



APPROVED:

Director

CPC Biocon LLC

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CODE OF CORPORATE ETHICS

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1. PURPOSE AND TASKS OF THE CODE

The **purpose of the Code** is to establish corporate standards of business ethics of the Company and regulate the activities of the Company's employees in difficult ethical situations.

Tasks of the Code:

- establish the principles of the Company's corporate ethics based on the Mission, Vision and Corporate Values of the Company;
- orient employees on understanding, support and observance of unified principles of business ethics;
- establish rules of conduct for employees in Difficult Ethical Situations.

2. SCOPE

In its activities, the Company strictly adheres to the principles of business ethics described in the Code. The Code is developed on the basis of Ukrainian legislation and generally accepted principles and norms of business ethics. The Code does not describe all possible cases and situations that an employee may face in the performance of his/her official duties but contains basic guidelines for resolving Difficult Ethical Situations.

3. TERMS AND DEFINITIONS

Company shall mean CPC Biocon LLC;

Code of Corporate (Business) Ethics shall mean a set of norms and principles that determine the ethics of relationship within the Company and the relationship of the Company with partners, Counterparties and other stakeholders;

Conflict of interest shall mean real or seeming real contradictions between the private interests of a person and his/her official powers, the presence of which may affect the objectivity or impartiality of decision-making as well as the performance or failure to perform actions in the course of official powers granted to him/her;

Affiliates shall mean natural persons or legal entities that may have a direct or indirect impact on making an official decision by an employee;

Counterparties shall mean natural persons or legal entities, institutions and organizations related to the Company's obligations under the master agreement, and/or cooperating in the process of its implementation (customers, suppliers, contractors, investors and others);

Difficult Ethical Situation shall mean a situation in which notions about the morality of an employee, on the one hand, and the Company as a whole, on the other hand, collide;

Business ethics shall mean rules and norms of official conduct.

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CPC Biocon LLC (hereinafter referred to as the “Company”) is one of the leaders in the provision of warehousing services to foreign pharmaceutical companies in Ukraine. We were one of the first to introduce European standards of doing business in the Ukrainian pharmaceutical market. In order to have an impeccable business reputation, the Company needs not only professional management but also constant strict adherence to the norms and standards of business ethics. The Code of Corporate Ethics and Principles of CPC Biocon LLC formulates and systematizes norms and principles of conduct which should be followed by all employees of the Company.

Requirements of international norms and Ukrainian legislation in the field of social protection of personnel and labour protection have been adopted and observed at the Company:

Occupational safety and health

The health and safety system includes obligations to meet legal requirements for occupational safety and health. For the purpose of development of this system, its introduction and efficient functioning at the Company, a labour protection engineer, who is an independent representative of the top management and has the corresponding powers, has been appointed.

We create a healthy and safe work environment for our employees. For example, our workers at customs and commercial warehouses are constantly trained in occupational safety and health required for their work, and our warehouses (production facilities) are closely monitored through appropriate design, engineering and administrative tools, preventive maintenance and introduction of safe workflows. Inspections are carried out on a regular basis.

Our occupational safety and health regulations are updated annually to reflect current safety and health conditions. The rules include provisions for handling materials and reducing occupational injuries and the amount of material used.

Key components of our occupational safety and health regulations are as follows:

- ensuring appropriate controls, safe working procedures, preventive maintenance, protective equipment and other protective measures in order to reduce a risk to health and safety at work;
- development of an emergency avoidance system for training and notification of employees and their evacuation in case of an emergency situation;
- encouraging employees to participate in health improvement programs implemented by the company.

The Company regulates a 40-hour work week; overtime work is voluntary and is paid at a double rate. Salary meets regulatory requirements. Top management does not apply payroll deductions as disciplinary measures, does not allow the conduct that is threatening, abusive or exploits human dignity.

Prohibition of discrimination and harassment

Diversity is a core value of our global corporate culture, helping to meet the ever-changing needs of customers, communities and partners. We ensure equal working conditions for each employee

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and do not allow discrimination on the grounds of nationality, gender, age, physical or mental condition, religion, origin or any other characteristics in cooperation with employees and personnel policy.

The Company does not support discrimination in employment, settlements, granting access to training and promotion, discharging, retirement, nationality, religion, disability, gender, political views (among those permitted in Ukraine) or age.

Prohibition of child labour

Child labour is a very serious issue, and we take preventive measures so that to prevent the use of labour of minors (and children under 15) at our Company and, in turn, try not to cooperate with contractors using prohibited child labour. In order to comply with all the laws of Ukraine and regulations, we require the presentation of documents certifying the achievement of the age required for work. Our Code of Corporate Ethics and Principles of the Company does not allow any form of wrongdoing by employers and clearly states our requirements that all employees be of a legally established working age.

Goals in environmental protection.

The Company meets all requirements of current legislation of Ukraine in the field of environment and holds all permits for work.

We consider the protection of the environment as a factor of the Company's competitiveness. To this end, the staff takes into account the risks to the environment, minimizes the use of non-renewable natural resources and emissions. The Information Technology Unit of the Company is involved in optimizing the use of resources and increases the organizational level by introducing new technological approaches.

