



CODE OF ETHICS  
ANTIBIOTICE S.A.

## General Manager's Message

Dear colleagues,

*You have joined a company with over 60-year experience in the pharmaceutical market. A company seeking always to put its employees' intelligence in service to those who need its support. A company whose mission is to achieve valuable and affordable medicines as a means of providing healthcare.*

*We are honest, compassionate and always concerned with modernizing our work and products. We strongly believe that a valuable medicine is not necessarily an expensive one, but a medicine people can afford and brings the company a reasonable profit. A profit that satisfies our shareholders and allows us to target performance, permanently investing in people, technology and carefully selected partners.*

*We aim to continually meet the expectations of our consumers and customers, business partners, shareholders, community and not least, our employees. For these reasons, we assume an honest behavior towards all the stakeholders. Each of our employees represents Antibiotice, having the duty to respect and implement the Code of Ethics.*

*In everything you do, do not forget to ask yourself if the decisions you are about to take do not breach the state laws and ethics assumed by the society. If the recommendations of this Code of Ethics do not seem to be sufficient, ask yourself the following questions :*

- *What am I going to do is correct? Do I defend the truth and honesty ?*
- *Would I feel comfortable if my actions were made known to my loved ones or whether I should accept the consequences ?*
- *Are my decisions in favour of my company's image?*

*If the answer is "no" to any of these questions then it is better to ask for your colleagues' opinion before acting. Choose every time the correct, legal path which brings you peace and safety and leads to an increased prestige of your company.*

*The principles and values set out in this Code of Ethics are meant to highlight the elements that substantiate the company's policy in terms of ethics and morality.*

*These values are essential to ensure prosperity of our company and, for this reason, all decisions taken by our management on the payroll and incentive policy as well as on the job stability will be influenced by the observance of the Code of Ethics.*

General Manager,  
Ioan Nani

## PRELIMINARIES

- A. This Code of Ethics (hereinafter referred to as the “Code”) sets out principles and rules to determine an honest professional conduct and create an organizational culture based on integrity standards in accordance with the law in force.
  
- B. The fundamental ethical values assumed by ANTIBIOTICE S.A. (hereinafter referred to as “Company”) are:
  - a. Integrity
  - b. Professionalism
  - c. Responsibility
  - d. Transparency
  
- C. The provisions of the Code of Ethics are mandatory and will be applicable to all the company’s structures, members of the Management Board, Executive Directors (hereinafter referred to as “administrators”), Non-Executive Directors, employees and company’s collaborators (hereinafter referred to as “employees”). The Code will be brought directly to the attention of administrators and employees and will be published on the company’s site for our business partners and community.

## CHAPTER 1

### PRINCIPLES AND RULES

#### 1.1 INTEGRITY PRINCIPLES AND RULES

**Art.1** (1) The Company is defined as an ethical partner in business that cultivates respect, loyalty and fairness in the relationships with third parties and its own employees.

(2) The Company will responsibly select its business partners taking into account the compatibility of trade objectives as well as ethics and integrity in business.

**Art.2** Recruitment, selection and promotion of employees shall be made in a transparent, fair and non-discriminatory manner, based on criteria clearly defined by the company and brought to the attention of the parties concerned.

**Art.3** (1) The company will help improve the health of the population, providing quality and affordable medicines.

(2) The company assumes the membership of the local community and aims to support the academic and sports performance, factors in maintaining the health of the population.

**Art.5** Administrators and employees will adopt the values of the Code of Ethics, treating the other employees with dignity and respect, regardless of race, nationality, ethnicity, age, sex or sexual orientation, religion or social class.

**Art.4** The Company's administrators and employees will perform their duties only in the company's interest, having an ethical behavior at all times both in relation to the Company and business partners and authorities, observing the legislation in force, internal regulations and rules of good corporate citizenship:

- a. they will not abusively use their position;
- b. they will not use the information obtained while exerting their job in activities unrelated to this;
- c. they will not use the Company's assets for their personal interest;

**Art.7** (1)<sup>1</sup>The Company's administrators and employees will not be involved, directly or through intermediaries, in commercial and financial relations with the Company. Also they will not get involved in transactions with the Company's affiliates (as defined in the tax code).

(2) Affiliated parties, in the meaning of this code, are also those legal entities that hold directly or indirectly minimum 10 % of the company's shares.

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<sup>1</sup>According to article 7 paragraph 26 of the Fiscal Code in force at the date of approval of this Code of Ethics, "a person is affiliated with another person if the relationship between them is defined in at least one of the following cases:"

a) a natural person is affiliated with another natural person if such persons are spouse or relatives up to the third degree, inclusive;

b) a natural person is affiliated with a legal person if the person owns, directly or indirectly, including holdings of affiliated persons, a minimum of 25% by value/number of the participation titles or voting rights in the legal person, or effectively controls the legal person;

c) a legal person is affiliated with another legal person if at least the first legal person owns, directly or indirectly, including holdings of affiliated persons, a minimum of 25% of the value/number of the participation titles or voting rights in the other legal person, or effectively controls the legal person;

d) a legal person corporate is affiliated with another legal person if a person owns, directly or indirectly, including holdings of the affiliated persons, at least 25% of the value / number of shares or voting rights of the other legal entity or if controls actually that person"

**Art.8** Persons convicted by final judgment, for acts of corruption or fraud can not be members of the Management Board, Executive or Non-Executive Directors.

