

Liba Laboratuvarları A.Ş.

**Anti-Bribery and Corruption
Policy**

June 8, 2020

1 PURPOSE AND SCOPE

Liba Laboratuvarları A.Ş. (“Liba” or “the Company”) is committed to do its business in an honest, correct, fair and open manner, and to comply with all applicable laws and regulations. The same working principles are expected from Liba's consultants, agents, subcontractors and representatives (“the Business Partners”).

The purpose of the Anti-Bribery and Corruption Policy (“the Policy”) is to ensure compliance with laws and regulations, ethical principles, universal rules and obligations to prevent financial crimes. It is aimed to determine the strategies, controls and measures to mitigate possible risks by evaluating all activities and customers with a risk-based approach. Also, in this context, it is aimed to raise awareness of all employees and Business Partners.

The Policy covers all Liba employees, Business Partners and their employees, suppliers, consultants, lawyers, external auditors, public officials and Board of Directors. In other words, it covers individuals and organizations that act on behalf of Liba. The Policy is, but is not limited to, regulated in line with the all local laws and regulations against anti-bribery and corruption and global regulations such as FCPA¹ and UKBA².

In the event of a conflict between the rules set out in this Policy and the law, the stricter rule should be considered.

Anti-Bribery and Corruption Policy is forwarded to Business Partners who have a relationship with Liba and the relevant provisions in the Policy are included in contracts with third parties. Where policy provisions are not accepted by third parties, Liba does not work with these parties.

2 DEFINITIONS

The terms, words, and expressions used in this Policy are to derive their meaning from the effective laws and regulations unless their definition is provided under this section.

Bribery: Refers to obtaining, offering and/or promising a person, directly or through intermediaries, within the framework of an agreement, for a job related task to be done, to be done by someone else, to be overlooked, expedited or decelerated; to providing or be provided benefits in order for the party to act in contradiction with the requirements of their duty.

Corruption: Refers to the misuse of the given authority for personal interests. It can be classified as large-scale, small-scale and political corruption depending on the sector and its monetary volume.

¹ <https://www.justice.gov/sites/default/files/criminal-fraud/legacy/2012/11/14/fcpa-english.pdf>

² http://www.legislation.gov.uk/ukpga/2010/23/pdfs/ukpga_20100023_en.pdf

Healthcare Professional: Refers to physicians, dentists, pharmacists, nurses, midwives, and other members of professional occupations defined in Annex 13 of the Law on the Performance of the Arts of Medicine and Rehabilitation; No. 1219 dated 11/4/1928.³

Institution: Refers to Turkey Pharmaceuticals and Medical Devices Agency.

License/Permit: Refers to the document issued by the Institution, indicating that a product can be produced with a certain formula, in a certain pharmaceutical form and dosage, with accepted product information and put on the market.

License/Permit Holder: Refers to real or legal persons whose license is issued for their products by the Institution.

Promotional Materials: Refers to symbolic material reminders whose monetary value do not exceed 2.5% of the current monthly minimum wage that can be used by a physician, dentist, or pharmacist on duty; printed materials such as books, booklets and brochures containing sufficient and necessary information about the product; movies and slides; audiovisual materials offered with electronic storage tools; publications or electronic access to publications that can be used as a source of information/data/reference source or; free samples, demo devices and materials for patient education.⁴

Public Official: Refers to those who work in domestic or foreign government institutions for a salary in order to serve citizens. For example, a health worker working in a public hospital is referred to as a public official.⁵ In accordance with Article 252 of the Turkish Penal Code No. 5237, the provisions of the article shall apply where, irrespective of being a public official, an undue advantage is obtained by, offered or promised directly or through intermediaries to the persons acting on behalf of; occupational organization in the character of public entity, corporations established in association of public institutions or organizations or occupational organizations in the character of public entity, foundations acting within the body of public institutions or organizations or occupational organizations in the character of public entity, public benefit associations, cooperatives, open joint stock companies, to perform or not to perform a task with regard to their duties; an undue advantage is requested or accepted by these persons; these acts are mediated; an undue advantage is provided for another through this relation.⁶