We are constantly striving to find innovative ways to reduce energy consumption, create waste-free production and reuse materials to minimize our impact on the environment and reasonably use environmental resources.

Management of hazardous substances and materials

Proper management of waste, chemicals and other materials (which may be contained in improvised auxiliary materials, are destroyed by a special recycling company) is extremely important to protect the environment and the health and safety of our employees, which is why the Company does not use hazardous substances in its economic activities, thereby reducing emissions of hazardous substances into the environment that can adversely affect it.

Reuse

Waste reduction for us begins with reducing the amount of waste generated during operation. We strive to reduce the amount of industrial waste during our workflows and increase the recycling of resources. Willing to achieve this goal, we return almost 40 percent of the total waste for recycling per year on average. At the commercial warehouses and customs warehouse of the Company, waste is separated for recycling, including cardboard boxes, containers and plastic packaging materials. In addition, we are looking for ways to reduce the amount of waste, for example, by introducing a return program that allows returning used electronic devices for reuse or recycling, removal from chargers, lamps, etc.

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In addition, our immediate plans are to implement and obtain ISO 14000 series certification for environmental protection activities in order to continuously reduce our impact on the environment and comply with applicable laws, regulations and other environmental standards, including international ones.

5. PRINCIPLES OF CORPORATE ETHICS OF THE COMPANY

- The Company builds its activities on the principles of recognizing the rule of law in all spheres of socio-economic life;
- The Company builds the relationship with its employees on the principles of observance of human rights and dignity as well as creation of equal opportunities for employees;
- The Company builds the dialogue and relationship with local communities, governmental authorities and local self-government authorities on the principles of openness, partnership and cooperation;
- The Company builds the relationship with Counterparties on the principles of honesty, objectivity and good faith;
- The Company builds the relationship with competitors on the principles of free and fair competition in strict compliance with the rules and regulations of business ethics;
- The Company does not participate in political or religious activities;
- The Company is fully aware of its responsibility to society for the environment and considers its activities in the field of environmental protection as an integral part of successful business and a prerequisite for achieving its strategic goals.

6. PRINCIPLES OF CORPORATE ETHICS OF EMPLOYEES

Relationship between employees and the Company

Employees shall build their relationship with the Company on the principles of:

- loyalty to the Company and full involvement in the implementation of processes to achieve the goals set;
- conscientious observance and implementation of policies, regulations, rules, instructions and other internal regulatory documents of the Company.

Employees of the Company are the basis of its reputation. Therefore, they should be aware that any unethical or illegal actions committed at work or in their spare time may damage the Company's reputation.

Relationship between employees of the Company

The relationship between employees of the Company, regardless of position or field of operation, shall be based on the principles of:

- mutual respect and mutual assistance;
- openness and friendliness;
- teamwork and focus on cooperation.

Any form of contempt or insult to each other shall be unacceptable.

Relationship between supervisors and subordinates

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The relationship between supervisors and subordinates shall be based on the following principles:

- openness of management in relation to employees;
- providing equal opportunities by supervisors to all their subordinates to perform their duties;
- supporting the initiative of subordinates;
- understanding the specifics of the work of subordinates and responsibility for the results of their work;
- impartiality and fair assessment of the results of subordinates' work.

Relationship of subordinates with supervisors shall be based on the principles of:

- respect, discipline and observance of subordination;
- bona fide performance of both personal direct job responsibilities and other tasks of the management not included in the job descriptions but which are directly related to the scope and specifics of activities of the Company's subdivision.

Relationship with counterparties

In relationship with the Counterparties, the Company's employees shall be guided by the following principles:

- respect and friendliness;
- priority of the Company's interests;
- impartiality;
- economic feasibility.

Employees shall not disclose information about counterparties that may cause them or the Company pecuniary or other damage, except in cases where the disclosure of such information is required by law.

Relationship with affiliates

Employees of the Company shall avoid involving affiliates as Counterparties. Employees shall not make independent decisions about cooperation with affiliates; if there is a production need to involve affiliates in cooperation with the Company, an employee shall approach his/her immediate supervisor.

Confidentiality and disclosure of information

Employees are obliged to comply with the conditions of a trade secret of the Company and adhere to non-disclosure of confidential information obtained in the performance of official duties. The provisions on confidential information are described in detail in the approved "Regulation on Trade Secrets and Confidential Information".

Social activities

Employees of the Company may engage in any statutory permitted political, religious or social activities, provided that they are conducted in their free time and outside the workplace.

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Employees shall not use the name of the Company, financial, tangible or any other resources of the Company to carry out their political, religious or social activities.

Use of Company's resources

Employees shall be obliged to take the utmost care of property and other resources provided by the Company and use them exclusively for work purposes.

Conflict of interest

Employees of the Company shall avoid situations that could lead to a conflict of personal interest and the interest of the Company:

- receipt of funds, gifts or remuneration in any other form, transferred in order to influence the course of adoption and/or the result of an official decision by an employee of the Company;
- use of the Company's name, its reputation, tangible, financial or other resources, confidential information for the purpose of own benefit;
- other situations that may lead to adverse consequences for the Company.

