

**ANTI-CORRUPTION
POLICY**
of ALKALOID AD Skopje



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ALKALOID
SKOPJE

Health above all

Pursuant to Article 62 of the Statute, the Management Board of ALKALOID AD Skopje, at its meeting on 30.11.2020, passed the following:

ANTI-CORRUPTION POLICY OF ALKALOID AD Skopje¹

I. Declaration

In June 2020, ALKALOID adopted the Code of Ethical and Professional Conduct, affirming its commitment to upholding the highest standards of legal and ethical conduct. The Anti-corruption Policy (hereinafter: the Policy), alongside the above code, reflects the Company's business practices and principles of conduct, which underpin this commitment. All employees and executives must read, comprehend, and apply this Policy in their professional and business obligations and responsibilities.

ALKALOID's integrity and reputation rely on the honesty, fair conduct, and personal integrity exhibited by all employees and anyone else associated with the Company in any capacity. Each employee and executive is expected to apply their highest ethical standards and exercise common sense when performing work tasks and responsibilities. They must also make independent business decisions when no direct reference to this Policy exists. The personal integrity of employees and executives is inviolable and serves as the foundation of the Company's corporate integrity.

When performing managerial duties, all ALKALOID executives must develop a sense of commitment to the fundamental values among the employees under their management. This commitment will ensure maximum respect for this Policy. Executives must also ensure that all engaged entities, such as suppliers and other business partners, conform to the standards established by this Policy within their professional engagement or any other form of cooperation with the Company.

II. Application

This Policy shall apply to all employees and executives in ALKALOID, including those in its affiliates. Any reference to ALKALOID in this Policy shall also encompass its affiliates. Furthermore, this Policy shall pertain to payments made through third parties, such as agents, consultants, intermediaries, or representatives acting on behalf of the Company and/or its affiliates. If the existing regulation imposes stricter requirements than the principles outlined in this Policy, employees and executives must adhere to the more stringent rules.

III. Prohibition of unauthorized payments

ALKALOID shall uphold its integrity and principles of fair conduct in business relations by committing to eradicate corruption in all forms. Employees and executives in the Company and its affiliates must adhere to all applicable laws and regulations of the Republic of North Macedonia and/or the countries where the Company operates pertaining to bribery, corruption, and illegal business activities with individuals or legal entities, particularly public officials and office holders.

Therefore, Company employees and executives must be knowledgeable about the applicable legislation on anti-corruption, anti-money laundering, drugs and medical devices, health care, public officials, criminal laws, and other laws related to their professional tasks and responsibilities that could be classified as corrupt. They must not make pecuniary payments or offer or promise any transfer of value or other benefits to representatives of business partners or public officials to establish or maintain a business relationship or gain a favourable position. Additionally, they must not give gifts to public officials with a value exceeding the limit prescribed in the applicable legislation. If third parties attempt to engage in bribery or corruption, employees and executives must promptly report it to their immediate supervisor, the Corporate Compliance Officer, affiliates' compliance officers, and the Legal Department.

IV. Prohibition on bribery of public officials and/or public office holders

The laws of the Republic of North Macedonia and those of the Company's affiliates prohibit the making, offering, or promising any payment of financial assets or transfer of value to public officials and public office holders. This prohibition shall apply when such payments are intended to influence an official activity or decision to secure or maintain a business opportunity.

Apart from the definitions of public office holders provided by the applicable local regulations, the Company and its affiliates shall apply minimum standards for identifying public office holders under this Policy. These minimum standards include:

- Individuals appointed in the state administration (e.g., a representative from the Ministry of Health)
- Any employee or person acting on behalf of a government institution, agency, or company performing public functions
- Any employee or person acting on behalf of a public international institution (e.g., a representative of the United Nations Organization)

V. Documenting all payments

ALKALOID firmly believes that the accuracy and completeness of the information recorded in its corporate books and systems are crucial for maintaining the integrity and transparency of its business and corporate activities. Employees and executives of the Company and its affiliates must refrain from entering inaccurate or misleading records, regardless of the type of information (financial, scientific, corporate). The records are the foundation for managing business and corporate activities and are essential for fulfilling obligations to shareholders, employees, business partners, financial institutions, regulatory institutions, etc. Therefore, it is crucial that the entries in the corporate books and systems accurately, adequately and reasonably reflect the assets, expenses, income, transactions, and changes in Company assets.

