Anti-bribery policy

January 2021

PURPOSE AND OBJECTIVES

The adverse economic and social consequences of bribery and corruption are a major deterrent to development, everywhere in the world.

The Simple Pharma Company Limited 'Simple Pharma' and its affiliates have zero-tolerance for bribery. Simple Pharma fosters throughout its organisation, but also in its relationships with external stakeholders, an ethical culture of the highest standards in terms of responsibility and business integrity.

The purpose of this Policy is to establish guidance for Simple Pharma Employees and Third Parties interacting with Simple Pharma to comply with applicable Anti-corruption and Anti-bribery Laws and Regulations, as well as to promote a culture of ethics and integrity.

This policy also aims at protecting Simple Pharma and Simple Pharma Employees' reputation and at avoiding potential civil and criminal fines.

SCOPE

This Policy is global in scope and applies to Simple Pharma worldwide, all Simple Pharma Employees and Third Parties engaged in activities with Simple Pharma.

DEFINITIONS AND ACRONYMS

DEFINITIONS

Anti-corruption and Anti-bribery Laws and Regulations: Any applicable law or regulation addressing corruption and/or bribery, including, but not limited to the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act (UKBA), as well as applicable international conventions, including, but not limited to, the Organisation for Economic Co-operation and Development Anti-Bribery Convention and the United Nations Convention against Corruption.

Anything of value: may include, but is not limited to:

- Cash,
- Gifts,
- Entertainment, accommodations and meals,
- Travel expenses,
- Services,
- Employment offers,
- Loans,
- Donations or contributions, and
- Any other transfer of value, even if nominal in value.

Code of Ethics: the Simple Pharma Code of Ethics.

Facilitating Payments: Payments to any Government Organisation or Government Official, made in order to expedite or secure performance of non-discretionary, routine governmental actions (e.g., processing a visa, customs invoice, or other governmental paper)

Government or **Government Organisation**: any department, any administration, any agency controlled in whole or in part by the government, any public international organisations and their agencies or instrumentality of a government (including a government-controlled

enterprise), and any organisation considered to be a government department or administrative office under any local law.

Healthcare Professional: An individual, member of the medical, dental, pharmacy or nursing professions or any other person who in the course of his or her professional activities may prescribe, purchase, dispense, administer or recommend a Simple Pharma product. Examples include physicians, pharmacists, nurses, investigators (may include such individuals in training e.g. students). Healthcare Professionals working in a Government or in a Government Organisations are considered as Government Officials.

Person: Any Government Official(s), Simple Pharma customer(s) or business relation(s).

Government Official: Individuals, in the following categories:

- Any officer or employee (including any person nominated or appointed to be an officer or employee even if part-time) of a Government or a Government Organisation;
- Any person acting in an official capacity on behalf of a Government or a Government Organisation;
- Any officer or employee of a company or business owned in whole or part by a Government or a Government Organisation;
- Any officer or employee of a public international organisation, such as the World Bank or the United Nations;
- Any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; and/or
- Any candidate for political office.

Simple Pharma: The Simple Pharma Company Limited and any corporation or business entity which, directly or indirectly, controls, is controlled or is under common control of The Simple Pharma Company Limited, including The Simple Pharma Company UK Limited. The term 'control' means direct or indirect ownership of more than fifty percent (50%) of the equity having the power to vote on or direct the affairs of the entity.

Simple Pharma employee: Any employee of Simple Pharma, whether full time or part time, temporary or trainee and any other employee category according to local regulation.

Third Parties: any individuals, companies, associations, partnerships, or other entities retained to act on behalf of or for the benefit of Simple Pharma. The term includes, but is not limited to agents, consultants, lobbyists, suppliers, distributors, resellers.

REQUIREMENTS

PROHIBITED INTERACTIONS

Simple Pharma, Simple Pharma Employees and Third Parties are prohibited from giving, promising to give or offering to give Anything of Value, to any Person for the purpose of influencing any act or decision of the Person, and/or the entity the Person represents, in order to secure an improper advantage or to otherwise obtain or retain business for Simple Pharma.

