

Approved by

President, JSC "AKRIKHIN"
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**ANTI-CORRUPTION POLICY
JSC "AKRIKHIN"**

(SECOND REVISION)



**ЭТИЧЕСКАЯ
ПРОГРАММА**

КОМПАНИИ «АКРИХИН»

JSC "AKRIKHIN"

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1. PURPOSE OF THE ANTI-CORRUPTION POLICY

As a socially responsible entity in the pharmaceutical market striving to achieve the highest ethical standards, AKRIKHIN strictly adheres to the Anti-corruption Policy.

The Code of Ethics of AKRIKHIN has established a system of values and principles that we always follow, regardless of the position and the nature of the work. One of AKRIKHIN's key values is integrity. That is why we combat any forms of corruption in all areas of our professional activities. We also expect our business partners to do this.

In the course of our activities, we have gained a reputation of a company that acts honestly and ethically. We should not only be proud of such a hard-earned reputation, but also maintain it. With this in mind, this Policy is designed to make it easier for employees to understand their legal and ethical responsibilities to prevent corruption offences.

Managers at all levels play a key role in developing a corporate culture where corruption has no place and will not be tolerated. Managers must lead the way in following ethical values at all times and provide full support when dealing with any ethical or legal situation.

On its part, AKRIKHIN develops local procedures and trains employees to provide them with all the necessary knowledge that would help to correctly and timely recognize the dangers associated with corruption and understand what to do to eliminate potential risk.

2. SCOPE OF THE ANTI-CORRUPTION POLICY

The anti-corruption Policy is binding for all AKRIKHIN employees. It follows and develops the principles set out in the company's Code of Ethics.

This Policy defines the phenomenon of corruption, and also indicates in what situations and forms it can occur. The Policy also communicates how corruption offenses can be prevented and how someone who witnesses them or believes that certain actions of others may be corrupt should behave.

3. COMPLIANCE WITH APPLICABLE LAWS

According to the basic principles stipulated by the Code of Ethics of AKRIKHIN, compliance with laws is our main responsibility. Compliance with legal provisions is a prerequisite for achieving success and maintaining impeccable reputation.

We go even further to do this. In many situations, we voluntarily adhere to higher standards, setting them out in our company's internal regulations.

However, we should not forget that if applicable laws or industry regulations provide for stricter rules than those set out in this Policy and our internal regulations, we shall always follow such stricter rules.

4. DEFINITION OF CORRUPTION

Corruption can take many forms. To a large extent, corruption is associated with the term "bribery" and most often takes exactly this form.

In general, corruption means influencing others' decisions by offering or giving those people illegal benefits.

Corruption most often occurs in the public sector when someone attempts to influence the decision of a public official or another person performing a government function. However, corruption can also occur in the private sector when someone tries to influence the decisions of people performing managerial functions in commercial or other organizations.

Corruption is considered to be both the offering and provision to certain persons of illegal benefits, personally or through an intermediary. Corruption also includes the offering or provision of unjustified benefit to a directly interested person or third parties, including relatives, acquaintances or entities associated with the interested person.

Such benefit can be of both a property and non-property nature. At the same time, neither the external form nor the value of such benefit matters for the qualification of such actions as a corruption offense.

5. RISK AND LIABILITY ASSOCIATED WITH CORRUPTION

Any forms of corruption contradict not only the recognized values and policies of AKRIKHIN, but also the Russian and international law. Actions contrary to the law and this Policy can have serious adverse consequences both for the company and for all persons involved in corrupt acts.

As a result of a corruption offense, a company's employee may be brought to criminal, administrative, civil and/or disciplinary liability.

Moreover, AKRIKHIN may suffer significant financial damage and lose its impeccable reputation. Therefore, each of us is responsible for strict compliance with the law and local regulations of the company.

6. DEFINITIONS

Property benefit means a benefit that has a certain market value. This can be money (both in the form of cash and bank transfer), checks, shares or other securities, bonus cards, as well as various kinds of valuables and gifts. Property benefit also includes payment for educational services, transportation costs, hotel accommodation, and other types of services and work. Property benefit also includes free provision of both things as such and free access to them, or the provision of services and/or sale of products at a price that is significantly lower than their market value, or the purchase of products and/or services that do not meet the goals of business, or are purchased at a price higher than their market value in the current market situation.

