



R-PHARM

Innovative
health
technologies

CODE
OF BUSINESS ETHICS

Russian Federation

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I. WHAT YOU NEED TO KNOW ABOUT THE CODE OF BUSINESS ETHICS

What is the Code of Business Ethics?

Both the reputation and future success of R-Pharm, CJSC (hereinafter referred to as «Company») will, to a large extent, depend upon adherence to legal requirements and the highest ethical standards. The Code of Business Ethics (hereinafter referred to as “the Code”) is a proof of our commitment to the highest principles when carrying out our business activities.

The Code establishes the standards of appropriate behavior which all of the Company’s employees must abide by. It also sets out practical recommendations on how to address core ethical and legal issues. The Code has been developed to help each employee of the Company act in accordance with the high ethical levels set by those standards.

Who will the Code apply to?

The Code applies to all of the Company’s employees, regardless of their job title or location. We shall always adhere to the standards and rules set out by the Code.

Furthermore, all third parties we engage should abide by the Code as appropriate when acting on behalf of the Company.

Why is the Code so important?

Given the increasing complexity of our environment and the intensive growth of our activities, we have a particularly high public profile. It is essential for us to uphold good business ethics when performing our activities. The Code represents a core element of our business, ensuring both the long-term stability of our business and implementation of our strategy for increasing sales.

The Code is a key element of our internal control system which guarantees the availability of the appropriate means for helping our employees to fulfill their obligations within the Company.

What should I do if I have any questions or doubts?

The Code is not intended to cover all situations you may face each day. Should you have any doubts, there will be several resources you can turn to for assistance and advice.

If you are concerned about any actions you must perform in a specific situation, ask yourself these questions:

- Is it legal?
- Is it ethical?

- Is it in line with the Code?
- Will I set a good example?
- Will I feel at ease if I let my colleagues, family and friends know of my actions?
- Will I or the Company feel alright if my actions become public knowledge?
- Have I sought guidance and assistance in making the right decision from colleagues who know about the issue?

If you are not able to give affirmative answers to all of the above questions, or you are concerned with actions taken by your colleague, you should discuss your concerns with your direct manager, the Compliance Officer, the Human Resources Director, the Head of Legal Department, or all of them.

Any suspected or known violations of this Code should be reported to one of the following, depending on the circumstance and in order of preference:

- 1) Due to the sensitivity of the subject and possible penalties, the General Director should be contacted immediately in the every case of (suspected) breach of this Code.
- 2) If employees prefer to report anonymously they can do so through:
 - the confidential email account whistleblower@rpharm.ru
 - the 24 hours a day, 7 days a week R-Pharm's Ethics and Compliance Hotline: +7 (495) 2324167 (toll-free)

All information provided to any responsible person will be treated confidentially and will be monitored by the Compliance Officer. All reasonable allegations will be treated seriously and will be properly investigated. Compliance Officer will look into the conduct in question and determine the appropriate follow-up, if any, with the Head of Legal Department, Human Resources and/or other Departments or effected Business Units. Confidentiality, in so far as possible will be maintained for all reports made in good faith, and where reports are made anonymously, such anonymity will be respected.

What is the role played by senior and middle managers?

Each of us plays a role in creating our operational environment and we all contribute to the unity, teamwork and confidence of our Company.

When working with the directors of business units and other senior managers, it is the responsibility of the Compliance Officer to ensure corporate behavior and individual behaviors are appropriate. In such situations, the Head of Legal Department is responsible for ensuring that the overall economic activity of the Company and any individual employee and/or third party acting on behalf of the Company complies with applicable laws.

Those who have managing or controlling functions are also obliged to:

- Ensure the Code is distributed to, explained to and understood by all employees, including temporary staff or individuals working under contracts;

- Make recommendations to subordinates on adhering to the requirements of the conduct standards and rules set out by the Code;
- Lead by example in terms of adherence to the standards and rules of behavior set out by the Code;
- Arrange training and give advice to employees to help them meet the requirements of the Code;
- Listen and respond to concerns (investigate doubts and provide support to those who express them).

What about laws and legal acts in different countries?

The requirements of our Code shall prevail except when the standards set out by the Code contradict a certain applicable law. The law shall apply only when its demands are more stringent than the Code itself.

If you are not sure which specific laws are applicable to a certain situation, or if you believe that there are conflicting laws, you should consult your Head of Legal Department prior to taking any action.

