



# **CODE OF ETHICS AND CONDUCT**

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## **1. PURPOSE**

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This Code of Ethics and Conduct is for the specific expression of the ethical principles integrated in the corporate culture of FAES FARMA, S.A. and its group of companies (from now on referred as FAES FARMA, FAES Group or the Group) and which must govern the conduct of all of its managers, directors, employees, partners and subsidiaries.

This Code, which does not modify or replace the regulations or policies existing in the organization, gathers the principle of due diligence applied by the organization for the prevention, detection and eradication of irregular conducts and, specifically, those punished in accordance with the Spanish Criminal Code or by equivalent regulations from other countries in which FAES Group has presence, which the management of the organization sees as more relevant due to their characteristics or the businesses in which they operate.

## **2. COMMITMENT WITH DUE DILIGENCE**

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The Code of Ethics and Conduct of FAES FARMA depicts the commitment of the Group with the application of the principle of due diligence in the subject of ethics and integrity.

Due diligence means the set of procedures and practices established by FAES FARMA to prevent, detect and, if it were the case, to eradicate irregular conducts that may occur in the organization.

For FAES FARMA, the due diligence in this matter comprehends several elements:

### **2.1. Identifying Risk Areas**

The Code of Ethics and Conduct of FAES FARMA emphasizes on those matters that the Group finds, in the subject of ethics and integrity, to be more relevant for the organization. The subjects observed in this Code will be subject to regular revisions and may result in the subsequent modifications of the Code.

### **2.2. Establishing Commitments**

The Code of Ethics and Conduct establishes the basic principles of conduct assumed by FAES Group and all of its managers, directors, employees, partners and subsidiaries.

### **2.3. Making sure people know and understand the Commitments**

FAES FARMA will make sure that this Code, as well as the Regulation it is based on, will be made known to all the people integrating the Group.

## 2.4. **Supervising and Monitoring**

The Ethics Committee has the following responsibilities assigned, in relation with the current Code of Ethics and Conduct:

- (i) To look out for the promotion, monitoring and control of the compliance with the conduct values, principles and Regulation established in this Code of Ethics and Conduct.
- (ii) To manage the incidents report system (ethical channel), to address the investigation of any incident related to the Code of Ethics and Conduct and to adopt, if it were the case, the adequate disciplinary measures.
- (iii) To monitor the compliance with this Code and to promote the eventual modifications that would be necessary.

## 2.5. **Establishing Communication Channels**

FAES FARMA has an incidents reporting system (ethical channel) which, supervised by the Ethics Committee, allows the Group employees, in good faith and safe from retaliation, to communicate irregular practices. The employees are obliged to report the irregular conducts they may observe. It will correspond to the Ethics Committee, or to the person appointed by them, to perform, receive and file the communications related to irregular conducts and to supervise their resolution in accordance with the provisions of FAES FARMA'S internal regulations.

## 2.6. **Correcting Malpractice**

FAES FARMA does not tolerate bad practices in the subjects gathered in this Code. Non-compliances will be investigated by the Ethics Committee, who will propose, when applicable, the adequate disciplinary measures, in accordance with the applicable internal and external regulations.

## 3. **FIELD OF APPLICATION**

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The Code of Ethics and Conduct is applicable to all FAES FARMA group of companies and it affects all its managers, directors, employees, partners and subsidiaries.

FAES FARMA may operate in different countries, with different rules and regulations that may differ from what is established in this Code of Ethics and Conduct. In case of discrepancy between the local Regulation and the Code, the employees will preferably apply the strictest regulation.

The Group may also promote and foster among its suppliers and collaborating companies the adoption of the conduct guidelines that are consistent with those defined in this Code of Ethics and Conduct.

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**4. RELATIONSHIP WITH OTHER INSTRUMENTS FOR PLANNING AND CONTROL**

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The principles of conduct gathered in this Code do not contemplate all the circumstances which the staff of FAES FARMA could find, but they intend to establish general guidelines of conducts to guide their way of acting. This Code of Ethics and Conduct must, therefore, be understood in relation with the rest of the internal and external applicable regulations to FAES FARMA group of companies. Specifically, this Code is closely related and does not replace the regulations quoted below:

- i. In relation with the external regulations: the Spanish Code of Good Practices for Promotion of Medical Products and of Inter-relationship of the Pharmaceutical Industry with Health Professionals, signed by FAES FARMA. As a general rule, the employees will apply the strictest regulation.
- ii. In relation with the internal regulations: Code for the use of computer tools, Code of Anti-Corruption Policy and Internal Regulations of Conduct in activities related to the stock market, which appear as annexes to this document.

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**5. RESPONSIBILITIES**

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Understanding and meeting the commitments of this Code of Ethics and Conduct is a responsibility of all the managers, directors, employees, partners and subsidiaries of FAES FARMA. Nevertheless, there are certain differences in what is expected of them depending on their responsibilities.

All the staff from FAES FARMA must:

- (i) Know, understand and meet all the conduct commitments gathered in this Code and the Regulation and procedures on which it is based.
- (ii) Contribute to the knowledge of the Code and compliance with the Code.
- (iii) Request help in case of doubt.
- (iv) Inform about eventual irregular conducts.
- (v) Collaborate to ensure the proper functioning of the internal control systems to look out for the compliance with the Code.

Specifically, the directors of FAES FARMA have additional responsibilities with respect to the Code of Ethics and Conduct:

- (i) To be an example and a reference for all FAES FARMA's employees in the terms of ethics and integrity.

- (ii) To contribute to the knowledge, understanding and compliance with the Code of Ethics and Conduct and the Regulation and procedures in which it is based.
- (iii) To support the employees who, in good faith, notify irregular conducts.
- (iv) To supervise the conduct of third parties that may represent FAES FARMA, making sure their way of acting is consistent with the Code of Ethics and Conduct.

## **6. PRINCIPLES OF ETHICS AND CONDUCT**

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Set below, are the principles of conduct that managers, directors, employees, partners and subsidiaries of FAES FARMA must observe during the performance of their professional activities:

### **6.1. Regulatory Compliance**

The managers, directors, employees, partners and subsidiaries of FAES FARMA must comply strictly with the internal and external regulations applicable to the organization and its own activity. This commitment constitutes the base of the ethical conduct of the employees of the organization. This commitment is especially relevant in terms of the safety of the clinical trials and the Good Manufacture Guidelines of the pharmaceutical field, which are performed following the strictest safety specifications and following all the pertinent procedures for quality control, handling and storage.

Likewise, and when it corresponds, the managers, directors, employees, partners and subsidiaries of FAES FARMA, will observe the principles and protocols of action in clinical tests, in pharmacovigilance, and in the self-regulation system, as well as the principles in the subject of data protection, gathered in the Spanish Code of Good Practices for the Promotion of Medical Products and of Interrelation of Pharmaceutical industry, to which FAES FARMA is adhered.

The activities of FAES FARMA must take place with respect to human rights and public liberties, in accordance with the internationally accepted laws and practices. Among the standards taken as a reference by the organization, there is the International Bill of Human Rights, the fundamental conventions of the International Labour Organization (ILO) in the subject of work practices and the OECD Guidelines for Multinational Enterprises.

FAES FARMA looks out for the compliance with the work provisions contained in the basic conventions of ILO and does not admit practices which are contrary to these principles. This is also applicable to its suppliers, contractors or, in general, collaborating companies.

The managers, directors, employees, partners and subsidiaries of FAES FARMA must observe an ethical conduct and avoid activities of a nature that may harm the reputation of FAES FARMA and negatively affect its interests. They will not collaborate with third parties either in activities that may violate the law or harm the reputation of FAES FARMA or harm the perception third parties may have of the Group.

The managers, directors, employees, partners and subsidiaries of FAES FARMA must be familiar enough with the rules that are relevant to their professional activity. In case of doubt, they must request to the pertinent instances or units of the Group for the necessary help.



FAES FARMA commits to make known, for all the staff of the organization, the most relevant internal and external regulations in its field of responsibilities.

## 6.2. Commitment with People

### 6.2.1. Respect and Dignity

The managers, directors, employees, partners and subsidiaries of FAES FARMA must treat each other in a respectful, professional and kind way, in order to generate a work environment that encourages people to give their best and with the purpose of contributing to an adequate social climate and to a respectful cohabitation in the relationships between people of the organization. Likewise, they will make an effort to be open, honest and respectful at the time of sharing ideas and thoughts and in the reception of the external contributions.