Non-property benefit means a benefit that also creates advantages for a person, but its valuation in monetary terms is difficult. Non-property benefit can take the form, for example, of the employment of relatives or friends of the interested person or the creation of special conditions for their professional and job development. Non-property benefits also include creating an image or supporting the professional reputation of the interested person through public speaking or defending his or her personal interests, as well as other forms of lobbying.

Public officials include:

- managers and employees of public international organizations, as well as their specialized institutions and bodies (UN, World Bank, EU, WTO, EAEU, etc.);

- persons holding public positions (appointed, elected, or hired), state and municipal employees, as well as any officials and employees of federal, regional, municipal legislative, executive and judicial authorities, as well as all services, agencies and commissions, set up and/or controlled by such authorities;
- managers and employees of state corporations, state extra-budgetary funds, other organizations and institutions set up and/or controlled by the state, including those created to perform tasks set for state authorities;
- managers and employees of state and municipal healthcare organizations, educational and scientific institutions set up and/or controlled by the state;
- persons acting on behalf of or representing government authorities, as well as the organizations listed above, even when they are not employees of this authority or organization;
- public office candidates;
- members of political parties.

Healthcare professionals include:

- medical workers;
- pharmaceutical workers;
- managers of medical and pharmacy organizations.

Business partners include:

- buyers and distributors of the company's products;
- organizations engaged by the company to provide services and perform various types of work;
- organizations engaged by the company to conduct research;
- partners within joint ventures;
- partners under existing license agreements;
- potential partners under future joint projects;
- other organizations representing the company to third parties.

7. BASIC PRINCIPLES.

7.1. General Rules

AKRIKHIN strictly prohibits any actions that have any signs of corruption, or may be perceived as corrupt.

We may not expose ourselves and others to the risks associated with corruption. We also may not subject AKRIKHIN to sanctions and fines for corruption offenses, or the risk of loss of reputation.

We are particularly cautious and discreet in dealings with public officials and health care professionals. This is due to the fact that the position of such persons is subject to special legal

treatment, and relationships with them are subject to various prohibitions and restrictions. Their actions are under close supervision of government bodies responsible for ensuring state security and combating corruption.

We do not offer any benefits, advantages or hospitality to such persons except under the circumstances and to the extent expressly permitted by applicable laws, and within the limits set by applicable laws, our Code of Ethics, this Policy, and other internal regulations of AKRIKHIN. Such actions should also not contradict established and recognized public customs.

If you do not have a clear understanding, or have doubts regarding the qualification of any actions you intend to perform, you should contact your immediate supervisor or Ethics and Business Standards Manager for appropriate advice. You should always do so before performing any proposed action.

7.2. Interaction with Public Officials

As part of its normal activities, AKRIKHIN constantly needs to interact with public officials. Such interaction may take place during regular verifications and inspections carried out by regulatory authorities, as well as in the case of receiving various types of services provided by government authorities or organizations set up and/or controlled by such authorities.

Without such interaction it would not be possible to register new products and trademarks, as well as to obtain permits and certificates required by the company in accordance with applicable laws.

The performance of a public state function is associated with great responsibility, therefore, to ensure fair and impartial performance by a public official of his or her duties, we must comply with all existing prohibitions and restrictions.

Offering to a public official illegal benefits and advantages in connection with the performance of his official duties and related public functions, is a corruption offense, which may entail punishment in the form of imprisonment and heavy fines both in relation to the offenders and their employers.

Meetings with public officials should be open to avoid any suspicion as to their nature. These meetings shall take place in government buildings and offices.

If meetings with public officials are held outside a government building or office, we should take care to ensure that our hospitality is not excessive. The nature and extent of the hospitality shall be such that our guest does not consider it inappropriate or oppressive. The nature and extent of hospitality shall always be within the framework of recognized public customs, so as not to expose AKRIKHIN to the risk of loss of reputation.

In no situation and under no pretext it is permitted to offer money and/or its equivalent to public officials, including checks, shares, bonds and other securities, bonus cards, etc. Also, it not allowed to offer these persons gifts, valuables, services and their payment, as well as any property and non-property benefits that could induce them to committing certain actions or omissions within the framework of their official duties.