**Art.9** The Company's administrators and employees will not require or accept, directly or by intermediates, any bribe or other undue benefits in order to perform or not to perform a task in connection with the Company and will denounce immediately any proposal made in this regard.

**Ar.10** The Company's administrators and employees directly or by intermediates, will not promise, bribe or offer any other undue benefits to the civil servants, business partners or to any other persons or legal entities and they will denounce immediately any request made in this regard.

**Art.11** The Company's administrators and employees will not disclose, under any circumstances, the confidential information related to the Company. Members of the Management Board, Executive and Non-Executive Directors as well as the staff with managerial functions are obliged to maintain confidentiality for a minimum five (5) year period after ceasing the the relation of work with the Company.

**Art.12** With the exception of persons empowered by the Management Board or by the Executive Directors, the Company's administrators and employees are not allowed to make public statements about the Company or employees. The Company's administrators and employees shall refrain from any action that could prejudice the image of the Company or its products/ brands.

## **1.2 PRINCIPLE OF PROFESSIONALISM**

**Art.13** The Company's administrators and employees shall endeavor to carry out effectively and efficiently their duties, being directly responsible for observing the legality on the documents and operations that they perform.

**Art.14** The level of professionalism of the Management Board's members, Executive and Non Executive Directors will be a high one, so as to be able, through their previously gained professional experiences, to have a good understanding of the markets in which the Company operates and to cope with the challenges and current issues the Company faces.

**Art.15** Activity of the Company's administrators and employees will be guided by the principles of legality and efficiency, being oriented towards increasing the customer satisfaction degree.

**Art.16** The company's Administrators and Executive Directors must comply with the rules of procedure of the Management Board, having a professional and moral conduct appropriate for the position within the company.

**Art.17** Throughout the period of performing their tasks, the Company's employees will observe the work discipline and internal regulations, will have a proper attire and a decent behavior in accordance with the position within the company and with the representation role in the relations with trading partners or authorities.

**Art.18** Unless they are in conflict of interest, or in medically justified cases, the Company's administrators and employees will not refuse the fulfilment of a job task for

personal reasons, and the performance of these job tasks will not be influenced by personal reasons.

**Art.19** The Company's administrators and employees will not exceed the limits of their competence and authority and will not perform activities for which they don't have the necessary professional competence or that are unlawful.

### **1.3 PRINCIPLE OF RESPONSIBILITY**

**Art.20** The Management Board and Executive Directors assume the responsibility towards shareholders for managing the Company, with the utmost priority to obtain economic profitability and sustainable financial performance over the long term.

**Art.21** The Management Board and Executive Directors assumes the responsibility for research, development and innovation as well as for the human capital development in order to ensure the company's competitiveness and generate long-term value.

**Art.22** The Company's administrators and employees assume their decisions, their implementation being done through a fair delimitation of competences, in accordance with the good corporate governance practices.

**Art.23** Environmental responsibility is another principle of the company's activity. Operation of equipment complying with the safety and environment protection standards, recycling waste and limiting the emissions of technological residues represent objectives assumed by the Company.

**Art.24** Social responsibility is assumed by the Company and presupposes respect for human and social values both nationally and in all external territories in which its business operates. The company promotes also projects and internal programs for developing the employees and for cultivating their responsible behaviour.

**Art.25** The company assumes its responsibility for the health of population, the „Antibiotice Science and Soul” Foundation supporting the sport, people with special needs, medical professionals and various social cases, adopting a sponsorship policy according to this vision.

### **1.4 PRINCIPLE OF TRANSPARENCY**

**Art.26** The company assumes the principles of decisional transparency according to the good corporate governance norms and those related to the public information.

**Art.27** The company ensures a fair treatment of all shareholders, regardless of the number of shares as well as an equal access to information, thus enabling them to exercise their rights.

**Art.28** The Company applies an active policy of communication and consultation with all shareholders, ensuring their participation in general shareholder meetings and making possible their involvement in the decision-making process.

**Art.29** To contribute to the proper functioning of the capital market, the Company takes the necessary measures so as the "privileged information" to which the administrators or employers may have access before it becomes public, not to be used for personal interest

to obtain financial benefits or other personal advantages. Disclosure of this information to others constitutes a violation of this Code and legislation in force.

**Art.30** The company will periodically publish the financial and corporate governance reports in the format and at the terms set by the legislation in force and regulations of the Bucharest Stock Exchange.

**Art.31** Management Board and Executive Directors will send to the shareholders and tutelary authority information on the company's activity whenever solicited or necessary.