What procedure is undertaken if concerns are reported?

The Company will support you if you report an incident of explicit misconduct honestly and in good faith.

Anybody who suspects a violation of the law or non-fulfillment of the Code must share their concerns either with their immediate manager, the Human Resources Director, the Head of Legal Department or all of the above, who will help to develop an objective assessment of the importance of such concerns.

Complying with the Code

All employees of the Company must comply with the standards set out in this Code. Non-compliance will result in the application of disciplinary and other accountability measures, according to procedure established by law.

The Company will, from time to time, audit and assess the Company's activities in terms of compliance with the Code, and will audit and evaluate the awareness of the Company's employees regarding the issues in the area concerned.

Each of the Company's employees must participate in such an audit and evaluation, in accordance with the decision of the management.

Each employee of the company must, according to the decision taken by his or her direct manager, participate in educational and training activities arranged from time to time by the Company for the purposes of applying this Code.

II. FAIR PRACTICES

Fair business practices will contribute to sustainable growth of our business.

We are committed to maintaining an honest, unprejudiced and legal relationship with all of our business partners.

In this section, there is:

1. Combatting illicit trade
2. Combatting attempts to legalize (launder) criminal income
3. Competition and counteracting collusion
4. Anti-corruption activities
5. Gifts and entertainment
6. Interaction with healthcare specialists
7. Relations with Business Partners
8. Political and public activity
9. Compliance with the law
10. Marketing activities

1. Combatting illicit trade

The core priorities of the Company's business include measures to prevent and eliminate smuggling and counterfeit products. We shall never participate in any illicit trade operations or contribute to such operations.

We should be certain that we only do business with persons who have an upright record.

To prevent our products from being illegally traded, we shall liaise with governmental, regulatory and law enforcement bodies.

Any kind of illicit trade, including the trading of medicines, would have a detrimental impact on the Company. It would run counter to our commercial interests and could cause irreparable damage to our business reputation. It would reduce the markets in which we would carry out our business activities.

Illicit trade includes but is not limited to:

Unlicensed trade operations or those without a permit issued by an authorized state body

Some types of trade operations, including the selling in wholesale and retail of medicines, will require licenses or other permits issued by an authorized body. Unlicensed trade, including sales of medicines to counterparties that do not hold an appropriate license, shall be deemed illicit.

Sales of goods (and other items) which cannot be freely traded or for which trading is limited in accordance with applicable legislation

There are some goods for which free trade is limited. These goods include, among others, drugs and psychotropic substances, and their precursors. Sales of such products are strictly prohibited unless special permission has been sought and the requirements of the relevant laws are observed.

Contraband

The cross-border transfer of goods and other items is strictly prohibited if such goods do not pass through customs control, are concealed from customs control, are supported by fraudulent documents or false means for customs identification, or if such goods are not declared or not fully declared at customs control. In addition, it is prohibited to sell goods which have been knowingly smuggled across the customs frontier.

Counterfeit products

It is prohibited to manufacture, distribute, import, transport, store or use otherwise goods if third party exclusive rights to such goods are violated. Goods that fall into this category

shall be deemed to be counterfeit and, subject to the decision of the courts, will be withdrawn from sales distribution and destroyed without reimbursement.

Our rules of product supply clearly state that we shall only purchase products from legally recognized suppliers, in accordance with the relevant legislation.

We should:

- Supply products only in amounts corresponding to the target market internal consumption rates;
- Ensure that there are legal contracts made in writing to cover all relations with customers, distributors, agents and other third parties;
- Thoroughly investigate all incidents relating to the illicit sales of products, or sales of products outside target markets, and take appropriate measures to minimize the risk of exposure to such incidents in the future;
- Assure that our counterparties follow our integrity standards and are aware of the provisions of the Code that apply to them;
- Report any suspicions of illicit trading to the Company's management, gathering as much information as possible without compromising our own safety and that of other persons;
- Report on any third-party offers to either perform, suspend, terminate a delivery or all of the aforementioned due to illicit trading;
- Analyze all available information on counterparties of the Company each year.

We should not:

- Expose ourselves to risk or hazards when gathering information or reporting on possible proof of illicit trading;
- Continue any trade relations with a customer who intentionally or through lack of due care gets involved in illicit trading;
- Ignore or intentionally avoid suspicions of a customer or a supplier being involved in the withdrawal of products from the legal supply chain.

