

Liba Laboratuvarları A.Ş.
Code of Ethics and Business Conduct

June 8, 2020

1. Message from the Board

Dear Colleagues,

Pharmaceuticals are products that are used to increase life quality, and that may be of vital importance. They hold critical significance for societies, and their systematic accessibility must be ensured. Social responsibility is considered to be the underlying principle of all activities conducted by a pharmaceutical company.

The pharmaceutical industry casts various responsibilities on its shareholders. Activities of pharmaceutical companies are restricted by laws and regulations.

Our company has been operating in the Turkish pharmaceutical industry since 1945 with the notion of serving public health. It has pioneered many initiatives and met legal and ethical requirements without exception.

The grand goal of the company is to fulfill our social duties. We hope to realize this goal together in a high quality life.

We, as Liba, work to serve at our best in accordance with international standards and global trends. Thus, it is of utmost importance that “**ethical values**” are upheld in this highly competitive industry.

I expect that all of you follow and prioritize the Code of Ethics and Business Conduct that guides the path we have been on for many years. I know that the competitive nature of business will not derail us from our ethical values and support you in choosing the right path. Remember that we, as the Board, are always with you in doing the right thing.

Sincerely,

Murat Sait Barlas
Chairman

2. Introduction

We, as Liba Laboratuvarları A.Ş (“**Liba**” or “**the Company**”), conduct business in accordance with industry standards, relevant local and international laws and regulations. Our ethical values guide us where laws and regulations are ambiguous or best practices vary.

Our ethical principles are based on four values:

- Honesty:** We are always transparent, clear, honest, true, consistent and open.
- Trust:** We work to earn trust as a company and as individuals.
- Passion:** We work with passion since 1945.
- Respect:** We are respectful to our society and the nature for a better and more habitable world.

Our Code of Ethics and Business Conduct, formed by our values, act as a guide for our company and employees in regards to their responsibilities. It is critical for us that our stakeholders, whom we deeply care about, know about and act according to these ethical principles.

It must be remembered that employees or stakeholders who violate the Liba Code of Ethics and Business Conduct by be reprimanded as dictated by our company policies or relevant laws and regulations.

3. Our Ethical Principles

3.1.1. We Never Compromise Truthfulness and Honesty

As Liba, we never use the name, reputation, corporate identity, public recognition, position, or power of our company for personal gain. We never take advantage of our business partners.

3.1.1 Bribery and Corruption

Our company, in accordance with laws and regulations, has a zero tolerance policy and a firm position in fighting against bribery and corruption.

As guided by our ethical principles and relevant policies, bribing local or international public officials is strictly prohibited. Bribery includes not only cash payments to clients, business partners or other third parties but also proposals, promises, or services of monetary or intangible value that aim to influence decision making processes.

It is important to remember that public hospitals and their staff, with whom we are in frequent business relationships, are considered public officials. Hence, it is critical that we are always cautious in our relationships with hospitals and

health workers in order not to engage in any activity that may be misperceived. We stay clear of all activities that may be perceived as bribery or corruption.

Bribery and corruption does not occur exclusively between private companies and public companies/officials. Liba's contractual agreements make it subject to international regulations such as FCPA¹ and UKBA², making private companies and individuals subjects of anti-bribery and corruption efforts, too. Accordingly, we are diligent in business relationships with our partners as well as with the third parties acting on behalf of us, and the parties they engage with on behalf of us.

As Liba, we oppose all acts of bribery and corruption not only to comply with laws and regulations but also in order to avoid harm to our society.

Please see Liba Laboratuvarları A.Ş. Anti-Bribery and Corruption Policy for more information.

3.1.2 Conflict of Interest

As Liba employees, we mind not to put ourselves in positions where our personal interests might conflict with our responsibilities to the company. We remain objective in decisions pertaining to our professional duties and responsibilities, and try to avoid situations that might provide a relative or an acquaintance benefits. It is also important to us that our stakeholders avoid conflicts of interest with Liba.

Conflicts of interest include but are not limited to:

- Doing business with relatives or acquaintances,
- Owning shares or working at competitor companies,
- Engaging in activities that may impair one's ability to meet their duties and responsibilities to the company,
- Accepting gift from shareholders that may impede independence alter decision making processes.

A conflict of interest may occur despite our preventative efforts. In the occurrence of such events, the duty of our employees is to promptly report the situation to their manager and/or to the Compliance Officer.

Please see Liba Laboratuvarları A.Ş. Anti-Bribery and Corruption Policy for more information.

3.1.3 Political Activity

We remain impartial to all political parties and individuals. Therefore, we do not make donations to political parties, persons, or candidates. However, we respect

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

our employees if they wish to individually contribute to political activities. Employees have to refrain from using company resources while making personal contributions. It is important that the political contributions of our stakeholders abide by company policies.

Please see Liba Laboratuvarları A.Ş. Anti-Bribery and Corruption Policy for more information.

3.1.4 Insider Trading

We do not share the personal, commercial, financial, technical, legal, or similar confidential information of our Company, employees, or business partners with third parties in order to gain benefit, nor do we not want for third parties to share such confidential information with us. We take the necessary precautions to protect the confidential information we are exposed to as a result of our duties at the Company. We use confidential information only while fulfilling the duties assigned to our roles and responsibilities. We also protect confidential information after leaving Liba, and do not share it with third parties.