The above prohibition also applies to indirect provision of Anything of Value to any Person, including but not limited via the use of intermediaries or relatives of the Person. Simple Pharma, Simple Pharma Employees and Third Parties are prohibited from making, offering to make, or authorizing a payment to any person or entity (e.g., suppliers, agent, distributor or intermediary) with knowledge that all or part of the payment will be offered or given to a Person to secure an improper advantage or to obtain or retain business.

The prohibition set forth in this Policy also applies should Simple Pharma Employees use their own personal funds or assets.

Simple Pharma prohibits Facilitating Payments, even when legally permitted.

ANTI-BRIBERY DUE DILIGENCE ON THIRD PARTIES

The five components of Simple Pharma's framework to systematically identify, engage and monitor third parties is set-out below.

Identification

A third party is any associate with which a company carries out its activities. The company's third party population can include:

- Vendors/suppliers
- Distributors/resellers
- Joint venture partners/consortium partners
- Advisors and consultants (tax, legal, financial, business)
- Service providers (logistics, supply chain management, storage, maintenance, processing)
- Contractors/subcontractors
- Lobbyists
- Marketing and sales agents
- Customs or visa agents
- Other Intermediaries

The highest bribery risk lies with agents, as they are authorised to represent the company. However, bribery risk is also associated with other forms of intermediary, such as lobbyists and law firms. Suppliers can also bring substantial risks, such as bid-rigging and kick-backs.

Simple Pharma maintains a register of third parties, including corporate details, type of services provided, volume of business. Categories of work posing higher risks include representing the company before government agencies or other third parties, performing services on behalf of the company and having contacts with government officials, and require more advanced diligence.

Risk Assessment

Simple Pharma conducts 'risk-based' anti-bribery Due Diligence on Third Parties to avoid or to mitigate the risk of third-party corrupt conduct.

Specific third party risks we are potentially exposed to include:

- Distributors bribing Healthcare Professionals for prescriptions
- Agents bribing government officials for reimbursement status or product authorisation approval
- A supplier offers a kick-back to a company employee to award it a contract

As detailed in the procedure *Establishing the Authority of Suppliers to Supply, and Customers to Receive, Medicinal Products (Document Number AGTXC)* checks are carried out to confirm that Simple Pharma's customers and suppliers that perform regulated activities, such as manufacturing, supplying and procuring pharmaceutical products, are duly licensed to do so in their respective territories. Customers are wholesalers who sell to individual pharmacies within regulated pricing frameworks.

Simple Pharma audits key suppliers to ensure compliance with expected standards, in addition to verifying their licenses. Simple Pharma's wholesale customers conduct no commercial, promotional, or marketing activities, and present generally a very limited risk of corrupt behaviour in their business with Simple Pharma.

Due-diligence

Simple Pharma carries out due diligence proportionate to the risks identified for different types of third parties, with a focus on those of highest risk. We use pre-defined risk criteria to assess individual third parties for inherent risk and vary the level of due diligence accordingly.

Due diligence screens third parties for red flags to enable Simple Pharma to avoid association with third parties that could lead to reputational damage or legal liability. It is a systematic, periodic process carried out when entering into or renewing a contract or agreement with a third party.

The due diligence process is focused on identifying high risk third parties with a methodology capable of managing large numbers of third parties within the available resources and without disproportionate time and effort for the majority of low risk third parties.

We follow a process in five steps.

Step 1. Risk rating.

Assign an overall risk rating based on the risks identified in the risk assessment, other information gathered on the third party (such as country of operations) and volume of business.

Generic risks factors to consider in addition to the ones identified above include:

- How large is the contract the third party is bidding for?
- Is the contract in question unique/a one-off?
- What is the compensation structure for the third party? (e.g., sales commissions)
- What are the goods or services being provided? (e.g., lobbying, business development)
- How was the third party referred to the company? (e.g., by a public official)
- Does the third party have an anti-bribery programme and does the programme meet the Simple Pharma's own standards?

The three risk ratings are:

- **High risk**: This category receives the most attention, with detailed information gathering from the third party and public record research, often supported by market intelligence gathering. This level will often require face-to-face interviews and on-site visits.
- **Medium risk**: This category required gathering additional information about the third party, including review of policies, record keeping, followed by public record research to verify the information and identify any significant legal, regulatory or reputational issues.
- **Low risk**: This category requires very limited or no further information beyond the initial information gathered. The owner of the relationship can raise the risk rating to medium risk based on his judgement. Very small contracts or spot purchases up to a €10,000 per year are not subjected to due diligence unless initial checks identify a cause for concern.