**Art.32** The Company will publish on its website at least the following information of public interest :

- a. GSM decisions within 48 hours after their approval;
- b. annual financial statements, within 48 hours after their approval;
- c. biannual accounting reports, within 45 days after the end of the semester,
- d. the annual audit report;
- e. list of directors, their remuneration and CVs;
- f. reports of the Management Board,
- g. the annual report on the remunerations and other incentives granted to the administrators and directors;
- h. The Code of Ethics, within 48 hours after its approval.

## CHAPTER II.

### CONFLICTS OF INTERESTS AND SETTLEMENT RULES

**Art.33** The administrator's or employee's deed who, by exercising their job duties, has performed an action or has participated to taking a decision by which a patrimony was acquired directly or indirectly, for himself/herself, for her husband/ his wife or for a relative or affine up to the second degree inclusively or for another person with whom he/she was in the commercial or work relations in the last 5 years , or from who he/she has received /receives benefits of any kind constitutes a conflict of interest.

**Art.34** The company's administrators and employees shall refrain from any act which constitutes a conflict of interest and shall immediately notify the Management Board or the hierarchic chief where appropriate, on:

- a. his/her interest, her husband's/his wife's interest, interest of a relative or affine up to the second degree inclusively in the decision that he /she should make it personally or to which he/she must participate or in the action he/she should take in carrying out its job duties;
- b. the fact that in the last five years he/she was in employment or commercial relations with a person about who he/she should take a personal decision, or should participate in making a decision, or in connection with who he/ she should fulfil an act in the performance of his job duties;
- c. the fact that he/she received or receives benefits from an individual about who he/she should take a personal decision or should participate in making a decision, or in connection with who he/she should fulfil an act in the performance of his duties;

- d. any personal interests that may be inconsistent with the exercise of warrant or service;
- e. his/ her capacity, capacity of his wife/her husband, a relative or affine up to the second degree inclusively as a founder, shareholder, partner, member of the Management Board, member of the Executive Council, director according to the article 143 of the Law 31/1991 of a legal entity (commercial or non-commercial) if the Company is going to establish with this legal entity commercial relations or other relations with financial effects.

**Art.35** The Management Board and/ or the people who have been informed of the existence of a conflict of interest within the Company will immediately notify the Board of Ethics and Integrity through a written information about this topic.

**Art.36** The Management Board's President or the General Director, as the case may be, will not deliberately admit as the administrators or employees of the Company in conflict of interest to fulfill their job duties. In such situations, the Management Board or Board of Ethics and Integrity, as appropriate, will be apprised to identify a solution in accordance with this Code and with the legislation in force.

**Art.37** The solutions for managing the conflicts of interests will be established:

- a. by the Management Board by a decision taken by the majority of administrators in a meeting in which the conflicted administrator will not have a voting right;
- b. by the General Director based on a report written by the Board of Ethics and Integrity for conflicts of interest of employees.

**Art.38 (1)** The main options for solving the conflicts of interests will be the following:

- a. the person in conflict of interest will give up to the personal interest;
- b. to cede the decision-making responsibility, on his/her own initiative or to abstain from voting, with the prior notification of all parties affected by the decision taken with respect to measures taken to protect the fairness of the decision-making process,
- c. to ban the involvement of the person in a conflict of interest in the decision-making process, without prejudicing his/her other job duties, if the conflict presents a low likelihood to be repeated,
- d. to restrict the access of the person in conflict of interest to relevant information,
- e. to reassign the job duties and responsibilities or to transfer the person in conflict of interest in a non-conflicting position, if the conflict has a significant probability of repeating.

(2) In the resolution of conflicts of interests any other measure can be adopted, depending on their nature, damage for the Company, risks to which the Company was subject to if the conflict was not denounced.

**Art.39** Decisions taken or legal documents signed by persons in conflict of interest are revocable through the Management Board's or General Director's decision, as the case may be.

### **CHAPTER III.**

#### **Board of Ethics and Integrity**

**Art.40** Board of Ethics and Integrity is founded within the Company through the decision of the General Director having the structure, powers and working procedures established under the chapter VIII of „Code of Good Practice of Antibiotice S.A.”

**Art.41** Board of Ethics and Integrity will supervise the observance of the provisions of the Code of Ethics and any violations of these provisions will be considered an incident of ethics.

**Art.42** Board of Ethics and Integrity will analyse all the incidents of ethics which breach the provisions of the current Code whether it was notified of these incidents through a referral or took notice about them and it will rule on them in a written report in which it will propose to the Management Board or General Director, as the case may be, measures it considers necessary. The reports of the Board of Ethics are advisory only.

### **CHAPTER IV.**

#### **Penalties**

**Art.43** Any violation of the Code of Ethics by the Management Board’s members or Executive Directors represent breaches from the assumed management procedure of the Company and may result in sanctions according to the contracts of mandate, Law 31/1990 on the trading companies and GEO 109/2011 on the corporate governance of the public enterprises.

**Art.44** Any violation of the Code of Ethics by the Company’s employees of represents a misbehavior and may incur penalties in accordance with the Law 53/2003 on the Labour Code.

*This Code of Ethics was approved by the Management Board of Antibiotice S.A. in the meeting held on January 26, 2017.*