The relationships between the staff of FAES FARMA and their suppliers, contractors and contributor companies will also be based on respect and cooperation.

Attention will also be paid to the consumers of our products, offering an image of unity, sensitivity, corporate effort and respect for the fundamental rights of citizens in the treatment of the personal data of whoever may participate in any process of clinical research or of pharmacovigilance, in conformity with the current legislation.

FAES FARMA avoids and rejects expressly the abuse of authority, violence in the workplace and any kind of harassment, physical, psychological or moral, as well as any other conduct that may generate an intimidating, offensive or hostile work environment.

Likewise, the managers, directors, employees, partners and subsidiaries of FAES FARMA will exercise the due control to avoid illegal employment taking place, both in the organization itself and through its supply chain.

In the same way, FAES FARMA's staff will stay alert to avoid cases in which workers may be working for the organization in an irregular way, cases in which payrolls do not reflect the pertinent collective conventions or they may contain erroneous remuneration concepts.

### 6.2.2. Equal Opportunities

FAES FARMA does not tolerate any kind of discrimination, including those produced due to gender, race, sexual orientation, religious beliefs, political opinions, nationalities, social origin or disability.

The selection and promotion of FAES FARMA's employees is based on equal opportunities, merits and circumstances and evaluations with an objective and transparent nature.

FAES FARMA commits to provide the means to contribute to the training of its staff and to the updating of their knowledges and skills, with the purpose of encouraging their professional progress and maximizing their value contribution in favour of clients, stakeholders and the society in general. On their side, managers, directors, employees, partners and subsidiaries of FAES FARMA commit to benefit from the means the Group makes available to improve their knowledge, capabilities and skills.

### 6.2.3. Collaboration and Teamwork

FAES FARMA fosters an environment of cooperation and teamwork for a better use of all its capabilities and resources.



All the managers, directors, employees, partners and subsidiaries of FAES FARMA must act with a collaboration spirit, making their knowledge, capabilities and talent available to those who need it in order to contribute, in this way, to the achievement of the purposes and interests of the Group.

All the staff of FAES FARMA must work in an efficient way during working time, making the most of the time and resources made available by the organization.

#### *6.2.4. Health and Safety at Work*

Regarding Health and Safety, FAES FARMA's commitment starts from the strict compliance with the applicable regulations in all the environments in which it works. Likewise, the organization commits to improve continuously the occupational risks prevention and health promotion at work regulations in each and all the places where its activity is developed.

The managers, directors, employees, partners and subsidiaries of FAES FARMA are responsible for rigorously meeting the health and safety at work regulations, watching its own safety and the safety of the people affected by their activities. Likewise, they will spread among their partners and subordinates the knowledge and practices in the subject of safety, health and risks prevention.

On its side, FAES FARMA commits to give its staff the resources and the necessary knowledge so they can perform their duties safely and in a healthy environment.

FAES FARMA promotes and stimulates the adoption of advanced practices in the subjects of safety and health by its suppliers, contractors and, in general, its collaborating companies.

### **6.3. Internal Control**

#### *6.3.1. Assets Use and Protection*

Both misappropriation and inappropriate use of the assets of FAES FARMA constitute fraud.

The managers, directors, employees, partners and subsidiaries of FAES FARMA must protect and make good use of the resources and assets that the Groups makes available and use them in a responsible manner to avoid damage, loss, theft or inadequate use. Unless the organization states the opposite, the resources of FAES FARMA must be used, exclusively, for the development of the assigned responsibilities.

The equipment and information systems the Group makes available to its managers, directors, employees, partners and subsidiaries are property of FAES FARMA and the contents could be subject of revision. Also, in no case may the staff of FAES FARMA use these media to access, download or distribute inappropriate contents.

The assets FAES FARMA makes available to its managers, directors, employees, partners and subsidiaries include, but are not limited to physical goods, confidential information or of private domain and intellectual property.

#### *6.3.2. Confidentiality of Information*

The obligation to protect the assets of FAES FARMA includes also the information and knowledge generated inside the organization, knowledge of its property or guarded by it.

The managers, directors, employees, partners and subsidiaries of FAES FARMA, commit to keep confidentiality of all that information they may access during the performance of their



professional duties and to make a discreet use and in accordance with the internal regulations in that subject. It must not be revealed to other people while it is not public, restricting the access to people who must not know it. Likewise, duplicates or reproductions must not be made, and it must only be used when it is necessary for the performance of tasks.

With a general nature, and unless the contrary is indicated, the information to which managers, directors, employees, partners and subsidiaries of FAES FARMA have access in the development of their professional obligations must be considered reserved.

The obligation of keeping the confidentiality of the information will have to persist even when its professional relation with FAES FARMA would have finished.

In the same manner, all the managers, directors, employees, partners and subsidiaries of FAES FARMA and, specifically, those newly incorporated, commit not to integrate in the organization sensitive information from third parties.

The employees of FAES FARMA must as well meet the current legislation in the matter of data protection, including data of personal nature. During the course of clinical trials, there is access to medical information about the patients that is necessary for the good development of the study. That information will be treated with maximum confidentiality and employees will treat these data with the maximum respect to privacy to those who gave them to us.

FAES FARMA commits, on its hand, to offer their managers, directors, employees, partners and subsidiaries the information, knowledge and resources that are necessary to meet the provisions of the internal and external normative applicable in the subject of information and data protection management.

#### *6.3.3. Intellectual Property Rights*

The managers, directors, employees, partners and subsidiaries of FAES FARMA are committed to the compliance with the normative with respect to the intellectual property protection for ourselves and for third parties. This includes patents, trademarks and service marks, domain names, reproduction rights (including the rights for software reproduction), designs rights, for databases extraction or rights on specialized technical knowledges.

Managers, directors, employees, partners and subsidiaries of FAES FARMA have strictly forbidden making any kind of copy as well as the use of material (photos, images, texts, pictures, etc.) without knowledge about the Group having acquired the pertinent rights and/or licenses. Specially, the use of images, texts and pictures has to be approved before being used.

In its relationship with third parties, the staff from the Group will scrupulously follow the regulations and procedures established in the subject of intellectual property rights and they will watch for the compliance with the conditions established to that effect.

All FAES FARMA's activities must, therefore, have followed the controls established to avoid the appearance of risks related to intellectual property. Managers, directors, employees, partners and subsidiaries of FAES FARMA must know that processes and decisions in this field may be subject to revision by the units of the organization or of third parties and that, therefore, they must be traceable in the sense of being documented and being justifiable and verifiable.

The intellectual property produced as a result of the work of employees during their time in the Group, also as a consequence of scientific collaboration, and which is related to the current and future business of FAES FARMA, will be of the exclusive property of the latter.

As a complement to the previous sections referred to the Use and Protection of Assets (6.3.1.), Confidentiality of the Information (6.3.2.) and Industrial Property Rights (6.3.3.), FAES FARMA



has developed its contents in Annex I, under the heading Code of Use of Computer Tools, which is incorporated with a normative value to the current Code of Ethics and Conduct.

#### *6.3.4. Financial Information Control*

The counterfeit, tampering of information, as well as its deliberate use constitutes fraud.

In line with what is established in the recommendations from Comisión Nacional del Mercado de Valores (Spanish Stock Market National Commission) with respect to the internal control on the financial information of the listed companies, FAES FARMA assumes as a principle for their conduct the transparency and reliability of the financial information and the compliance with the applicable regulations.

The managers, directors, employees, partners and subsidiaries of FAES FARMA must transmit the said information in a truthful, complete and understandable way. In no case will they provide, knowingly, incorrect, inaccurate or imprecise information that may mislead whoever receives it.

The managers, directors, employees, partners and subsidiaries of FAES FARMA will reflect clearly and precisely the transactions, facts and events in the registries of the organization, and will take special care with respect to the reliability of the financial information entered in the systems of the organization and controlled societies, which will reflect, on the corresponding date, the rights and obligations through the corresponding assets and liabilities, in conformity with the applicable regulations. The registries must reflect the totality of the transactions, facts and events of the organization.

