

Liba Laboratuvarları A.Ş.

Gifts and Hospitality Policy

June 8, 2020

1. PURPOSE AND SCOPE

Liba Laboratuvarları A.Ş. (together referred as “Liba” or “the Company”) employees may engage with customers, suppliers, public officials, and other third parties during the commercial activities of the Company, and may receive or provide gifts or hospitality by nature of business. In this regard, the Gifts and Hospitality Policy (“the Policy”) aims to determine the general principles for compliance with legal regulations, to prevent conflicts of interest between parties, to prevent sanctions that may be encountered, and to improve the transparency of processes.

This Policy provides the general framework for gift and hospitality processes that apply to Liba employees, suppliers, customers, subcontractors, and other third 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.

Compliance Officer: Refers to the person entrusted by the Company to ensure compliance with local and international laws, regulations, and policies.

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

FCPA (“Foreign Corrupt Practices Act”): The Foreign Corrupt Practices Act (“FCPA”) was adopted in 1977. With this act, giving or receiving bribes, gifts, or other valuables to/from public affiliates, officers, managers, employees, agents (third parties) of companies that are subject to the US Security and Exchange Commission ("SEC") or that operate within in the USA is prohibited.

Gift: Refers to the direct or indirect exchange of valuables including rewards, promotions, gift vouchers, optional discounts, services, employment offers, internships, donations, travel opportunities, tickets, and use of holiday facilities.

Hospitality: Refers to activities involving dining, accommodation, sports events (football, basketball, etc.), cultural events (theater, cinema, conference, exhibition, etc.), and other social gatherings.

Ministry: Refers to the Turkish Ministry of Health.

Politically Exposed Person (“PEP”): Refers to a person holding an important public position such as head of state or government, senior politician, senior government, judicial or military official, senior executive of a public company, leading political party official.

Product Promotion Meeting: Refers to a meeting, held by the license/permit holder of a product, for the promotion of the product.

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.

Regulation on Sales, Advertising and Promotion of Medical Devices¹: Refers to the regulation administered by the Turkish Medicines and Medical Devices Agency which is affiliated with the Turkish Ministry of Health. The purpose of this regulation is to determine the rules to be followed in the promotional activities of medicinal devices.

Regulation on the Promotion of Medicinal Products for Human Use: Refers to the regulation administered by the Turkish Medicines and Medical Devices Agency which is affiliated with the Turkish Ministry of Health. The purpose of this regulation is to determine the rules to be followed in the promotional activities of medicinal products.

Scientific Convention²: Refers to workshops, seminars, symposiums, courses and meetings organized by the Ministry, national or international associations, health institutions or organizations, universities, physician/dentist/pharmacist professional organizations or license/permit holders, or healthcare professionals in order to provide information on a scientific subject.

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

UKBA (“United Kingdom Bribery Act”): It refers to the law which was adopted by the UK Parliament in 2010, covering regulations on bribery including those that involve foreign government officials.

3. GENERAL PRINCIPLES

Gifts and hospitality are typically provided to strengthen business relationships, express value given to the other party, and express satisfaction with the business relationship. Attention must be paid to the following criteria in providing/receiving gifts and/or hospitality:

- ✓ Cash and cash equivalents must never be offered or accepted.
- ✓ Gifts or hospitality must not be provided to the spouses, relatives and/or guests of third parties.
- ✓ Employees must never request gifts or hospitality from third parties.
- ✓ A background check for political exposure must be run on individuals before providing gifts or hospitality.
- ✓ Gifts or hospitality should not be given or taken in order to influence how the other party does business.

All activities pertaining to gifts or hospitality must comply with the principles outlined in this Policy, international and local laws such as FCPA/UKBA, and industry regulations.

¹ Please see Regulation on Sales, Advertising and Promotion of Medical Devices for more information.

² Please see Regulation on the Promotion of Medicinal Products for Human Use for more information.

Inappropriate gifts to employees from customers, suppliers, or third parties must be reported to the relevant department manager and the Compliance Officer, and be returned as per the Company Policy.

Approvals related to gifts or hospitality must be properly documented and accurately and transparently recorded in the relevant accounting records. Details such as the name of the giver/receiver, content, amount, etc. must be reflected in the records.

In case the person a gift or hospitality is provided is a public official or a politically exposed person, the Compliance Officer must be informed and action must be taken according to their guidance.

For any doubts regarding gifts and hospitality, the Compliance Officer must be contacted and approval must be sought.

4. PUBLIC OFFICIALS AND POLITICALLY EXPOSED PERSONS

Employees may promote products to or hold meetings with public officials and politically exposed persons as a result of the industry in which the Company operates. Accordingly, relationships with public officials hold great significance. Liba employees must refrain from activities that may put the Company's reputation at risk or create the perception of bribery or corruption.

Local and international legislation prohibits the bestowment of value-bearing objects to public officials with the goal of obtaining or retaining business. In order to prevent negative perceptions about the Company, hospitality and gifts provided as part of scientific conventions must align precisely with the standards and rules set out by the Ministry of Health.

5. GIFTS AND HOSPITALITY

Gifts and hospitality can play a significant role in strengthening business relationships and establishing trust. In this regard, gifts and hospitality may be accepted as per the commercial goals of the Company, if compliance with standards outlined in the "General Principles" section is ensured.

It must be watched that gifts and hospitality (sports, theater, food, accommodation, cinema, conference, exhibition, etc.) are given/received devoid of the notion of a commissions or bribe, at a reasonable and infrequent manner, in modest value, and without the purpose of obtaining or continuing business.

Gifts and hospitality which can be viewed by an impartial third party as extreme and prioritizing of personal benefits must be avoided. Approval must be obtained from the

relevant department manager for gifts and hospitality to be provided and actions must be taken within the budget determined by the Company.

6. SYMBOLIC GIFTS

Liba may give or accept gifts of modest monetary value that carry the Company logo such as agendas, key rings, and calendars to/from the customers, suppliers, and other third parties within the framework of commercial activities. In this regard, it should be ensured that the gifts given/received are not intended to influence decision making processes.

Attention is paid that the cost of promotional materials such as pens, pen holders and notepads, which are presented to healthcare professionals for use during professional activities, do not exceed 2.5% of the monthly minimum wage.

7. 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
- 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.