U.S. Anti-Bribery and Foreign Corrupt Practices Act (“FCPA”) and the 2010 UK Bribery Act (“UKBA”): FCPA and UKBA are two laws that have come into force to prevent bribery and corruption activities, ensure that honest companies succeed in the business environment, create an equal opportunity environment and increase the reliability of companies. It is the two most important laws regarding international anti-bribery and corruption practices. Under these two laws, it is forbidden to influence the Public Officials inappropriately or immorally in order to take or hold a business. It is strictly forbidden to

³ <https://www.resmigazete.gov.tr/eskiler/2015/07/20150703-2.htm>

⁴ <https://www.resmigazete.gov.tr/eskiler/2015/07/20150703-2.htm>

⁵ <http://etik.gov.tr/wp-content/uploads/2019/02/kamugorevliileretikdavranisilkeleriilebasvuruusulveesaslarionetmelik.pdf>

⁶ https://www.legislationline.org/download/id/6453/file/Turkey_CC_2004_am2016_en.pdf

pay, promise or provide anything to the Public Officials. FCPA and UKBA, two of the important laws regarding international anti-bribery and corruption practices, have entered into account to prevent bribery and corruption activities, to ensure the success of honest companies, to create equal opportunities and to increase the credibility of companies. Liba must comply with laws such as the Turkish Penal Code, FCPA and UKBA.

3 GENERAL PRINCIPLES

Bribing Public Officials and all other third parties is strictly prohibited under the Policy. In this context, in order to take the necessary precautions against bribery and corruption, all transactions must be done in accordance with accounting standards and all transactions must be documented transparently. In addition, all third parties which Liba works, must comply with the Policy. Contracts with third parties are terminated if the policies are not followed.

Employees in contact with third parties should receive anti-bribery and corruption training that includes international regulations at least once a year. Documents regarding the trainings and employee participation lists should be maintained. New employees in the relevant departments should be informed about these policies and issues by their managers when they first enter a job. The training of the employees is the responsibility of the relevant managers and the Compliance Officer.

Violations of the Policy may result in dismissal.

If there is an opinion or doubt that an employee or someone acting on behalf of Liba is acting against this Policy, this should be reported to the e-mail address libaetikhatti@liba.com.tr.⁷

4 APPLICATION OF THE POLICY

4.1. Third Parties – Due Diligence

Liba carries out due diligence studies by evaluating some criteria such as professional experience, financial performance, technical competence, ethical levels and background, during the selection of third parties from which goods and services are purchased.⁸ Company employees act in line with the Purchasing Procedure in their procurement processes. No cooperation is made with third parties that have negative intelligence.

⁷ Please see Liba Laboratuvarları A.Ş. Whistleblowing Policy for more information.

⁸ Please see Laboratuvarları A.Ş. Purchasing Policy for more information.

It is mandatory for companies and Business Partners to comply with the Policy principles and other relevant laws and regulations. Existing contracts are terminated with individuals and organizations that are found not to comply with policies, laws and regulations.

4.2. Contracts

It should not be worked without signing a contract with third parties. In the contracts to be signed, the conditions of the third parties to comply with the provisions of UKBA and FCPA, local regulations and applicable laws to combat money laundering should exist.

In the signed contracts, there should be clauses about sharing accounting books and records and right to audit. Liba can periodically audit the third parties it works with.

4.3. Gifts and Hospitality

Relationships with Business Partners are important for Liba. Liba employees are prohibited from receiving gifts or cash that may violate the Gift and Hospitality Policy and affect their way of doing business.

Liba does not want to influence the purchasing decisions of its customers or other Business Partners through personal gifts. For this reason, gifts given to customers, Public Officials or other Business Partners are limited in line with laws and regulations. Employees should avoid the fact that a gift to be given to a Public Official may affect the decisions they will make while performing their official duties. It is forbidden to give, offer or promise money, gifts, aid or donations to any Public Official.