In the event of a conflict of interest or the possibility of such a conflict, an employee of the Company shall approach his/her immediate supervisor for assistance in resolving the situation. If it is impossible for an immediate supervisor to resolve the conflict of interest, an employee shall have the right to approach the Director of the Company for assistance.

7. PRINCIPLES OF THE COMPANY IN COMBATING CORRUPTION**General principles**

- The corporate policy of the Company prohibits employees or other persons acting on behalf of the Company from making payments or providing anything of value to natural persons or legal entities for the purpose of corruptly influencing civil servants for business benefits.
- The Company shall conduct business honestly, act ethically and legally, in accordance with all applicable laws and regulations, including, but not limited to compliance with anti-corruption laws.
- The Company requires its consultants, agents, representatives and companies or persons acting on its behalf ("Counterparties") as well as persons acting in connection with the activities of the Company on behalf of the Business Partners to do the same.

Civil servants shall mean the persons, who are entrusted with the direct performance of state functions in a relevant territory, in a particular area of public administration.

Civil servant in Ukraine shall mean a citizen of Ukraine holding a civil service position in a governmental authority, public authority of the Autonomous Republic of Crimea or their staff, receiving a salary from the state budget, except as prescribed by law, and exercising the powers established for this position that are directly related to the implementation of tasks and functions of a governmental authority or public authority of the Autonomous Republic of Crimea.

CPC Biocon LLC also complies with the Foreign Corrupt Practices Act of 1977 (FCPA), which

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prohibits making, promising or granting permission to make corrupt payments or providing anything of value to foreign civil servants in order for this civil servant to issue any government act or make a decision to assist the company in obtaining or retaining the business. The FCPA also prohibits a company or individual to use another company or individual to engage in any activities.

Principles of combating bribery and corruption. Interaction with governments and civil servants

- Counterparties shall take into account and act in accordance with current principles in conducting activities related to government and civil servants.
- Counterparties and persons conducting on their behalf the activities related to the Company shall not directly or indirectly make, promise or grant permission to make corrupt payments or provide anything of value to foreign civil servants in order for this civil servant to issue any government act or make a decision to assist the Company in obtaining or retaining the business.
- Counterparties and persons conducting activities related to work for the Company on their behalf shall never make illegal payments or offers, provide a valuable thing or service to a civil servant, regardless of the cost, as a prohibited incentive for such a civil servant to obtain, return, provide or purchase the products of the Company.
- Counterparties and persons conducting activities related to the activities of the Company shall understand what local laws, regulations or work procedures (including requirements of government agencies) impose any restrictions, frameworks or require disclosure of information about compensation, financial support, grants or gifts that may be provided to civil servants.
- Counterparties and persons performing activities related to the Company on their behalf shall take into account and act in accordance with such applicable restrictions when conducting activities related to the Company. If the Business Partner is unsure of the significance or application of any particular restriction, framework or requirements for information disclosure in relation to interactions with civil servants, the Business Partner shall consult with its contact person of the Company before implementing such actions.

Commercial bribery

Commercial bribery shall mean offering, providing or transferring to an official of a legal entity of private law an illegal benefit for actions or omission using the powers granted to him/her in the interests of the one who provides or transfers such benefits, or in the interests of third parties.

Principles of anti-bribery and anti-corruption, combating interaction with private parties and employees of the Company.

Counterparties shall adhere to the following principles in cooperation with private parties and employees of the Company:

- Counterparties and persons conducting acting related to the Company on their behalf shall not either directly or indirectly make, promise or confirm a corrupt payment or provide any valuables to any person in order to induce such person to ensure illegal business benefits of the business for the Company.
- Counterparties and persons performing the activities related to the Company on their

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behalf shall not either directly or indirectly request, agree to accept or receive payments or any valuables as an improper incentive associated with their professional activities for the Company.

- Employees of the Company shall be prohibited from receiving gifts, benefits, entertainment or other items from the Counterparties and persons engaged in activities related to the Company on their behalf. Furthermore, face value gifts shall be allowed only if they are received on an irregular basis and in appropriate cases, e.g.: birthdays, anniversaries, commemorative dates, and shall not exceed the value of the equivalent of 50 (fifty) US dollars.

Reporting of alleged or actual violations.

Counterparties or persons performing activities related to the Company on their behalf shall raise issues related to potential violations of the above-mentioned Anti-Bribery and Anti-Corruption Principles or violations of the law.

8. FINAL PROVISIONS**Adherence to the Code, responsibility**

- Every employee of the Company shall read the rules of this Code and thoroughly adhere to its provisions.
- In their professional activities, all employees shall be guided by the principles described in the Code with each employee bearing personal responsibility for compliance with the Code. If it is impossible for an employee to solve a difficult ethical situation on his/her own, he/she should seek advice and assistance from his/her immediate supervisor.
- New employees of the Company shall study the Code before commencement of their duties.
- Heads of structural subdivisions shall control the implementation of the Code by their subordinates, help them correctly interpret the rules and norms of ethical conduct, as well as show by personal example an example of high business ethics of a Company's employee. No employee or supervisor of the Company shall have the right to take or approve any action in violation of the Code.