2. Combatting attempts to legalize (launder) criminal income

We shall never participate in, or contribute to, any activities through which attempts are made to legalize criminal income (money laundering).

To launder money is to make money or other property that is owned, used or disposed of seem legal, although it has been obtained through criminal means. It is to create the impression that the proceeds of criminal offences are actually legal or were obtained from a lawful source. This is a serious criminal activity.

We should:

- Receive payments only from counterparties who we normally carry out business with, and for whom adequate verification (including financial verification) has been performed before entering into a relationship with them.
- Immediately report if we have any concerns, e.g. if we become aware of rumors that a customer was or could have been involved in an attempt to legalize criminal income (money laundering);
- Handle with due care any situations where we suspect illegal financial operations to have been performed. Examples could include the following:
 - ✓ A counterparty, who is not willing to provide the required information on its business activities, including documents that prove the legitimacy of its business activities, without giving any reasons, or at least legitimate excuses, for doing so;
 - ✓ A counterparty who is willing to execute payments in cash without giving any reasons, or at least legitimate excuses, for doing so;
 - ✓ A counterparty who shows a low degree of interest in commercial terms and other contractual conditions;
 - ✓ A counterparty who wants payments to be made into a bank account in a country other than its country of residence or country in which it performs its business activities.

We should not:

- Accept any money or other property which is or is possibly related to criminal activities;
- Ignore either intentionally or through inattention any «warning signals» that suggest illegal financial operations attempting to legalize criminal income (money laundering) had taken or are taking place.

3. Competition and counteracting collusion

The Company is committed to fair and open competition. In doing so, we shall adhere to all applicable laws on competition and the counteracting of collusion.

The principles set out in this section are of general character. Competition laws for a specific market shall prevail. Taking this fact into account, we should always be familiar with the competition laws that apply to our operations in a local market.

Fair competition

Any agreements, actions or failures to act which will or could limit competition in a commodity market at any time are strictly prohibited.

In all countries, laws to protect competition are always applicable and, depending on the country and the location of our business, these laws may vary. Laws to protect competition are developed for the purposes of supporting a free market and protecting both consumers and businesses. These laws are also intended to regulate our relations with competitors,

customers, distributors and other third parties, as well as establishing the rules of our conduct when we are in a position to have material influence on a market.

Violating competition law may result in severe fines and cause material damage to the goodwill and property interests of our Company. In addition, individual executives found guilty of crimes relating to anti-competitive behavior may be liable to criminal prosecution.

Agreements/contacts with competitors

Competition-related laws worldwide prohibit certain kinds of agreements with competitors and even attempts to reach anti-competitive agreements. Such agreements, undoubtedly, present the highest potential risk to competition. As a result, authorities supervising compliance with competition laws often view any agreements concluded between competitors with suspicion.

Anti-competitive agreements or anti-competitive actions coordinated between two or more parties often lead to the following:

- ✓ Price-fixing or “stabilizing” of prices/tariffs, discounts, bonuses/premiums and markups;
- ✓ Increase, decrease or maintenance of prices during a trading session;
- ✓ The territorial division among two or more parties of a commodity market, sales or purchases of goods, range of goods sold, or in accordance with the composition of vendors or purchasers/customers;
- ✓ The denial of concluding a contracts with specific vendors or purchasers/customers without sound economic or technical reasons;
- ✓ Imposition of contractual terms on a counterparty that do not provide it any profit or do not relate to the subject of the contract (e.g. requirements without sound reasoning for the transfer of financial assets and other property, including property rights, and also requests to conclude a contract which have provisions relating to goods that are not in the best interests of the counterparty, and other requirements);
- ✓ Charging of different prices/tariffs for the same goods without sound economic or technical reasoning;
- ✓ Reduction or termination of the manufacture of goods that, given they can be cost-effectively manufactured, have sustainable demand or purchase orders which have been placed;
- ✓ The creation of obstacles for other economic entities to enter or withdraw from a commodity market.

As a responsible Company, we shall work and compete with complete independence from our competitors and our activities shall evidence this.

