

# **Liba Laboratuvarları A.Ş.**

## **Disiplinary Policy**

June 8, 2020

## 1. PURPOSE AND SCOPE

Liba Laboratuvarları A.Ş. (together referred as “Liba” or “the Company”) Disciplinary Policy (“the Policy”) aims to state the general rules, values, and principles of the Company, to ensure that the processes followed in the event of a violation of rules is carried out independently and effectively, to take disciplinary action proportionate to the severity of the violation, and to ensure fair and objective treatment of employees who are under accusation.

The Disciplinary Policy is to be used as a guide for disciplinary investigations and decisions in the event of misconduct, violation of local or international legislation, unethical behavior, and low professional performance committed by employees. In addition, this Policy aims to provide information on the violations and processes pertaining to disciplinary investigation that employees will be subject to.

## 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.

**Compliance Officer:** Refers to persons responsible for conducting disciplinary investigations independently and impartially.

**Disciplinary Committee:** Refers to the committee responsible for the implementation of appropriate sanctions to a person or persons that are found guilty upon an accusation of disciplinary violation.

**Disciplinary Investigation:** Refers to the investigation of a claim to reveal whether an employee or employees committed the disciplinary offense they are accused with. The scope of an investigation aims for the relay of evidence, including witness testimonial, to the Disciplinary Committee for them to make a final decision.

**Disciplinary Offense:** Refers to a failure to comply with local or international legislation (FCPA, UKBA, United Nations Conventions, etc.), industry regulations, and the rules set out in the Liba Code of Ethics and Business Conduct and policies.

**Employee:** Refers to employees at all levels acting on behalf of Liba, including the regional manager, manager, staff, temporary staff and subcontractors.

**Labor Law:** Refers to the act passed by the Republic of Turkey to regulate the contractual employer-employee rights and responsibilities related to the work environment.

**Law on the Protection of Personal Data (“KVKK”):** Refers to the law that determines the confidentiality of private life and the protection of fundamental rights and freedoms of individuals while using personal data, as well as the obligations that real and legal persons who process the relevant data must comply with.

**Third Party:** Refers to persons that act on behalf of Liba, including but not limited to distributors, vendors, intermediaries, consultants, representatives, contractors and subcontractors.

### **3. GENERAL PRINCIPLES**

Employees are expected to comply with Liba Code of Ethics and Business Conduct and related policies, and local and international legislation. Claims of violation are to be examined in a fair, independent, and evidence-based approach by the Compliance Officer or an appointed independent body.

Investigations and disciplinary processes are carried out with great diligence and privacy. Details of the subject are shared only with the investigators, decision-making authorities, and, if they demand, relevant courts. Rights of the employee originating from KVKK, the relevant Labor Law, other legislation, and Company policies are firmly upheld.

As a result of the investigation, a disciplinary sanction that is proportionate to the nature of the crime and the damage inflicted on the Company's reputation and prosperity is applied to the employee or employees who are found to have committed a disciplinary violation. Employees are not charged with multiple sanctions for the same disciplinary violation. In case of repeated disciplinary violations, disciplinary sanctions may be repeated or a heavier sanction may be imposed.

Sanctions imposed on all employees of the Company are fair, standard and objective, and no disciplinary sanction can be applied to any employee, which varies according to religion, language, race, ethnicity, political opinion, marital status, health status or any other personal reason. Claims of discrimination regarding disciplinary sanctions are investigated and concluded immediately.

Excluding circumstances that pose significant risk of reputational or financial loss to the Company, the employment term of an employee is not terminated before a development plan is proposed by the Company.

Verbal and written warnings issued to an employee by the Disciplinary Committee are added to the employee's personal file.

The Compliance Officer is responsible for answering questions posed by employees on the general principles of the Disciplinary Policy.

### **4. INVESTIGATIONS AND DISCIPLINARY PROCESSES**

An investigation process may be commenced upon an e-mail sent to "libaetikhatti@liba.com.tr", a notification made to the Compliance Officer and/or the General Manager, a request from a Unit Manager, or the findings of an independent audit.

Investigations are carried out as soon as possible by the Compliance Officer or an appointed independent body, so that evidence and witness memory are fresh. All witnesses are interviewed and interview notes are kept in writing. If deemed necessary, electronic evidence such as camera records, e-mails, phone records and instant messages

are examined along with accounting records, physical records, and other supporting documents. All relevant parties are interviewed so as to ensure that the investigation is just. All employees are considered innocent until proven otherwise.

