

RULEBOOK
for the protection of
trade secrets and know-how
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 15.12.2017, passed the following:

RULEBOOK for the protection of trade secrets and know-how of ALKALOID AD Skopje

I BASIC PROVISIONS

Article 1

This Rulebook shall govern the confidentiality of trade secrets resulting from the business and corporate operations of ALKALOID AD Skopje (hereinafter: Company) and the skills and knowledge of Company employees and executives about scientific/technical/technological and business/financial processes and concepts from its registered activity, acquired within or in connection with their employment-based engagement in the Company, access to them, and the method and measures for their protection, storage and handling.

Article 2

A trade secret, in the sense of this Rulebook, shall mean a record in any form - written or electronic, object, material, or substance, which contains or derives information related to the Company's scientific/technical/technological and business/financial processes and concepts, and those of the Company's business partners, for which the Company is bound by confidentiality, to which the Company's employees and executives have access, and which cumulatively fulfils the following prerequisites:

- is secret information because, as a whole or in a specific configuration or set of components, it is not commonly known or available to persons operating in areas in which this type of information fluctuates;
- has commercial value, actual or potential, in particular by virtue of the fact that it is secret;
- is the subject of evident organizational Company efforts to keep it secret.

Know-how, in the sense of this Rulebook, shall mean skills and knowledge that a Company employee or executive creates or upgrades as a result of having access to, participation in the creation, and use of the Company's trade secrets, which made available to third parties, authorized or unauthorized, would represent added value to the know-how or intellectual capital of those persons and would decrease the Company's competitive advantage over them.

In the sense of this Rulebook, Company employees shall mean persons the Company employs for a definite and indefinite period.

Executives, in the sense of this Rulebook, shall mean the persons who, according to the internal Company organization and systematization, have managerial positions, have an agreement signed with the Company governing their mutual relations under the Company Law, and persons elected to the Company management bodies.

Company's business partner, in the sense of this Rulebook, shall mean the legal entity, regardless of its registered activity, from the Republic of Macedonia or abroad, the Company has established or is negotiating to establish cooperation with and has undertaken, or it may be assumed to have undertaken obligations of confidentiality about their confidential information, with the breach of which, the Company may be held liable for damages.

Third party, in the sense of this Rulebook, shall mean any natural person or legal entity in the Republic of Macedonia or abroad, except for institutions and entities who, by law, regulation or Company's special authorization, are entitled to access the Company trade secrets and know-how.

Article 3

Under this Rulebook, all Company employees and executives shall ensure the highest degree of confidentiality of the Company's trade secrets and know-how by not allowing access, not making them available and used by third parties or Company unauthorized persons caused by negligence or intent for their own or others' benefit.

The obligation of Company employees and executives to keep the confidentiality of trade secrets and know-how shall last for two (2) years after the end of any employment relationship or engagement with the Company. The organizational unit executives may, by extraordinary decision, arrange a longer confidentiality period for certain trade secrets.

The Company shall sign an agreement with certain employees and with employees in specific organizational units to protect confidentiality and know-how from employment-based abuse by including a non-compete clause therein.

Article 4

The application of this Rulebook and the obligations and responsibilities stipulated therein shall not be interpreted to limit the rights of employees and executives under the Company's Rulebook on Whistleblower Protection.

Article 5

The application of this Rulebook and the obligations and responsibilities contained therein shall not be interpreted to endanger or neglect the public interest, such as citizen safety, consumer protection, public health, environmental protection, and others.

II ACCESS TO, KEEPING AND HANDLING OF TRADE SECRETS

Article 6

The Company CEO and Management Board shall have access to all trade secrets.

The Company CEO and Management Board, independently or by a proposal of organizational unit executives, shall order that a particular record or group of records in any form containing information that currently or potentially is considered Company intellectual capital or commercial value, be qualified as a trade secret.

After being qualified as a trade secret, all records from which it originated or all records resulting from the trade secret shall be considered to have the same status.

Article 7

Based on the order from Article 6, paragraph 1 of this Rulebook, the organizational unit executive, whose scope of work the trade secret refers to, shall make a list of organizational unit employees authorized to access it.