Likewise, the Board of Directors of FAES FARMA and the assembly of its directors, employees, partners and subsidiaries commit to guarantee the periodic supervision of the effectiveness of the internal control system on the creation of the financial information.

If the managers, directors, employees, partners and subsidiaries of FAES FARMA would observe circumstances which, in accordance with their sound judgement, may mean a breach in the previous conduct principles, they must make it known to the management of the Group, through the means it has established to that effect.

Finally, FAES FARMA commits to make available for its managers, directors, employees, partners and subsidiaries the necessary training for them to know, understand and meet the commitments established by FAES FARMA in the subject of internal control of financial information.

Any communication or comment about the activities of the organization to third parties must be performed exclusively through an authorized spokesperson.

#### *6.3.5. Corruption, Bribery and Relationships with Third Parties*

FAES FARMA respects the regulations found in the Spanish Code of Good Practices for Promotion of Medical Products and of Interrelationship of the Pharmaceutical Industry with Health Professionals and with the patients Organizations.

Also, FAES FARMA has a specific normative about the ethical principles that may govern their relationship with third parties, and its main guidelines are detailed below:

- (i) The managers, directors, employees, partners and subsidiaries of FAES FARMA will not resort to unethical practices to influence the will of third parties with the purpose of obtaining benefits for FAES FARMA or for themselves. In the same way, they must remain alert to avoid third parties from making use of these practices in their relationship with

the Group.

- (ii) FAES FARMA expressly forbids undue payments, gifts or hospitality to any person or entity, public or private, with the intention of obtaining or maintaining businesses or any other benefits or advantages. The managers, directors, employees, partners and subsidiaries of FAES FARMA may not perform, offer or receive, directly or indirectly, in no case, benefits, gifts or presents in cash. Neither will they perform, offer or receive, directly or indirectly, hospitality, gifts or presents that, due to its value, its characteristics or its circumstances, may reasonably alter the development of the commercial, administrative or professional relationships in which they may participate.

This way, the gifts and hospitality may be received or delivered exclusively due to legitimate interests and by virtue of the current laws and regulations in the different countries or of the organization. Likewise, gifts and hospitality received or delivered must be sporadic, to avoid regularity so an independent third party may not doubt of their good faith. Additionally, the gifts and hospitality may be socially acceptable, in such a way that, if they are publicly known, they will not generate unease to the recipient or the person delivering them. To determine in which measure a gift of hospitality is acceptable with respect to its value, all the managers, directors, employees, partners and subsidiaries of FAES FARMA will apply the reciprocity criterion. Both if they are the recipients or if they are the ones delivering, a gift will be acceptable in such a measure that it may be corresponded by the entity receiving it.

In any case, the managers, directors, employees, partners and subsidiaries of FAES FARMA must make sure that not only the gifts and hospitality to third parties are proportionate, reasonable, transparent and legitimate, but that they are also monitored, evaluated and registered duly in the logbooks of the Group.

- (iii) Likewise, the managers, directors, employees, partners and subsidiaries of FAES FARMA will refrain from performing payments for the smoothing or acceleration of procedures, consisting in the delivery of money or other things of value, whichever their cost may be, in exchange for the assurance of acceleration of the course of a procedure or action before any judicial body, public administration or official organization.

FAES FARMA in its pursuit to eradicate actions which are contrary to our ethical principles has created a specific code on anti-corruption politics that develops this section and which appears as Annex II to this Code of Ethics and Conduct.

#### 6.3.6. Irregular Transactions

The managers, directors, employees, partners and subsidiaries of FAES FARMA, must remain alert towards those cases in which there may be signs of a lack of integrity of the people or entities with which they are being professionally related.

Specifically, they will avoid, generally, payments in cash that are unusual, those performed through cashier's checks or those performed in currencies different from what was previously agreed. Also, payments performed to or by third parties not mentioned in the corresponding contracts must be avoided as well, and also those performed in accounts that are not the usual ones in the relationships with a specific entity, organization or person and revising with special attention those payments not expected in the corresponding agreements or contracts.

Likewise, attention will be paid to the payments performed to people, companies, entities or accounts open in tax havens and to those payments performed to entities in which it is not possible identifying the ultimate partner, owner or beneficiary.



## 6.4. Ethics in the Market

### 6.4.1. Conflict of Interest and Loyalty to the Organization

All the managers, directors, employees, partners and subsidiaries of FAES FARMA must be conducted with loyalty to the organization.

Conflicts of interest appear when the interests of the managers, directors, employees, partners are not in line with those of FAES FARMA, interfere with their obligations or they lead to act with different motivations to the compliance with the responsibilities assigned to them.

FAES FARMA respects the participation of its managers, directors, employees, partners and subsidiaries in other social, financial or entrepreneurial activities, as long as the internal regulations do not provide the opposite, that such activities are legal and that they do not originate any possible conflicts of interest with their responsibilities in the Group. In any case, the managers, directors, employees, partners and subsidiaries of FAES FARMA will have to communicate previously, through the established channels to that effect, their intention of developing additional activities concurrent with the activities performed by FAES FARMA and they will not be able to benefit from opportunities to which they may have had knowledge in their condition of employees of the organization.

The managers, directors, employees, partners and subsidiaries of FAES FARMA must avoid situations that may mean a conflict to their personal interests and those of the organization. Also, they will have to abstain from representing it, intervening or influencing the decisions making in which, directly or indirectly, they or a near third party, may have a personal interest.

No manager, director, employee, partner or subsidiary may grant services as a consultant advisor, director, employee or counsel for the competition of the Group, with the exception of the services that may be given on request of FAES FARMA or under its authorization.

### 6.4.2. Respect for Free Competition and Conduct in the Market

FAES FARMA will respect the laws established in the market in terms of free competition.

The managers, directors, employees, partners and subsidiaries of FAES FARMA will avoid planning or acting jointly with any competitor, to set prices or to make conventions on the nature, degree or means of competition in any market, including among others, the assignment of products, territories or markets.

FAES FARMA will compete in the market in a loyal way, being its staff always committed to performing their business in a honourable way and not to take part in activities that may mean unfair competition, including deceptive, incorrect or malicious information about competitors. Likewise, they will avoid any form of deceptive, fraudulent or malicious conduct that leads to inappropriate advantages on clients, suppliers or competitors.

During the development of their commercial activities, the managers, directors, employees, partners and subsidiaries of FAES FARMA will promote the products and services of the organization based on objective standards, without discrediting, in any case, the competition or distorting the conditions or characteristics of their products.

The search for market information or about the companies of the sector by the managers, directors, employees, partners and subsidiaries of FAES FARMA will be always developed in an ethical way and in accordance with the regulations protecting this type of information. The managers, directors, employees, partners and subsidiaries of FAES FARMA will reject the data about competitors obtained in an improper way or violating the confidentiality by which their legitimate proprietaries keep it. They will pay special attention in the case of professional



incorporations coming from other companies of the sector.

#### *6.4.3. Export and International Commerce*

FAES FARMA imports raw materials for their production processes and exports active ingredients to clients and licensees from different countries.

In those countries in which requirements and restrictions are imposed in terms of international commerce, FAES FARMA will respect the current regulations and will submit the requested information about their imports and exports to the government authorities that may request it.

For imports and exports that may require it, FAES FARMA will wait for the approval of the corresponding government authorities.

FAES FARMA will get acquainted with the companies and people which it makes business with. It will apply the reasonable diligence in the section of new clients and partners, with the purpose of making sure the laws regulating international commerce and goods and services are met.

#### *6.4.4. Political Neutrality*

FAES FARMA develops its business model without intervening or participating in the political processes from those countries and communities in which their activities are developed.

Any relationship of FAES FARMA with governments, authorities, institutions or political parties will be based on the principles of legality and political neutrality. In no case may donations be performed to any political party or in favour of their representatives, except in those cases expressly provided in the applicable legislation.

FAES FARMA acknowledges the rights of their managers, directors, employees, partners and subsidiaries to exercise their freedom of speech, of political thought and, in general, of participation in public life, as long as it does not interfere in their activities in FAES FARMA, they are developed outside of working hours and of any facilities of the Group, and as long as the said participation could not lead an external observer to associate FAES FARMA to a determinate political option.