Step 2. Gather further information.

For medium and high risk third parties, further information and documentation is requested, including, for medium risk companies:

- Proof of registration (e.g., chamber of commerce documentation)
- Anti-bribery and code of conduct
- Record-keeping policies

- Ultimate Beneficiary Owners
- Structured interview of key management by Simple Pharma's CEO

For high risk companies we also request recent financial statements, detailed ownership structure, details on use of sub-contractors and perform in-person site visits.

Step 3. Research.
Based on an analysis of the further information provided by the third party, more comprehensive information is sought through company resources and externally. More information may be collected on areas such as:

- Services being provided
- Corporate information (such as proof of ownership, if not requested or provided previously)
- Members of the third party's leadership and those who will be working with the company
- Governance structure
- References from peer companies
- Litigation/criminal or administrative actions disclosure
- Negative coverage in media
- Code of conduct (if not requested or provided previously)
- Anti-bribery programme including policy and training given to employees
- Adherence /alignment to the company's own policies
- Use of sub-contractors /other third parties (and any related policy documents)
- Appearance on sanctions/debarment lists
- Relationships with government officials including director and staff familial relations with PEPs and government officials and employment of PEPs and PEP-owned companies further down the supply chain

Step 4. Mitigate.
For high risk third parties, or where specific red flags have been identified for a medium risk third party (e.g. large or critical contracts, lobbying services), decide with management the appropriate mitigation plan to implement. The mitigation plan can be implemented prior to entering into the relationship, or immediately after, with a rapid follow-up.

Step 5. Decide.
Subject to any identified risks being mitigated, the due diligence report is signed off by management to proceed to contract with the third party.

For difficult decisions or where high residual risks remain, the decision whether or not to engage a third party may be referred to external counsel.

Contract

The contract with the third party is more than an agreement – it is a critical anti-bribery control. It communicates explicitly the company's expectations on anti-bribery and ethical behaviour, establishes rights and specifies anti-bribery requirements and processes for monitoring, reappointment, remediation, termination and exit.

In all cases, Simple Pharma requires contractual commitment that the third party will comply with anti-bribery and corruption laws. Provisions might be strengthened to cover key high risk areas. For example, some companies apply additional provisions for high-risk intermediaries interacting with government, including detailed record keeping requirements for meetings with officials and for gifts and hospitality.

Simple Pharma has established model contracts for key activities including anti-bribery provisions.

Monitoring

Rigorous monitoring procedures act as a deterrent to third parties and to employees contemplating bribery and are a way to bring to light suspicions or incidents of bribery.

Simple Pharma actively monitors risky counterparts by updating every three years for medium risk third-parties and annually for high risk third parties the following information:

- Updated corporate information (ownership, acquisition, financials)
- Annual self-certification by management that an anti-bribery programme is implemented and there have been no bribery incidents

Senior management and the Board holds an annual review of the anti-bribery programme.

RESPONSIBILITIES

GENERAL RESPONSIBILITIES

Fostering a culture of integrity throughout the organisation and clearly communicating on Simple Pharma's expectations contribute to reduce the risk of bribery and corruption.

The CEO is responsible for the application of anti-bribery policies and overseeing the management of third-parties. Managers are responsible to contribute to the understanding by all members of their teams of what bribery is, as well as, how to prevent it.

Each Simple Pharma Employee is responsible to comply with this Policy.

Each Simple Pharma Employee has a duty to prevent breaches of this Policy by reporting any questionable situation by alerting management.

FINANCIAL AND ACCOUNTING CONTROLS

Simple Pharma requires that all books, records, and accounts are kept in reasonable detail to accurately and fairly reflect all transactions and dispositions of assets and that adequate internal controls are maintained to provide reasonable assurance that management is aware of, and directing, all transactions ethically and in compliance with applicable Simple Pharma Policies.

CONSEQUENCES OF NON-COMPLIANCE WITH THIS POLICY

Violations of Anti-corruption and Anti-bribery Laws and Regulations may result in civil and criminal penalties for Simple Pharma and Simple Pharma Employees, in addition to disciplinary actions against Simple Pharma Employees.