Taking into account applicable laws, we should not:

- Directly or indirectly state or show intentions to coordinate prices, discounts or other trade conditions with our competitors. This can include setting minimum or

maximum prices, changing prices in the same way, or coordinating prices in the same way;

- Coordinate with competitors with regards the quality or quantity of products which are produced for a specific market or group of customers;
- Participate in any unfair price offerings/adjustments of quoted prices;
- Agree with competitors to boycott a supplier, customer or distributor;
- Agree with competitors to divide markets, customers or product categories;
- Discuss or share confidential commercial information with competitors, including data on customers and products.

Anti-competition agreements can also arise when dealing with third parties, e.g. customers or distributors.

Taking into account applicable laws, we should not:

- Impose on or coordinate with customers or distributors minimum prices when carrying out resale operations, or impose income limits or maximum discounts which they can offer;
- Limit the territories or groups of indirect customers that our direct customers or distributors resale our products to without giving due reasoning for doing so.

Data exchange or agreements, both formal and informal that are similar in nature to those stated above and are carried out through the Business Partners or a third party are also illegal.

Pharmaceutical associations

Pharmaceutical associations can be useful for discussing issues such as legal regulations and means to combat illicit trade. However, such meetings with pharmaceutical producers or other participants of in the pharmaceuticals market should not involve discussion or exchange of commercial or confidential information.

Monopolization or abuse by an organization with a dominant market position

We should actively pursue competition to develop our business. We should track our activities to avoid anything that inhibits competition, including such cases where, at a particular moment, the position of the Company in a specific commodity market gives the Company the possibility to have a decisive influence on product turnover conditions for that commodity market and/or eliminate other economic entities from the commodity market and/or impede the access of other economic entities to the commodity market.

When we gain such a position (i.e. dominant) in a market and there is a real possibility that a proposed activity could displace competitors from a market, it is important for us to seek legal consultation. Such activities as discounting and the promotion of sales programs, which appear to be profitable or ‘safe’ at first sight, should be thoroughly studied to ensure they do not cause either present or future damage to the competition or give rise to unfair discrimination against competitors.

We are expected to:

- Consult lawyers when discounting, promoting or conducting sales programs for markets where we dominate, or when we take any other measures that may be an abuse of our dominant position.

This, without limitations, includes the following:

- ✓ Establishing and maintaining either high or low monopoly pricing for a product;
- ✓ Withdrawing a product from circulation, leading to a price increase for that product;
- ✓ Imposing contractual conditions on a counterparty that are unprofitable to it, or that do not relate to the subject matter of the contract;
- ✓ Reducing or terminating the manufacture of a product without sound economic or technical reasoning where there is still continuing demand for that product, or where orders have been placed for its delivery and it is feasible to manufacture the product in question;
- ✓ Refusing or avoiding the signing of a contract with individual purchasers/customers without sound economic or technical reasoning in relation to the manufacture and delivery of a product;
- ✓ Setting different prices/tariffs for the same product without sound economic, technical or other reasoning;
- ✓ Creating discriminative conditions;
- ✓ Creating obstacles to the access/withdrawal by other economic entities from a commodity market;
- ✓ Violating the pricing procedure established by legal regulations.

Data acquisition

The gathering, analysis and use of market data and information, performed in compliance with legal requirements, are considered a legal competitive tool. Nevertheless, we have to be careful when collecting information on our competitors.

Legal sources of information include: the media, Internet and websites, reliable industrial studies, annual reports, public presentations, publicly-available data (on state registration) submitted to state bodies, and information from negotiations with customers, as long as their aim is not intended to be the acquisition of confidential information or other data that contain any kind of secrets protected by law.

We should:

- Understand which information on competitors we are allowed to gather and how we can use it;
- Ensure compliance with legal requirements and current agreements concluded by the Company when gathering, analyzing, storing and using any data;

- Protect our own confidential information from being directly or indirectly disclosed.

Taking into account the applicable laws, we should not:

- Try to gain access to data on the businesses of our competitors by illegal or unacceptable means, including:
 - ✓ Using industrial intelligence or discreet surveillance to access information which is not publicly available;
 - ✓ Hiring employees of the competition in order to obtain confidential or commercial information;
 - ✓ Approaching the competition’s customers or employees in order to obtain confidential information;
- Using any other methods for collecting information which could be deemed unacceptable or illegal;
- Obtaining, disclosing or using information which we know or may reasonably assume has been confidentially passed to us in violation of general confidentiality provisions or a confidentiality agreement made between a third party and one or more counterparties, e.g., information from proposals made by a counterparty during negotiations.