#### *6.4.5. Relationships with Suppliers*

The managers, directors, employees, partners and subsidiaries of FAES FARMA that may participate in the selection processes for suppliers, contractors and external partners, have the obligation to act impartially and objectively, adopting the selection criteria assumed by the organization. In the same manner, they must take the reasonable steps and act diligently to avoid acquiring material of uncertain origin.

FAES FARMA commits to implement the principles gathered in this Code in its relationship with suppliers, contractors and other partner companies, and to actively work to transfer them its acting values and principles. Likewise, it will promote and foster the cooperation with those suppliers and contractors who accredit social, environmental and ethical advanced standards.

The Group will spread the contents and principles of this Code among their suppliers and contractors, encouraging them to report those irregular practices that they may, eventually, observe in managers, directors, employees, partners and subsidiaries of FAES FARMA.

### **6.5. Commitment with Society and the Environment**

FAES FARMA faces its environmental commitment from a strict compliance with the applicable



legislation in the subject in all their fields of operation and from the commitment with social development of the territories it works on.

FAES FARMA performs a continuous effort to identify, define and minimize the environmental impact of their activities and it opts for efficiency, responsible consumption and the protection of the natural environment. All the managers, directors, employees, partners and subsidiaries of the organization share their environmental commitment.

To such effect, it will establish the best practices and will promote among its employees the necessary training to preserve the environment.

FAES FARMA commits to correct the inadequate environmental conducts or those not committed to the care of the environment that may be detected and to actively collaborate in the social progress of the environments in which it acts.

## **7. ACCEPTANCE AND COMPLIANCE WITH THE CODE OF ETHICS AND CONDUCT**

The managers, director, employees, partners and subsidiaries of FAES FARMA are responsible for knowing, understanding and meeting the relevant regulations for their function, responsibilities and place of work, including the Code of Ethics and Conduct. Meeting the Code is part of the obligations contracted by all the managers, directors, employees, partners and subsidiaries of FAES FARMA.

The necessary tools will be provided by the Group in order to ease the knowledge and comprehension of the most relevant regulations and legislation to carry out their professional duties.

In case of doubt or if an irregular conduct is observed, the managers, directors, employees, partners and subsidiaries of FAES FARMA may appeal to their hierarchical superior, to the Ethics Committee or to the person appointed by it, who must watch for the knowledge and compliance with the Code of Ethics and Conduct.

No manager, director, employee, partner or subsidiary of FAES FARMA, independently of their position in the organization, is authorized to contravene or request a worker to contravene whatever is established in this Code of Ethics and Conduct. In the same way, they may not justify bad practice relying on indications from a superior or due to lack of knowledge about the Code of Ethics and Conduct.

The Code breaches may risk the solidity of the Group and jeopardize its reputation. For this reason, all the employees have the obligation of informing about any breach of violation they may eventually observe.

FAES FARMA makes available for its employees different channels so they can communicate possible violations of this Code of Ethics and Conduct, as displayed below.

## **8. NOTICE OF IRREGULAR CONDUCTS**

All the managers, directors, employees, partners and subsidiaries of FAES FARMA have the obligation to meet the Code of Ethics and Conduct and to contribute to its compliance checking enquiries and notifying irregular conducts that may be observed. The obligation to inform is also extended to those cases in which irregular conducts by third parties may be observed and, specifically, from suppliers, contractors or collaborating companies.



FAES FARMA has an ethical channel that allows its managers, directors, employees, partners and subsidiaries on good faith, confidentially and without fear of retaliation, to make known to the organization irregular conducts on the matters contemplated in the Code. Likewise, all the people of the Group can make their enquiries.

Finally, the responsibilities to watch for the compliance with the internal conduct regulations of the organization, and therefore for the Code of Ethics and Conduct, falls on the Ethics Committee of FAES FARMA, who has these functions established in their Statute.

The employees will send their communications in matters related to the Code of Ethics and Conduct, confidentially, on good faith and without fear of retaliation, to the Ethics Committee, having two different channels:

- through e-mail: [canaletico@faes.es](mailto:canaletico@faes.es)
- and/or through post mail: Atención Secretario Comité de Ética - Avenida Autonomía, 10, 48940, Leioa, Bizkaia

It will correspond to the Ethics Committee, or to the person expressly designated by it, to transmit the received communications.

FAES FARMA will not tolerate retaliation against those people using the established channels to communicate irregular conducts.

All the managers, directors, employees, partners and subsidiaries of FAES FARMA will pay major attention to watching for the right to honour of people.

## **9. INFORMATION AND HELP**

This Code of Ethics and Conduct does not gather all the situations or circumstances with which managers, directors, employees, partners and subsidiaries of FAES FARMA can come across, but it establishes general conduct rules to guide their actions in the professional field.

In case of doubt, employees may obtain help from their hierarchical superior or from the Ethics Committee or from any of their members.

## **10. VALIDITY OF THE CODE OF ETHICS AND CONDUCT**

This Code of Ethics and Conduct is in force since its approval by the Board of Directors of FAES FARMA and it is applicable while its update, revision or derogation is not approved.

The Code will be subject to periodical revision by the Ethics Committee, who will push the eventual changes that may be necessary as a consequence of breaches detected since the last check, of the new obligations entered in the regulatory field or the changes happened in the structure, composition or activity of the Group.

This Code of Ethics and Conduct invalidates all the previous versions of this document.

In witness whereof, the full contents of this Code are signed by all the Board Members of FAES FARMA, S.A.

## ANNEX I - CODE OF USE OF COMPUTER TOOLS

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This Code is applicable for FAES FARMA and their group of companies (from now on referred as FAES FARMA, FAES Group or the Group). Its purpose is to guarantee that users of the technological means make an adequate, responsible and lawful use of them and act in accordance with their internal policies. The term "user" or "users" used throughout the Code comprehends the working and managing staff of the Group and, in general, any user authorized to use the technological means of the organization.

The technological means FAES FARMA has are instruments for production at the service of the Company's purposes, so the users can exercise their function within society. This, and only this, is the reason for these means to be made available for users. For it, the use of means must be controlled since they are production tools and through them the professional services of the user are met, with the purpose of checking if its use fits the ends justifying that availability.

It must be taken into account that the technological means are an important asset inasmuch as they allow working efficiently and productively, but an inadequate use may generate damages to the entity that can end up being extremely severe, including criminal responsibilities for FAES FARMA.

**Purposes of the Code:** according to what is set above, the purposes of this Code are:

- (a) To foster the use of technological means oriented to serving the purposes of the organization.
- (b) To allow FAES FARMA to exercise the due control to try to prevent the use of technological means to incur in the following forbidden conducts:
  - Harassment or discrimination.
  - Unveiling confidential information or violating the data protection Regulation.
  - Infringing upon the safety of FAES FARMA and its tangible and intangible assets (property of goods, intellectual property rights, commercial fund, reputation, good image, etc.).
  - Transmission, distribution, storage, download, installation, copy, vision, delivery or reception of any kind of offensive or discriminatory contents, specially if their possession or use constitutes an illegal action.
  - Any other conduct which are contrary to the legal system (including criminal, administrative, civil offences, etc.), to this Code or to any other current regulation of the organization.
- (c) To allow FAES FARMA to exercise the right and the duty of verifying the correct compliance of the obligations of users and to allow to, in case an inappropriate use of technological means is detected, terminate the forbidden behaviours and to sanction the users who broke the rules.



The content of this Code is to be obligatorily complied by all the users and therefore, the Code will be delivered to each one of them. In relation with new users, they will be delivered a copy when they start providing their services and/or their work relationship. Since the Code is essential for the correct development of the professional relationships, it is essential that all the users read carefully its content. Through the channels established to that effect, the users may contact the *Ranger* of FAES FARMA specially designated in the subject of computing (from now on, the Ranger) or with the person designated by him, in order to solve any enquiry that may be placed on this subject.

#### **GENERAL RULES OF USE OF ALL THE TECHNOLOGICAL MEANS**

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Each user must keep due care of the means assigned to him/her, preventing access of other people to the work tools assigned to him/her for use. Accordingly with what is stated before, users must not access either the means assigned to other users, except if there is express authorization by the Ranger and only due to needs of the organization.