Monetary or other financial benefits (including inappropriate hospitality) should not be provided to Healthcare Professionals. No support should be given to the participation of their spouses in congresses, symposiums and similar conventions.⁹

All Business Partners are obliged to work in accordance with Gifts and Hospitality Policy.

4.4. Promotional Materials

Promotional materials are defined under the "Regulation on the Promotion Activities of Human and Medicinal Products". Liba may provide promotional materials to Healthcare Professionals as required by regulation. Promotional materials used for promotion activities and distributed at meetings held for Healthcare Professionals are distributed directly or through drug representatives.

Monetary value of promotional materials may not exceed the amount determined by the Ministry of Health and published on its website.

⁹ http://www.ieis.org.tr/ieis/assets/media/files/rapor/ITI_SM2013.pdf

4.5. Donations

It is forbidden under this Policy to improperly influence a Public Official and his/her decision-making mechanism in exchange for the Company's interest.

Liba may provide reasonable financial or in-kind assistance to institutions that benefit society. However, donations are not made for the purpose of obtaining any privileges and benefits.

When any donation and sponsorship requests are received, the Company acts in accordance with the laws, regulations and Company policies. Decision making processes in donations are carried out in a transparent, open and legal manner.

4.6. Political Activities

The company does not donate to political parties, politicians or political candidates. On the other hand, the support of Liba employees to political activities individually and legally is not prevented.

It is strictly forbidden to make personal donations to political activities using company resources (tools, computers, tablets, e-mail etc.). Demonstrations, propaganda and similar activities are not permitted for political purposes within the working hours and areas. In case of such a situation, the employment contract of the employee is terminated.

4.7. Congresses, Symposiums and Sponsorships

License / permit holders may organize congresses, symposiums, scientific and educational conventions that are useful for communicating and discussing information. They can also make scientific and financial contributions to such activities. Such meetings should take place at the appropriate place and level. Scientific and educational activities related to drug promotion cannot be used as medium except to transfer existing medical information or present new information. License/permit holders cannot pay the transportation and accommodation expenses of those participating in these activities directly or indirectly.¹⁰

Within the scope of congresses, symposiums and sponsorships, Liba complies with Liba policies¹¹, regulations determined by the Ministry of Health, IEIS Drug Promotion Principles and Regulation on Relations with Healthcare Professionals and AIFD Good Promotion and Good Communication Principles¹².

4.8. Facilitation Payments

Under this Policy, it is strictly forbidden to offer facilitation payments (for obtaining pharmaceutical licenses, obtaining documents, speeding up the procedures carried out with the Ministry of Health, making easier appointments, etc.) to secure or speed up a routine transaction or process.

¹⁰ http://www.ieis.org.tr/ieis/assets/media/DOcuments/IEIS_Tanitim_Ilkeleri_SMM_iliskilerine_iliskin_yonetmelik.pdf

¹¹ Please see Liba Laboratuarları A.Ş. Donations and Sponsorship Policy for more information.

¹² http://www.ieis.org.tr/ieis/assets/media/files/rapor/ITI_SM2013.pdf

4.9. Accurate Recordkeeping

The issues that the Company must comply with regarding the accounting and recording system are determined by legal regulations. Accordingly, any accounts, invoices and documents related to relations with third parties should be recorded and maintained transparently.

It is strictly forbidden to falsify and distort the accounting or commercial record of any transaction. Accounting and commercial records for all transactions should be understandable, clear and transparent, and include the necessary approvals.

5 AUTHORITY AND RESPONSIBILITIES

All employees are required to comply with this Policy, and it is the responsibility of the General Manager and the Compliance Officer to ensure that employees comply with this Policy.

The violation of the policy constitutes an important disciplinary offense and may result in disciplinary actions requiring verbal or written warnings, or the termination of employment.

In the event of witnessing behaviors that violate this Policy, employees may report to;

- libaetikhatti@liba.com.tr,
- Compliance Officer, or
- General Manager.

This Policy is periodically reviewed by the Compliance Officer in line with evolving legal obligations and Company processes.