The entries recorded in the corporate books and systems must be sufficient to generate accurate, timely, understandable, and complete reports intended for the management, shareholders, financial institutions, and other regulatory bodies to which the Company has reporting obligations. These reports shall also reflect the Company's transparent approach to implementing its social responsibility policy.

If an employee or executive becomes aware of any non-compliance with the standards and rules for entering records or transparent reporting, they must report it immediately to their immediate supervisor, the Corporate Compliance Officer, and/or the compliance officers of its affiliates and organizational units Finance and Legal department.

VI. Training and education

The level of observance of this Policy within each organizational unit's corporate and business activities is a crucial factor in evaluating the performance of each employee and executive.

To achieve this goal, the Corporate Compliance Officer or compliance officers in its affiliates shall organize and implement the following trainings on Policy application:

- regular trainings:
 - within three (3) months from the employment of each new hire;
 - within one (1) month of each significant amendment to this Policy and/or amendment to any related regulation for all employees;
 - every three (3) years for all employees.
- ad-hoc trainings/presentations, as needed, for suppliers and other business partners.

VII. Handling violations of the Anti-corruption Policy

ALKALOID has a corporate compliance system in place, comprising an integrated system of policies, acts, functions, processes, control mechanisms and tools applied to ensure compliance with the Anti-corruption Policy or reduce the risk of violations by the Company and its affiliates' employees, thus preserving and nurturing corporate integrity.

The Company and its affiliates maintain a network of responsible persons to act and make decisions on Policy violations within their scope of authority. It includes the following:

- Corporate Compliance Officer of ALKALOID;
- Corporate Compliance Commission;
- Affiliate Compliance Officers.

All employees of the Company and its affiliates, along with business partners and collaborators, shall report all actual and potential Policy violations through the following channels:

- The AlkaSpeakUp web form located on the Company's website
- By calling the phone number of the Corporate Compliance Officer (+38972918245) or the phone numbers of the affiliates' Compliance Officers
- By sending an email to the Corporate Compliance Officer (complianceofficer@alkaloid.com.mk) or the affiliates' Compliance Officers.

The Corporate Compliance Commission shall decide on admissible complaints of Anti-corruption Policy violations.

The Commission, a Company body, is authorized to investigate and determine all facts and circumstances related to reports of Policy violations. These reports may come from employees, external parties, Company business partners, associates or executives. The investigation shall aim to establish a clear factual situation, allowing management to make informed decisions about sanctioning violators.

When investigating reports for Anti-corruption Policy violations, if the evidence provided clearly and undoubtedly establishes that a violation has occurred, the Commission shall prepare a finding of violation and proposes a sanction. The Commission shall submit the finding and proposed sanction to the management of the Company or its affiliates, who then impose appropriate corrective measures and sanctions.

If the violation constitutes a criminal offence, the Company and its affiliates shall immediately notify the competent law enforcement authorities and other competent institutions through the Company's Legal department, or affiliates' executives or legal departments.

The process for determining and addressing Anti-corruption Policy violations shall be conducted at the corporate level. The Corporate Compliance Commission shall be responsible for deciding on Policy violations committed by employees of its affiliates. During these proceedings, the Compliance Officer of the relevant affiliate shall join the Commission and participate in the investigation and decision-making process.

This Anti-corruption Policy does not include all anti-corruption practices and principles in all positions within the Company's organizational units. The Policy mainly focuses on typical and frequent situations in the Company's regular interactions with individuals and companies in its corporate and business functions. Therefore, it covers only a portion of the regular practices. For all other situations, employees must interpret the Policy's principles appropriately, in coordination with their executives and the relevant organizational units, to determine its applicability to their respective units and the unique circumstances and conditions that may occur.

This Policy aims to explain the details of certain principles in the Code of Ethical and Professional Conduct and the Code of Interaction with Health Professionals and Ethical Promotion. They are highly relevant and applicable to the Company's daily operations. Employees and executives are encouraged to suggest extensions to this Policy at any time, including additional instructions they deem necessary to perform their daily work. Furthermore, if specific conditions and circumstances create ethical dilemmas about the Policy application, employees and executives are encouraged to propose ad-hoc instructions.

¹ This version of the Anti-corruption Policy of ALKALOID AD Skopje is formatted and designed to inform the public about it. The official version of the Policy is kept at the Company headquarters.



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