Since the technological means are working tools, users know that the said means are not made available to them so they can distribute, store, download, install, copy, view or send contents unrelated to the development of the professional activity. Despite FAES FARMA is conscious about social uses that occasionally may produce personal use of the means despite those are from the Group, the users are warned about the following matters of extreme relevance:

- By virtue of art. 20.3 of the Statute of Workers, FAES FARMA has the right to watch and monitor that working tools are used without incurring in the forbidden uses indicated in this Code.
- By virtue of art. 31 bis of Criminal Code, FAES FARMA has the duty to watch and monitor that no criminal offences are produced inside it.
- The right and duty shown mean that the vigilance and control by FAES Group of the use of the means is necessary and unavoidable.
- FAES FARMA does not admit private use of the means for needs of the users unrelated to the development of their professional activity.
- Users know about the existence of the power of vigilance and monitoring by the organization of the use of technological means.
- Users are aware that, since the right and duty of vigilance and monitoring of FAES FARMA about the use of means is necessary and unavoidable, the said use is subject to possible control and therefore there are no communication intimacy, confidentiality and secrecy expectations even when the use is unrelated to the professional activity.

Below, specific additional rules for the use of certain means are gathered.

## **1º. - Specific rules related to systems and software**

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The user will not be able to perform any change, tampering or modification to any computer element without the specific authorization of the *Ranger*. The installation of new equipment must be performed with the authorization of the designated *Ranger*, being prohibited the installation of any additional hardware element without the previous authorization of the *Ranger*.

Each system will contain applications and programs necessary to ease the correct performance of the duties of the users to whom it is destined. The user must justify his/her petitions to install new software, which must be approved by the *Ranger* or *the person designated by the Ranger for that purpose*.

Apart from the general character forbidden conducts from this code, it is forbidden:

- Installing, without authorization from the *Ranger*, any computer program or application under the own initiative of the user.
- The access and use of unlicensed or "pirated" software (criminal conduct involving severe responsibilities of criminal and civil nature, apart from putting at evident risk both the computer system and the information contained in it).
- Installing digital certificates in the equipment that can be used to represent FAES FARMA, without previous authorization from the *Ranger*.

## **2º. - Rules applicable to electronic mail users**

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Each user will only access the address or addresses assigned to him/her.

The correct use of the electronic mail service means the user must not use it neither for general forbidden rules from this Code nor for the following:

- Simulating belonging to a entity different from FAES FARMA.
- Using private mailboxes offered by any internet supplier for professional purposes related to FAES FARMA, except if there is express authorization from the *Ranger*.
- Sending or requesting messages, files or materials with contents with explicitly sexual, discriminatory nature, that may be offensive, defamatory, threatening or insulting to any person.

Only the designated *Ranger* can redirect e-mails due to needs of the organization, not being allowed, in general, that the rest of users automatically redirect the e-mails received in corporate e-mail accounts to non-corporative e-mail accounts and vice versa; this means, automatic redirection of e-mails received in non-corporative e-mail accounts to corporate e-mail accounts. In case a user, or the head of the department where he is, needs to redirect, he/she will have to request authorization from the *Ranger*, who will be in charge of performing the redirection.

### **3º. - Specific rules of use related to internet**

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The user is responsible for the material he views and downloads from the Internet. Therefore, he/she must make responsible and legal use of the Internet from his/her position. It is strictly forbidden to use the Internet for forbidden conducts gathered in this Code and also for:

- Accessing, speaking or writing in social networks, forums, chats or similar application, except if there is a direct and demonstrable relationship with the development of the functions.
- Downloading and/or installing in the systems software, executable files or databases from the Internet. If the user needs it for the development of his/her functions, he/she will request authorization from the *Ranger*.
- Using software for downloading or files exchange or peer to peer files as well as any other software for the download of music, films, videos and/or games.
- Sending electronic mails with a professional nature or related with FAES FARMA from private e-mail accounts from the user (hotmail, gmail or others), except if there is express authorization from the Ranger.

### **4º. - Specific rules for use related to access to systems through the network**

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The use of data networks of FAES FARMA must be governed by the right use of the resources composing it, being strictly prohibited the following activities as well as the general prohibitions from the Code:

- Trying to access, read, delete, copy or modify files from other users without the knowledge and consent from the author or, if it were the case, the organization.
- Trying to access restricted areas of the computer systems of FAES FARMA, from other users or from third parties, except if there is authorization from the Ranger.
- Destroying, altering, disabling or damaging data, programs or electronic documents from FAES FARMA, from other users or from third parties.
- Trying to increase the level of privileges of a user in the system, prohibition including the staff from the IT department, who will require express authorization from the manager.
- Hindering voluntarily the access of other users to the equipment and systems of the organization, through the massive consumption of the computer and telematics resources, as well as performing actions that may damage, interrupt or generate errors in the said equipment and systems.
- Introducing programs, viruses, macros, applets, ActiveX controls or any other device that may cause or are capable of causing any kind of alteration in the computer resources.
- Entering, reproducing or distributing computer programs that are not expressly authorized by the organization or any other kind of work or material with intellectual property rights belonging to third parties.

- Making the systems and software supplied by FAES FARMA available to unauthorized third parties.

The user must use in his/her computer the corporate antivirus programs and its updates, to avoid material downloaded from the Internet or provided by a third party, destroying or corrupting the computer data.

#### **5º. - Specific rules for use of social networks**

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FAES FARMA has created spaces in social networks to listen, inform and make known better our entity and its products. Its main purpose is to promote transparent and constructive dialogue, always with respect between all users.

So this channel is useful for everyone, it is necessary to respect some basic rules. Every user of FAES FARMA in social networks must comply with the following rules:

- Remembering it is a public forum. When adding any data, comment or information, it is assumed that it can be seen by the rest of the users of this social network and by the organization.
- The user is responsible for his/her contributions and the eventual consequences in his/her image and reputation.
- Social networks constitute a forum for the exchange of opinions or for constructive debate, but it is not the appropriate place to create controversy, discredit other users or third parties, or to present complaints and claims that must be channelled through the specific routes FAES FARMA has established for that purpose.
- Other users must be treated with respect; using appropriate and correct language and acting as if the user was in the presence of the other person.
- Real, specific data and consistent arguments must be presented. Quotes or reproductions of small pieces of texts, books or works in general from third parties are allowed, as long as the source and name of the author are indicated. If a personal contribution is made (text, photographs, images, videos or audios), FAES FARMA is given the authorization to reproduce it in any physical or virtual medium where the name of the author will be indicated, all this without prejudice of other users being able to save them or reproduce them as well.
- The symbol of "FAES FARMA" and/or any other logo used in any social network are registered trademarks. Also, the contents uploaded by FAES FARMA in profiles are owned by FAES Group and, therefore, the organization keeps all the intellectual and industrial property rights associated to them. There must be commitment to respect them and not use them without express authorization, whatever the medium may be.
- Declarations relative to results, share prices or financial growths have no intention of making known that the performance, share price or future benefit (including the benefit per share) will necessarily be equal or superior to those of any other previous period. Nothing in the profile of any social network must be taken as a results or benefits forecast.
- Good use of social network profiles must be preserved and, therefore, FAES FARMA,

as manager, reserves the right to eliminate, without right to reply, any contribution that:

- It is considered illegal, disrespectful, threatening, funded, slanderous, inappropriate, ethically and socially discriminatory or reprehensible at work or which, some way, may cause material or moral damages to FAES FARMA, its employees, partners or third parties.
- Incorporates data from third parties without their authorization.
- Is redundant.
- Is not related to the purpose of the site.

FAES FARMA is not responsible for the opinions expressed in social profiles and does not assume any guarantee on the veracity, accuracy or update of the information contained in them.

In no case, FAES FARMA and/or its managers, employees and authorized staff will be responsible for any type of damage, loss, claim or expense of any type, both if they come or do not come from one of these social networks, from the information acquired or access through these.

FAES Group is not responsible for websites that are not of their own which can be accessed through links from any social network or for any content made available by third parties.

FAES FARMA reserves the right to modify, suspend, cancel or restrict the content of a profile in any social network, the links or the information obtained through it without need for prior notice.

Users may contact the Ranger to solve any question that may rise in relation with these matters.