During the investigation, the Compliance Officer has a right to audit computers, telephones, and other electronic devices owned by the Company, as well as the electronic documents and correspondence on these devices.

The investigation is commenced immediately following a claim requiring disciplinary action is submitted to the Compliance Officer, and is concluded within one month following the collection of necessary evidence and documentation. Additional time may be requested from the Disciplinary Committee if sufficient evidence or documentation is not collected. After the subject is thoroughly examined by the Compliance Officer, findings, along with evidence and supporting documentation, are submitted to the Disciplinary Committee for evaluation.

Reports and supporting documents prepared by the Compliance Officer are examined and, if any, previous disciplinary sanctions or processes pertaining to the subject are discussed at the Disciplinary Committee meeting. The employee may be called for testimony if deemed necessary before a decision is made. In principle, all sanctions applied by the Disciplinary Committee are expected to be based on sufficient evidence. However, a disciplinary sanction may be imposed on a person or persons whose case is defined by high suspicion, but a violation cannot be verified with sufficient evidence or documentation.

In some cases, additional review and investigation may be required and the Disciplinary Committee may leave the decision to the next session. Accordingly, the Compliance Officer may be required to perform further review and investigation.

Members of the Committee vary between for administrative and field staff investigations in order to achieve a just decision. The Disciplinary Committee makes decisions on violations according to majority vote, and the Compliance Officer does not have a right to vote despite being a member of the Disciplinary Committee. The investigation report prepared by the Compliance Officer act as an advice to the Disciplinary Board.

Disciplinary Board structures for administrative and field investigations are as followed:

a) For Administrative Staff:

- ✓ General Manager
- ✓ Sales and Promotion Manager
- ✓ Performance Improvement Manager
- ✓ Compliance Manager

b) For Field Staff:

- ✓ General Manager
- ✓ Sales and Promotion Manager
- ✓ Relevant Regional Manager
- ✓ Compliance Officer

## **5. DECISIONS OF THE DISCIPLINARY COMMITTEE**

Upon the conclusion of investigations and depending on the severity of the violation, the Disciplinary Committee may decide to issue a verbal or written warning, or to terminate the employment contract.

### **a. Verbal Warning**

A verbal warning may be issued when a violation with little or no material impact is committed, or when there has been no improvement in the relevant subject after an informal warning to the employee. Employees who receive a verbal warning cannot be prevented from their promotion, premium, or other rights given by Liba.

Actions that require verbal warnings include but are not limited to;

- Absence without permission,
- Failure to comply with working hours,
- Negligence of disguise in the Company or while representing the Company,
- Being on the phone during work hours in a way that obstructs professional duties,
- Disrupting daily tasks, missing deadlines, or showing low-quality performance,
- Going against the Company culture,
- Mistreatment of Company assets,
- Violation of rules on workers' health and safety,
- Damage to Company reputation.

### **b. Written Warning**

Written warning refers to disciplinary sanctions that may be imposed in cases where an employee's inadmissible attitude and/or behavior has not improved as expected despite prior verbal warning.

Actions that require written warnings include but are not limited to:

- Insistence on behavior or attitude that has received verbal warning,
- Behavior that is disruptive to peace and tranquility in the work environment,
- Absence, without a legal excuse, from mandatory trainings organized by the Company,

- Appearing at the workplace under the influence of alcohol, drugs, or other substances,
- Being defective multiple times a year in car accidents that involve a company vehicle.

### **c. Termination of Employment**

Termination of employment refers to the disciplinary sanction that may be imposed if an employee continues to show problematic attitude/behavior, does not show improvement in three months, inflicts serious damage to Company reputation or poses threat to the Company when working.

Actions that require termination of employment include but are not limited to:

- Insistence on behavior or attitude that has received written warning,
- Receiving or giving bribe,
- Receiving commission from business conducted with a third party,
- Sharing confidential Company records and information with a third party,
- Harassment or insult,
- Theft,
- Fraud,
- Embezzlement of company assets,
- Violation of competition rules,
- Violation of Company Policies and Procedures,
- Incompliance with applicable laws and regulations.

## **6. AUTHORITIES 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](mailto:libaetikhatti@liba.com.tr)
- The Compliance Officer, or
- The General Manager.

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