3.1.5 Gifts and Hospitality

Gifts and hospitality are widely used methods to improve business relationships and to assure mutual respect and candor. However, it must be remembered that gifts and hospitality remain reasonable in cost, infrequent and non-reciprocal in nature, and free from intention to influence decisions. It is important to us that all stakeholders abide by our rules pertaining to gifts and hospitality.

Please see Liba Laboratuvarları A.Ş. Gifts and Hospitality Policy for more information.

3.1.6 Donations and Sponsorship

As Liba, we may make monetary or in-kind donations as part of our corporate social responsibility efforts, to causes that might benefit the society. However, we never engage in donations or sponsorships to gain privilege or profit.

Given the sensitivity of our industry, we mind our relationships with public officials and refrain from actions and behavior that may create the perception of bribery and corruption. We abide by local and international laws and regulations relating to donations and sponsorships. It is important to us that all stakeholders abide by our rules pertaining to donations and sponsorships.

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

3.1.7 Occupational Health and Safety

The health and safety of our employees comes first to us. Therefore, it is important for our employees to comply with the rules and instructions set forth for occupational health and safety. It is important for us that all our stakeholders comply with our occupational health and safety rules.

Our employees should not be in possession of illegal or potentially threatening objects or materials, or sedative or addictive drugs or substances that may impair mental or physical competencies, unless they are associated prescribed by a physician. Our employees should not be in the workplace or drive while under the influence of alcohol and/or such substances.

3.2 We Are Aware of Our Responsibilities to Our Stakeholders

3.2.1 Responsibilities to Our Employees

As Liba, we believe that the most important factor for success is our employees. Therefore, we strive to create a peaceful environment where our employees feel happy and safe while improving themselves. We believe that diversity is the source of prosperity, and stand against all forms of discrimination. We oppose all forms of violence and harassment at work place, and employ a zero tolerance policy against such events.

We provide equal opportunities to all employee candidates. We strive to contribute to the self-improvement of our employees, and work to provide them with opportunities in any area they may need.

We care about open communication and know that 360-degree feedback is essential for the development of both our executives and employees.

We keep our employees' information private, and share them with no third parties other than authorized persons and organizations.

3.2.2 Responsibilities to Our Clients

We regard our clients' satisfaction, expectations and needs, and operate our supply chain accordingly. We strive to continue the operation of our supply chain systematically, with a notion to respond to the needs of our clients promptly and properly.

We build an environment of trust underlined by a honest, respectful, just, ethical, and candid attitude. We protect our clients' data as directed by the laws.

3.2.3 Responsibilities to Our Business Partners

One of the most important aspects of our corporate success is the healthy business relationships we conduct. We conduct our business relationships in an

honest and just manner. We expect that our business partners act according to our ethical principles.

We act transparently and impartially in selecting our business partners. We make our choices not only by commercial quality and pricing, but also according to the ethical principles our partners adopt. We would like to get to know our business partners closely, by doing sufficient research during the selection process, before working together. We do not enter business partnerships that may pose risks to our company in the future, even if they appear commercially profitable today.

We do not engage in exchanges of gifts, entertainment, meals etc. that may affect decision-making mechanisms with our business partners. We act in accordance with our relevant company policies³ and expect our business partners to act accordingly.

In the event that our business partners act on behalf of Liba and conduct behaviors that may put our company at a difficult situation, we immediately terminate our business relationship in accordance with our Company policies.

3.2.4 Responsibilities to Our Competitors

We always respect our competitors and act in accordance with competition rules. At meetings with our competitors, we refrain from discussing issues involving prices, sales and strategy in order to avoid misperceptions of unlawful competition. We leave the environment when such topics arise.

We consult with law authorities in regards to clauses that pertain to competition in our contractual agreements.

We obtain information about our competitors only from public sources. We do not seek information confidentially or through insider trading.

3.2.5 Responsibilities to Our Society and the Nature

We are aware of the importance of being respectful to our society and the environment. As Liba, we believe that the environment we live in must be protected, nursed, and improved.

We do not work with institutions or individuals that damage social values and morality, harm the environment and the society, or damage health and peace. As a company that respects the environment, we strive to protect individual and public health. We act responsibly about matters such as environmental and resource protection, the use of natural resources, energy saving and recycling.

³ Please see Liba Laboratuvarları A.Ş Anti-Bribery and Corruption, Donations and Sponsorships, and Gifts and Hospitality Policies for more information.

4. Violence of Ethical Principles

It is very important that those who witness or suspect any abuse or misconduct raise their concerns. Employees and third parties are expected to report any misconduct they have witnessed/suspected, to libaetikhatti@liba.com.tr.

If deemed necessary by the Disciplinary Board, disciplinary processes may be initiated, and disciplinary sanctions may be applied in response to the received reports. In addition, a discovery of non-compliance with the Liba Code of Ethics and Business Conduct may result with the unilateral termination of contractual agreements with our stakeholders.

Issues that may be reported include but are not limited to:

- Crimes such as theft and fraud,
- Discrimination based on religion, language, gender, race or nationality,
- Taking or giving bribe,
- Harassment,
- Damage to Company assets,
- Violations of moral values, ethical rules, or laws and legal regulations,
- Money laundering or financing of terrorism,
- Abuse,
- Fraud in accounting records,
- Use of Company facilities for personal interests,
- Illegal benefits to Public Officials,
- Improper use of the Company assets,
- Revealing trade secrets.

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