We follow the principle that, as part of our existing relationships with public officials, we do not offer or provide any benefits or advantages to such persons other than minor and modest gifts as permitted by applicable laws and public customs. The cost of such gift shall in no case exceed three thousand (3,000) roubles. At the same time, care should be taken to ensure that the circumstances, nature and frequency of giving such gifts do not result in their recipient considering them inappropriate or exerting pressure.

All acceptable gifts shall be presented clearly and openly, and shall also come directly from AKRIKHIN, and not from a specific employee.

It is prohibited to offer or provide any value, advantage, or property or non-property benefits, including covering the expenses of relatives and acquaintances of a public official, as well as other persons associated with or named by a public official.

7.3. “Facilitation Payment”

AKRIKHIN prohibits offering or providing any value, advantage or benefit to persons performing public functions, even if the purpose of the benefit is to expedite or facilitate the implementation of an action that the public official regularly performs as part of his official duties (the so-called “facilitation payment”). The company considers offering or providing benefits of this kind to be corrupt.

The only exception allowed by AKRIKHIN are payments provided for by the law or by an issued and published official document of a certain government body or institution set up and/or controlled by such body, for extending the validity of certain documents or for expediting the implementation of certain procedures. An example would be the issuance of a certain document or certificate for a longer period or a reduction of the period for consideration and issuance of a visa for an additional fee.

Such payments shall be made directly to the government body or relevant institution providing these services.

7.4. Interaction with Healthcare Professionals

When interacting with healthcare professionals, we apply even stricter rules than those applied to public officials.

Given the special requirements and restrictions provided for by applicable laws, we never, and under no pretext, offer or give to healthcare professionals any gifts (regardless of their value), valuables, money or its equivalent, services or payment for them, any benefits or advantages, as well as any property and non-property benefits. Under no circumstances do we arrange or pay for any entertainment, recreation, or cover transportation or other expenses associated with the organization of recreation or the participation of healthcare professionals in recreational activities.

It is prohibited to offer or provide any value, advantage, or property or non-property benefits, including covering the expenses of relatives and friends of healthcare professionals, as well as other persons associated with or named by a healthcare professional.

Interactions with healthcare professionals, as well as coverage of certain expenses, are permitted in such areas and within such limits as established by applicable laws, the Code of Ethics, this Policy, as well as the company’s internal regulations governing acceptable relationships with healthcare professionals.

7.5. Interaction with Business Partners

Establishing and maintaining business relationships with business partners, as well as searching for new opportunities for development, are an integral part of AKRIKHIN activities.

We respect our counterparties and potential business partners. When dealing with them, we always act as a responsible and trustworthy partner. We do not want to expose ourselves, or our counterparties, to any legal or reputational risk due to any corruption offenses in the private sector. Therefore, we strictly adhere to the following rules regarding the possible provision of benefits and hospitality in our relationships with business partners.

It is prohibited to offer or provide any value, benefit or advantage in exchange for a specific action or omission, or to influence a specific action or omission, committed by our counterparty, potential partner or their employees.

Minor and modest gifts to counterparties and potential business partners are permitted, provided such gifts are permissible in accordance with applicable laws and public customs. At the same time, care should be taken to ensure that the circumstances, nature and frequency of giving such gifts do not result in their recipient considering them inappropriate or exerting pressure. Care should also be taken to ensure that the value, nature and type of gifts do not expose AKRIKHIN to the reputational risk.

Under no circumstances will the delivery of money or its equivalent in any form be permitted. Also, we should not hide the fact of presenting a gift or present it in such a way as if we wanted to hide the fact of presenting it. Our intentions must be clear.

As part of the hospitality, including during business meetings with partners regarding current or future cooperation, it is permitted to cover the expenses for transport, accommodation and meals for our counterparties or potential business partners. However, such expenses should not be excessive, and must also meet the criteria of reasonableness and justification.

In some cases, financing of certain cultural events is also allowed if their duration does not exceed the duration of the business part of the meeting, and the organization of the cultural event is of a secondary nature and is not the reason for participation in the business meeting. However, care should always be taken to ensure that our hospitality is not excessive or is not considered as an attempt to exert undue influence.

We refrain from such expressions of hospitality that could evoke negative public reaction, negative perception of business partners or in any other way undermine the reputation of AKRIKHIN.

If you doubt whether gifts or hospitality provided are consistent with the rules set out in this Policy, you should contact your immediate supervisor or the Ethics and Business Standards Manager for advice.