#### **6º.- Specific rules for the use of instant messaging applications.**

FAES FARMA authorizes the installation of instant messaging applications such as WhatsApp, Telegram and similar in the phone terminals provided by FAES FARMA.

The use of these messaging systems is justified through the need of having simpler and more fluid communication making the coordination with the different partners easier. In any way, this communication system does not replace e-mail as the corporate communication tool.

So this communication channel is useful to everyone, it is necessary to respect some basic rules. Every user of FAES FARMA in messaging systems must comply with the following rules:

- Remember that they are tools that are external to FAES FARMA. Adding any data, comment or information, it is assumed that it can be seen and analysed by the owners of the application, as well as by FAES FARMA if the terminal may be required.
- The user is responsible for his/her contributions and the eventual consequences in his/her image and reputation through messaging.
- It must be considered that messages can be re-sent to a third party without

awareness from the author.

- These applications are a medium for information exchange, but it is not the appropriate place to exchange private or confidential information. This information must be channelled through the specific routes the Group has established for this purpose.
- Other users must be treated with respect; using appropriate and correct language and acting as if the user was in the presence of the other person.
- Before adding a person to a messaging Group, an authorization must be requested.

FAES FARMA is not responsible for the functioning of these communication media, media that are susceptible to be pirated.

In no case, FAES FARMA and/or its managers, employees and authorized staff will be responsible for any type of damage, loss, claim or expense of any type, both if they come or do not come from the use of instant messaging.

Users may contact the Ranger to solve any question that may rise in relation with these matters.

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#### **COMMUNICATION ABOUT SAFETY INCIDENTS**

The following events with no restrictive character are considered safety incidents that affect or may affect the computer system of the Group:

- Improper use of passwords.
- Unauthorized access by a user of the organization to any file or document to which he/she does not have permission, surpassing its profile privileges.
- Loss of computer media with relevant data of FAES Group.
- Loss of data due to bad use of computer applications.
- Network attacks.
- Infection of the information systems through virus or other damaging elements.

In the event of any of the listed events or any other with similar characteristics, the affected user must communicate the incident to the designated *Ranger* as soon as possible in order to mitigate the damaging effects and being able to take the corresponding measures.

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#### **INDUSTRIAL AND INTELLECTUAL PROPERTY**

The information or contents spread or disclosed in the Internet or in other media are protected by the intellectual and industrial property laws, both nationally and internationally.

FAES FARMA meets those laws, so in order to avoid generating responsibilities that may harm FAES Group, the users must check, before using the said information or contents, if, in accordance with the quoted laws and with the obtained licenses and authorizations, they can use



the said information. In case of doubt, the user will avoid its use or will contact the *Ranger* to confirm if the use of the said information or contents meets the current legislation.

Copying programs, applications, documents or any kind of material owned by FAES FARMA in computers or private media is forbidden.

#### **VIGILANCE POWER FOR THE ADEQUATE USE OF TECHNOLOGICAL MEANS**

The infringement by the user of any rule from this Code can generate very important damages to FAES FARMA and even cause it to incur in criminal offences and it constitutes a violation by the user of its contractual obligations, and in such case FAES Group is legitimized both to require the user to stop immediately his/her actions and to adopt the disciplinary actions of any other kind that may be needed in conformity with the applicable legislation.

Therefore, with the purpose of supervising that the provisions of this Code are met, of controlling work, of duly controlling that users do not incur in criminal offences or other conducts forbidden in the Code and being able to credit that the due control has been exercised, of checking the application of other users of the measures and procedures of use and safety established by the Code, of being capable of punishing or claiming to workers and other users that may incur in forbidden conducts and of being capable of crediting before the judicial bodies or other authorities the said conducts, FAES FARMA, may access to and control all the technological means and their use, always in conformity with the applicable Legislation at each moment.

#### **END OF RELATIONSHIP WITH THE USER**

The transfer of the use of the media to users for the performance of their professional service is only kept while his/her relationship with FAES FARMA lasts, so, in the case of ending the relationship with FAES Group, the user must return the media made available to him/her. From the moment in which the termination of the relationship with the organization is produced for any cause, access to the said media will be denied.

The previous prevision may be applied in case of opening a record due to a commission of a very serious infringement by the user who is employed by FAES FARMA when the nature of the infringement is connected to the conducts forbidden in this Code.

#### **FINAL PROVISION**

In witness whereof, the full contents of this Annex are signed by all the Board Members of FAES FARMA, S.A.

## **ANNEX II - CODE OF ANTI-CORRUPTION POLICY**

Organic Law 5/2010 modified the Criminal Code and, among other updates, within our Regulation it was introduced the penal type for corruption in the private sector and the possibility that legal or moral entities may be fully responsible for crimes performed on their behalf and benefit by their managers, directors and employees.

Apart from the Criminal Code, there is other legislation regulating fraud in specific sectors such as the one regulating capital movements and external economic transactions and about the prevention of money laundering and terrorism funding, among others.

The Basic Statute of Public Employees states the conduct framework on which Spanish public servants must be governed and in it, a series of ethics and conduct principles are established, which must govern the relationships of public employees, in the framework of their functions, with the citizens.

Due to the close relationship with the industrial activity of FAES FARMA, it is of the utmost importance to highlight the existence of the Spanish Code of Good Practices for Promotion of Medical Products and of Interrelationship of the Pharmaceutical Industry with Health Professionals and with the patients Organizations which is the reference acting normative, of obligatory compliance.

The different blocks of forbidden conducts, both in the public and private environment, are summarized below.

### **CORRUPTION IN THE PUBLIC SECTOR**

In general terms, it can be affirmed that bribery crimes (from Spanish or foreign public servants) and influence peddling try to safeguard the independence of the authorities or public civil servants in the exercise of their functions both in the national and international environment. Therefore, these criminal types sanction both the offering or delivery by the private individual and the request or reception by the authority or civil servant of any kind of advantage -bribery crime- and, equally, the influence exercised on a public civil servant or authority through any kind of undue influence -influence peddling-.

Related to the bribery crime, the serious consequences attributed by the Criminal Code in Article 424 must be advised, which establishes the possibility of sanctioning "*the private person and, when applicable, the society, association or organization he/she represents with the penalty of disqualification to obtain government subsidies and aids, to contract with entities or organisms forming part of the public sector and to get fiscal benefits or incentives and from Social Security for a period of time of between five and ten years*".

### **CORRUPTION IN THE PRIVATE SECTOR**

On its side, the crime of corruption in the private sector is a crime that, due to the similarities it presents with the bribery crime, may be called "private bribery or between private persons". This crime type looks for guaranteeing the existence of fair and honest competition between competitors in the market.

## **PROHIBITIONS**

The anti-corruption policy of FAES FARMA forbids any of the conducts disclosed in the previous two sections, which means any kind of corruption, both in the public and the private environment, destined to obtain illicit benefit by the Group. Essentially, it is strictly prohibited to offer, deliver and accept an undue advantage or benefit by any employee of FAES FARMA or third parties that may link their actions to the Group.

This policy is of mandatory compliance for all the employees and managing staff of the Group as well as for all the people unrelated to FAES FARMA that may act in their behalf and therefore link their actions to FAES Group.

## **DELIVERY OF GIFTS AND LIBERALITIES**

Generally, professionals from FAES FARMA may not offer, promise or deliver gifts, presents, personal benefits, economic compensations or any other unjustified liberality or advantage to any third party apart from those cases provided in the internal Regulation and in accordance with the procedures and requirements for authorization and control established for the Group.

Any dubious case or which may be against the general rule indicated in the previous section must be consulted with the Ethics Committee, who will determine the validity or not of the said offer, promise or delivery.

In the specific case of public servants and employees, national or foreign, directors of political parties, public officers or candidates to the said offices, the general rule is the complete prohibition of any kind of offer, promise or delivery of presents, gifts, personal benefits, economic compensations or liberalities. Any exception to this rule (either due to specific protocol circumstances, determinate social uses, for corporate image, etc.) must have a favourable report from the Ethics Committee and the approval by the Group Management.

## **ACCEPTANCE OF GIFTS AND LIBERALITIES**

The professionals from FAES FARMA, generally, cannot accept unjustified presents, gifts, liberalities, personal benefits, economic compensations or advantages from any client, supplier, competitor or natural or legal person in general who intends to obtain any of these conditions with respect to FAES FARMA.