Only organizational unit employees whose tasks and responsibilities are directly or indirectly related to the activities resulting from the trade secret that the respective organizational unit is responsible for, may gain access to it.

If a trade secret is relevant for several organizational units, their executives shall compile a joint list of all employees that may access it.

Executives may amend the employee lists at any time.

In the sense of this Rulebook, access of employees or executives to a trade secret shall mean full and unrestricted access to the records containing the information related to the trade secret.

Article 8

Any employee or executive authorized to access a trade secret shall keep or secure the means enabling such access.

Article 9

To protect its trade secrets and know-how, before initiating cooperation with third parties, and in the course of such cooperation, if needed, where the Company may reveal information containing a trade secret, it shall, without exception, sign confidentiality agreements with those third parties, foreseeing adequate formal and substantive legal protection of the Company's position protecting its trade secrets.

Handling of trade secret information in printed documents

Article 10

Printed documents containing a trade secret that, according to the archival regulations, require archival certification shall be certified in a special ledger kept with the Company Archives Department.

The documents under paragraph 1 shall be kept separately from the rest of the Company's documentation to allow controlled physical access to them.

Article 11

Delivery of printed documents containing a trade secret within the Company shall go through a separate internal delivery book. The intended recipient shall confirm the receipt of the document with his signature.

Handling of trade secret information in electronic form

Article 12

Information containing a trade secret in electronic form shall be secured in the Company's IT system.

When generating or working with an electronic document containing information about a trade secret, the employee or executive shall mark it CONFIDENTIAL by a watermark or in the electronic document's header or footer.

Access to information containing a trade secret in electronic form shall be granted by an access password to the folder where it is stored, communicated only to employees and executives authorized to access it.

III BREACH OF CONFIDENTIALITY OF TRADE SECRETS AND KNOW-HOW

Article 13

By breaching Article 3, paragraph 1 of this Rulebook, an employee or executive breaches a Company trade secret or know-how confidentiality by enabling access to them, making them available and usable to third parties or Company unauthorized persons, caused by negligence or intent, for their own or someone else's benefit, regardless of the actual damage the breach causes to the Company.

For the breach under paragraph 1 of this article, the Company shall hold to account the employee or executive under the Work Order and Discipline Rules and the Employment Law. They shall compensate the Company for the entire damage and the full amount the Company may incur to pay its business partners, competent institutions and other third parties as a result of an employee or executive breaching Article 3, paragraph 1 of this Rulebook.

The employee's or executive's liability under paragraph 1 of this article, to the degree applicable, shall mean their unlimited independent, moral, material, misdemeanour and criminal liability before domestic and foreign institutions and/or financial liability to the Company under the Company rules for disciplinary liability, and/or independent tangible and intangible liability to third parties.

When determining the employee or executive liability, the Company shall consider the following criteria:

- the value or other specific feature of the trade secret or know-how
- the employee position at the Company
- the measures they took to protect the trade secret or know-how
- their conduct when committing the breach
- the impact of the damage on the Company
- the third parties' benefit due to the breach
- the business partners' legitimate interest in connection with the breach

When determining the compensation for damages that the employee or executive shall pay the Company for the breach, the Company shall apply the proportionality principle and the following criteria:

- loss of Company profits or competitive advantage
- unauthorized profit gains or gains of competitive advantage by third parties
- Company's liability to business partners due to the breach

IV TRANSITIONAL AND FINAL PROVISIONS

Article 14

This Rulebook shall take effect on the day of adoption by the Management Board.

The entry into force and application of this Rulebook shall not affect the application of the Company's internal acts adopted under or in connection with the applicable personal data protection regulations. They shall remain fully applicable under the conditions stipulated therein.

This Rulebook's taking effect makes the Rulebook on Trade Secrets under archive number 0203-38, dated 01.03.2004, null and void.

¹ This version of the Rulebook for the protection of trade secrets and know-how of ALKALOID AD Skopje is formatted and designed to inform the public about it. The official version of the Rulebook is kept at the Company headquarters.



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