8. DONATIONS AND GRANTS

Donation means provision of material benefits to non-profit organizations for generally beneficial purposes.

One of the acceptable types of donation may be the targeted free of charge provision of the Company's products.

The donation may also take the form of an educational or research grant to support medical education or research.

The donation must be purely gratuitous and cannot be made for the purpose of receiving any compensation or benefit.

Any donations can only be made under a concluded agreement in accordance with the requirements of applicable laws, and must also be properly reflected in the company's accounting records.

9. POLITICAL CONTRIBUTIONS

Given that any contributions to support political parties or political figures, including candidates for elected office, may pose a serious corruption risk, AKRIKHIN, in its normal practice, refrains from making such contributions.

Under no circumstances may political contributions be made for the purpose of obtaining any benefits or advantages in favour of AKRIKHIN.

10. ACCOUNTING AND INTERNAL CONTROL

AKRIKHIN uses a proper accounting system for all business transactions and company's assets.

All business transactions and transactions with the company's assets must be reflected in the company's accounting records in a timely, conscientious manner, and with sufficient detail.

AKRIKHIN shall take all measures to maintain an up-to-date and effective system of internal control over its economic operations, which would ensure the reliability of accounting.

Intentional concealment, distortion or incomplete recording of business transactions in the company's accounting records is prohibited and is considered a material violation of applicable laws and this Policy.

11. CASES OF CLAIMING UNDUE BENEFITS

It should be taken into account that each employee of AKRIKHIN, while performing his duties, may receive an offer of a corrupt nature. Someone may express their expectations of receiving unreasonable benefits or advantages, or explicitly demand them.

Remember that you should be prepared for any of these situations and always reject such request or demand. In such cases, it is necessary to explain that these actions contradict the principles of AKRIKHIN and are strictly prohibited by its internal regulations.

Report any such incident immediately to your immediate supervisor or Ethics and Business Standards Manager.

12. REPORTING VIOLATIONS OF THE ANTI-CORRUPTION POLICY

Any AKRIKHIN employee who witnesses a violation of this policy or, acting in good faith, believes that the principles set forth in this Policy have been violated must immediately report the matter to his immediate supervisor or the Ethics and Business Standards Manager.

This also applies to any doubts about an action being taken in an area that is covered by this policy.

Any AKRIKHIN employee may report a violation of this Policy, as well as address a question regarding its application and interpretation, to the Ethics and Business Standards Manager in one of the following ways:

- personal meeting after prior agreement of the time and place;
- telephone conversation or recording a message on an answering machine: tel.: +7 (495) 785-25-08;
- sending an e-mail to: *hotline@akrikhin.ru*;
- filling out an application form on the corporate portal or official website *www.akrikhin.ru*;
- sending a letter to: building 5, 52 Kosmodamianskaya Embankment, 115054, Moscow, Russia, AKRIKHIN Pharmaceutical Company, Ethics and Business Standards Manager.

AKRIKHIN always provides protection for persons reporting violations. A company employee who reports a violation or signs of a violation of this Policy in good faith will not suffer any negative consequences and will remain protected by confidentiality, even if the incident being reported involves his or her immediate supervisor or another member of the company's management.

Any retaliatory actions against persons reporting violations are not permitted. The employee who engages in such retaliatory actions will be subject to a separate investigation, the results of which may result in penalties.

Each report will be reviewed in accordance with the appropriate procedure, and the person reporting the violation will be made aware of the results of the actions taken, unless the report of the violation was anonymous.

13. CONTROL OF COMPLIANCE WITH THE ANTI-CORRUPTION POLICY

The person responsible for applying and monitoring compliance with this anti-corruption Policy at AKRIKHIN is the Ethics and Business Standards Manager.

14. ENTRY INTO FORCE AND LIABILITY FOR VIOLATION OF THE ANTI-CORRUPTION POLICY

This Anti-corruption Policy is an internal regulation of the Company, comes into force on the date of its approval by the President of the Company and replaces the previous Anti-corruption Policy dated 21 December 2015.

This Policy is binding upon all employees of the company.

Failure to fulfil or improper fulfilment by a company employee of the requirements of this Policy may be regarded as a disciplinary offense, and disciplinary action may be applied to the employee who committed the violation in the manner prescribed by the labour law of the Russian Federation.