ our Anti-Corruption Code; ○ <u>our</u> Code of Ethics; ○ <u>our</u> other internal regulations.
<u>Violation report</u>	- providing authorized persons with information on the <u>violation</u> of the law, the Code, including irregularities concerning <u>corruption</u> , liability of collective entities and all other reports on irregularities in the activity of <u>Polpharma Group</u> , <u>employees</u> , <u>associates</u> and <u>contractors</u>
<u>We or Us</u>	- Polpharma Group entity in Poland: Zakłady Farmaceutyczne Polpharma S.A. or Polfa Warszawa S.A.

Appendix 1 – Positions of Public Officials and Persons Performing Public Functions.

1. List of Public Officials:

- 1.1. The President of the Republic of Poland;
- 1.2. A Member of Parliament, senator, councillor, Member of the European Parliament;
- 1.3. A judge, juror, public prosecutor, officer of a financial body for the preparatory proceedings or of a supreme authority over a financial body of the preparatory proceedings, a notary public, bailiff, probation officer, liquidator, insolvency administrator and an administrator, a person deciding in disciplinary bodies acting under the law;
- 1.4. A person who is an employee of the state administration, another state authority or local authority, unless (s)he performs only service activities and another person in the area in which (s)he is empowered to issue administrative decisions;
- 1.5. A person who is an employee of the state control body or a control body of a local authority, unless (s)he performs only service activities;
- 1.6. A person occupying a managerial position in another state institution;
- 1.7. An officer of the body designated for the protection of public security or a prison officer;
- 1.8. A person in active military service, except for the territorial military service performed on the availability basis;

- 1.9. An employee of an international criminal tribunal, unless (s)he performs only service activities.
2. List of Persons Performing Public Functions:
 - 2.1. a public officer;
 - 2.2. a member of a local authority;
a person employed in an organisational unit disposing of public funds, unless (s)he performs only service activities, as well as any other person whose powers and duties in the field of public activity are defined or recognised by a law or an international agreement binding for the Republic of Poland.