As an exception to this rule and meeting the following guidelines, presents within the usual courtesy uses and customs, may be accepted.

- Gifts with a value under 100€: no necessary action by the receiver.
- Gifts with a value over 100€ and under 300€: must be notified to the Ethics Committee through e-mail ([canaletico@faes.es](mailto:canaletico@faes.es)).
- Gifts with a value over 300€: must be notified to the Ethics Committee through e-mail ([canaletico@faes.es](mailto:canaletico@faes.es)) and must be returned to the sender, explaining the return is due to the compliance with the rules established in the Code of Ethics and Conduct of the Group.

In case of doubt about the value of the gift received, this will be checked with the immediate



superior or with the Ethics Committee.

Invitations to social events, seminars or any other type of similar event may be accepted as long as the attendance does not mean monetary compensation for the employee or FAES FARMA. If the attendance is paid, prior authorization from the Ethics Committee will be required. On a general rule, employees may not attend the said events accompanied by people unrelated to the Group.

#### **DONATIONS AND FINANCING OF POLITICAL PARTIES**

Organic Law 8/2007, from July 4th, on financing of political parties, specifically forbids private donations to political parties by legal persons or entities without legal personality.

Strictly meeting legality, FAES FARMA will not perform in any case any donation to political parties, business unions or organizations, nor associations, foundations or any entity which may depend directly or indirectly of any of the above.

Otherwise, any other donation should be approved by the Ethics Committee.

#### **SUPPLIER CONTRACTING**

The purpose of FAES FARMA when carrying out their supplier contracting procedure is to obtain the service or product in the most beneficial conditions, to carry out an ordered and transparent management and to avoid as long as possible direct assignation to a single supplier, looking for the concurrence of several possible suppliers so impartiality and efficiency are guaranteed.

As long as it is viable, objective criteria must be followed at the time of evaluating suppliers, as for example, ISO quality certificates.

All acquisitions of goods or services must be documented through the corresponding contracts, which must be filed once finished. In the same way, there must be a registry in which the orders and purchases, the supplier records, the corresponding bills and the finally signed contracts can be found.

#### **FAILURES TO COMPLY**

The failure to comply with the provisions contained in this policy may be classified as a violation of the contractual good faith which, when applicable, would come with the corresponding sanction, as well as the start of the Procedure of Management, Investigation and Response against possible incidents in relation with the Code of Ethics and Conduct of FAES FARMA.

#### **TRAINING AND INQUIRIES TO THE ETHICS COMMITTEE**

FAES FARMA has as a priority that all the employees internalise the zero tolerance policy against crime with which they have committed. To that effect, they will carry out the necessary training actions.

In any case, any doubt or explanation that may be necessary about the right interpretation and application of this policy must be addressed to the Ethics Committee.

#### **INTERNAL AUDIT**

The compliance with the expectations in this policy will be verified through their inclusion in the control plans performed by the Ethics Committee.



#### **FINAL PROVISION**

In witness whereof, the full contents of this Annex are signed by all the Board Members of FAES FARMA, S.A.

**ANNEX III**  
**INTERNAL REGULATION OF CONDUCT ON THE ACTION IN**  
**ACTIVITIES RELATED TO THE STOCK MARKET**

**INTRODUCTION**

The Board of Directors of FAES FARMA, S.A. has agreed to modify the Internal Regulations of Conduct in subjects related to the stock market with the purpose of adapting it to the current Regulation.

**Article 1.- FIELD OF APPLICATION.**

**A).- Subjective Field.**

1. The Internal Regulations of Conduct will be applicable to:
  - a) All the members of the Board of Directors of FAES FARMA, S.A. and the members of the Administration Bodies of the societies of the Group.
  - b) All the Directors and staff of FAES Group who exercise activities that are in some way related, directly or indirectly, with the stock market, and have access to insider and relevant information.
  - c) External advisers and counsellors contracted by the Group to intervene in the operations subject to this Regulation and who, as a consequence, may have access to insider and relevant information.
  - d) Any other person who may have access to insider information.
2. For the purposes provided in this Regulation, it will be considered that Societies integrating the Group will be all the societies falling in the circumstances provided in Article 5 of Royal Legislative Decree 4/2015, from the 23rd of October, by which the revised text of the Law on the Stocks Market and article 42 of the Code of Commerce is approved.
3. FAES FARMA will provide to the authorities that supervise the different stock markets a comprehensive relationship of those people who are subject to this Regulation.

**B).- Objective Field.**

For this Regulation, Stocks are defined as:

- a) The negotiable stocks issued by FAES FARMA and/or any of the societies of the Group that are negotiated in a market or organized contracting system.

- b) The financial instruments and contracts of any type that give the right to acquire the stocks quoted in the previous section.
- c) The financial instruments and contracts underlying stocks or financial instruments issued by FAES FARMA and/or any other societies of the Group.
- d) The stocks from other societies about which insider information is known due to negotiations or operations that are being carried out with them.

#### **Article 2.- INSIDER INFORMATION.**

1. It will be considered as insider information any information with a specific nature referring directly or indirectly to FAES FARMA's traded stocks that has not been made public and which, if it was or had been made public, may influence or have influenced significantly on its share price.
2. People comprehended in the previous article who have insider information must refrain from executing on their own behalf or on behalf of others, directly or indirectly, any of the following conducts:
  - a) Preparing or performing any type of operation on marketable stocks of FAES FARMA or any contract of any kind that may underlie the marketable stocks of the Group.

There is an exception for the preparation and performance of the operations which existence constitutes, by itself, insider information, as well as operations that are performed in compliance with an obligation, already expired, of acquiring or giving marketable stocks or financial instruments, when this obligation is contemplated in an agreement celebrated before the person in question is holding the insider information, or other operations performed in conformity with the applicable Regulation.
  - b) Communicating said information to third parties, except in the usual exercise of the occupation, work or position.
  - c) Recommending to a third party to acquire or give marketable stocks of FAES FARMA or making another person acquire or give them based on the said information.
3. The prohibition established in this section is applicable to any person comprehended in article 1 of this Regulation, who possesses insider information when the said person knows, or should have known, that it is this kind of information.
4. All the people comprehended in the previous article and FAES FARMA as an entity, have the obligation and will ensure that any person having insider information of the Group, safeguards it, without prejudice of his/her duty of communication and cooperation with judicial and administrative authorities in the terms provided in the current provisions. For it, the adequate measures will be adopted to avoid all insider information related to FAES FARMA to be a subject of abusive and unfair use, and when applicable, the necessary measures to correct the achievement that may have derived from it will be taken.

**Article 3.- RELEVANT INFORMATION.**

1. Any information which if known, may affect reasonably an investor to acquire or transmit stocks of FAES FARMA and therefore may influence noticeably their price will be relevant information with respect to FAES Group.
2. FAES FARMA is obliged to immediately disclose to the market, through communication to the National Stock Market Commission, all the relevant information in relation with the Group, except for what is provided in section 4 below.
3. The communication to National Stock Market Commission will be performed before its disclosure through any other means and as soon as the fact is known, the decision has been adopted or the agreement has been signed. The content of the communication must be truthful, clear and complete, so it does not induce to confusion or deception. FAES FARMA will also disclose this information in its Internet websites.
4. When FAES FARMA considers that the information must not be made public due to affecting to its legitimate interests, it will immediately inform the National Stock Market Commission so, when applicable, they would release them from such obligation in conformity with the provisions of Article 228.4 of the revised text of the Law of the Stocks Market.

**Article 4.- LEGAL AND FINANCIAL OPERATIONS.**

1. FAES FARMA, during the study or negotiation phase of any kind of legal or financial operation that may influence noticeable in the price of its stocks, will have the obligation to:
  - a) Limit the knowledge about the information strictly to those people, from inside or outside the Group, to whom it will be indispensable.
  - b) Have, for each operation, a documentary registry in which the names of all the people referred in the previous section and the date on which all of them have known about the information appear.
  - c) Warn expressly the people included in the registry about the nature of the information and their duty of confidentiality and the prohibition of its use.
  - d) Establishing safety measures for the custody, filing, access, reproduction and distribution of the information.
  - e) Watching the evolution in the market of the shares from FAES FARMA and the news that professional economic information broadcasters and advertising channels issue and may affect them.
  - f) In the case there is an abnormal evolution of the contracted volumes or of the negotiated prices, and there are rational indications about such evolution being produced as a consequence of early, partial or distorted spreading of the operation, disclose immediately a Relevant Fact informing, clearly and precisely about the state in which the operation in course is or which contains an advance on the information to supply, all of it without prejudice of what is established in article 228.4 of the revised text from the Law of the Stocks Market and articles 3-4 above.
2. FAES FARMA is obliged to submit the performance of operations on their own shares or instruments referred to these, to measures in order to avoid that investment or divestment decisions may be affected by the knowledge of insider information.

3. FAES FARMA has equally the obligation to submit the people to which Article 1 of this Regulation refers to measures in order to avoid the use of insider information on the stocks issued by the Group.

#### **Article 5.- PROHIBITION OF USE OF INFORMATION.**

1. People referred to by article 1 of this Regulation will not be able to use insider information or relevant information regarding FAES FARMA.
2. Both FAES FARMA as an entity, and the people to which article 1 of this Regulation refers, will not perform practices that have as a purpose or that have the effect of causing artificial evolution of the price of FAES FARMA.
3. People subject to this Regulation will not use the information obtained from the Group and the information they know due to their position and occupation, in their own benefit, either directly or granting it to third parties, especially in what refers to the decisions of the Board of Directors, on the business results before these are publicly made known, as well as for as many significant facts that may occur and which affect the value that the market may have for the stocks issued by FAES FARMA.
4. The performance of purchase and sale operations on stocks issued by FAES FARMA and whose cycle is lower than one contracting day is strictly forbidden to the people affected by this Regulation.

#### **Article 6.- MONITORING AND CONTROL BODY.**

1. The Corporate Financial Management is designated as the monitoring and coordination body for communication to which the following articles refer.
2. It will correspond to the said body to receive and file the communications contemplated in the following articles and to watch, in general, for the compliance with the content of this Regulation.
3. The receiving body of these communications will be obliged to guarantee their strict confidentiality.

#### **Article 7.- COMMUNICATION OF OPERATIONS.**

1. The people to whom this Regulation is applicable must formulate within 15 days following the entry into force of the Regulation, a detailed communication, addressed to the body appointed in Article 6 of the stocks of FAES FARMA of which they and the people linked to them are owners as indicated in section 3 of this article.
2. Likewise, they will be obliged to communicate, within the seven days following the day in which any operation would have been performed on one's own account, directly or indirectly, on the shares issued by FAES FARMA, expressing the date, the amount and prize per share, as well as the resulting balance.
3. Being considered as one's own, and with the obligation to be declared, equally subject to these, will be the operations performed by spouses or people with similar relation of affectivity, children that depend on him/her, parents living with him/her or who depend on him/her as a minimum, since one year before the date of performance of the operation, as well as those operations performed by societies effectively controlled and performed through

intermediaries.

People affected by this Regulation are found to be controlling a Company, when any of the circumstances listed in Article 42 of the Code of Commerce concur.

This obligation is independent from the one corresponding to Managers and Directors of FAES FARMA about communication to the National Stock Market Commission provided in the normative about significant holdings, or any other established by the current legislation at any moment.

#### **Article 8.- PORTFOLIO MANAGEMENT CONTRACTS.**

1. Operations ordered, without any intervention of those affected by this Regulation, by the entities to which they have stably commended the management of their stocks portfolios, will not be subject to the obligation established in the previous section 2.
2. Those people, of those included in this Regulation, who agree a portfolio management contract, will be obliged to formulate a communication to the body appointed in Article 6 informing about the existence of the contract and the identity of the manager.

If at the moment of the entry into force of this Regulation a contract of this type would have already been entered into, it will have to be communicated as well in the following 15 days to the said entry into force.

3. The people affected by this Regulation, who have arranged a portfolio management contract, will be obliged to order the managing entity to communicate to FAES FARMA (through the body appointed in Article 6), quarterly, the operations on shares issued by FAES FARMA that have been performed by the obliged party, as well as to watch the information requirements about the subscriptions, purchases or sales of stocks of FAES FARMA performed on their own, that would be required by the Group.

#### **Article 9.- INFORMATION ON CONFLICTS OF INTERESTS.**

1. The people affected by this Regulation, will inform the body established in Article 6 about possible conflicts of interests they may be subject to due to their family relationships, their personal wealth or due to any other cause.

It will be considered that a conflict of interests is produced in accordance to what is established at any moment by the current provisions.

In any case, it will be considered that there is a possible conflict of interests derived from the personal wealth, when it arises in relation with a Company in which the person affected by this Regulation participates in its capital in over 25%.

2. The people included in the subjective field of this Regulation must keep the information updated, informing about any modification or termination of the previously communicated situations, as well as the appearance of new possible conflicts of interests.

The communications must be performed in the term of fifteen days and, in any case, before taking the decision that may be affected by the possible conflict of interests.

In case of doubt about the existence of a conflict of interest, the affected party will submit its existence or non-existence to the consideration of the Board of Directors.

**Article 10º.- ACTING POLICY AND STANDARDS ON OWN SHARES.**

1. In conformity with the provisions from the Corporate Bylaws, it corresponds to the Board of Directors, as an indelegable task, to establish the policy related to the own stocks and shares.

The main principles of the treasury stock policy are:

- A. The defence of the interests of the Group and its stockholders in strict compliance with the obligations assumed by the Managers of FAES FARMA, due to their position.
- B. The inexcusable compliance with the agreements adopted by the General Shareholders' Meeting of FAES FARMA, of the Corporate Law, of the revised text of the Law of Stocks Market, as well as for the rest of current provisions and any other of mandatory compliance that may be approved in the future.
2. Likewise, it corresponds to the Board of Directors of FAES FARMA or to the person/s in which it was expressly delegated, to determine and execute the plans for the acquisition or sale of own shares that the Group intends to carry out under the authorizations conferred by the General Shareholders' Meeting, having to adjust, in any case, to the provisions of the revised text of the Law of the Stocks Market and the rest of current standards.
3. The general action standards are:
  - A. The amount of operations on own shares, in each of the sessions, except in justified cases and operations with an agreed prize that do not generate a trend in the market, will not exceed 15% of the average daily volume contracted in the last 30 sessions.
  - B. The operations must be carried out at prices adjusted to the market, with a maximum limit for purchases and a minimum limit for sales, so these do not generate a trend in the market.
  - C. No orders must be introduced in periods of opening or closing auction, or in the time between the date in which there is knowledge about insider information and its spread, nor in the period elapsing since the periodic financial information is created and its publication.
4. Management of operations on own shares.

In cases in which portfolio management is commended, the operations on own shares and treasury shares of FAES FARMA will be exclusively developed under the professional criteria of the portfolio managers of FAES FARMA and in accordance with the criteria applied for the clients in general with financial and similar investment profiles.

5. No treasury operations can be convened with entities of the Group, Managers, their significant shareholders or intermediaries of any of them.
6. The Corporate Financial Director will be responsible for performing the official communications of the transactions performed on own shares requested by the current provisions, having to keep at every moment the necessary registration and monitoring of the operations of purchase and sale of own shares, including the shares of FAES FARMA that would have been acquired by Companies of the Group.



#### **Article 11.- CONSEQUENCE OF THE NON-COMPLIANCE WITH THIS REGULATION.**

The non-compliance with the provisions in this Internal Regulation of Conduct, its content being developed as provided by the revised text of the Law of the Stocks Market and the Code of Ethics and Conduct of the Group, as rules of order and discipline of the Stocks Market, may result in the imposition of the corresponding penalties.

#### **FINAL PROVISION.**

This Regulation has been unanimously approved in the meeting of the Board of Directors of FAES FARMA, S.A., held in Madrid, on the 23rd of November of 2015, replacing the Regulations in force until then.

The approval of this Regulation expresses the commitment to guarantee the update of this Internal Regulations of Conduct and to make known its content, which is understood and accepted by all the people belonging to the organization FAES FARMA to whom this is applicable and to whom Article 1 refers.

In witness whereof, the full contents of this Regulation are signed by all the Board Members of FAES FARMA, S.A.