4. Anti-corruption activities

Definitions

For the sole purpose of this Code “Government Official” is broadly interpreted and includes:

- Any employee of a Government Entity or subdivision, including elected officials (e.g. a member of a Ministry of Health);
- Any employee or person acting for or on behalf of a Government Official, agency, or enterprise performing a governmental function, even if it is just temporarily;
- Candidates for political office and political party officials;
- Officers, employees and representatives of public international organizations, such as the World Bank, World Health Organization and United Nations.

For the sole purpose of this Code “Government Entity” means an agency, instrumentality, a public authority, a profit or non-profit company or a constituent entity or other entity of Federal, State, or local government (including multijurisdictional agencies, instrumentalities, and entities).

“Government” is meant to include all levels and subdivisions of governments (i.e. local, regional, or national and administrative, legislative, or executive). Because this definition of “Government Official” is so broad, it is likely that our employees will interact with a Government Official in the ordinary course of business on behalf of the Company. For example, doctors employed by state-owned hospitals are considered “Government Officials” under our Code.

Principals

In all of our business relations we:

- Comply with laws and legislation;
- Recognize the inevitability of penalties for violating law or Company Anti-Corruption Compliance Policy;
- Make comprehensive use of different anti-corruption measures;
- Priorities the use of preventive measures to fight corruption;
- Assist governmental bodies and other entities in fighting corruption.

It shall be mandatory for the Company, its employees, subsidiaries and affiliates to know and to comply with any applicable and valid Anti-Corruption Laws, including the Criminal Code of the Russian Federation, the Code of Administrative Offences of the Russian Federation, the Federal Law “On Counteraction to Corruption”; and any applicable foreign or international regulatory acts including the UK Bribery Act and the US Foreign Corrupt Practices Act.

Company prohibits corruptly offering, promising, giving, paying, accepting any Government Official’s request for a gift, or authorizing anyone, working on our behalf, to give or pay, directly or indirectly, any sums, other benefits or advantages or anything of value to or for a Government Official.

Corruptly means for any of the following purposes:

- Influencing any official act (or failure to act) by a Government Official, or any decision in violation of his lawful duty, or inducing a Government Official to use his influence to affect any governmental act or decision; or
- Securing any improper advantage in connection with business; or
- In any case, in violation of the applicable laws.

This prohibition is not limited to cash payments, and includes corrupt:

- Gifts;
- Entertainment, meals and travel;
- In-kind contributions, such as sponsorships or providing educational funds;
- Business, employment or investment opportunities;
- Insider information that could be used to trade in regulated securities or commodities;
- Personal discounts or credits;
- Assistance to or support of family members, and;
- Other benefits or advantages.

Company prohibits any corrupt payment, including but not limited to those indicated above, to any person while knowing such payment will be shared with a Government Official or his/her family members or designees. A person subject to this Code of Ethics will be deemed to “know” that the payment will corruptly benefit a Government Official or

his/her family members or de-signees if he/she has acted with conscious disregard or avoidance of warning signs or grounds for suspicion (“Red Flags”) or with deliberate ignorance.

Compliance with Anti-Corruption Laws and this Code of Ethics is mandatory for all Company staff and its subsidiaries and business partners and staff thereof. This compliance entails:

- Ensuring that all Company’s dealings with, or related to, or involving a government official are conducted in compliance with this Code of Ethics and the Company Anti-Corruption Policy;
- Avoiding claims of corrupt behavior by being careful, prudent and vigilant when interacting with Government Officials, their family members, friends and partners
- Not tolerating Government Officials’ abuse of their official duties if done so out of mercenary or other personal interest;
- Recognizing that any employee who violates this Code of Ethics or Anti-Corruption Policy will be subject to disciplinary action and, possibly, to the termination of their employment contract and any other legal action to the extent necessary to protect Company’s interests.

5. Gifts and entertainment

By giving or receiving gifts or invitations to entertainment events of any nature we should ensure that this:

- Does not violate the law;
- Is in accordance with our business ethics;
- Does not create a conflict of interest, and;
- Would not be considered corrupt.

An exchange of gifts and/or invitations to entertainment events may improve business relations, but can also keep us from remaining unbiased towards a party with which we work. Even though the exchange of gifts and invitations to entertainment events is an accepted business practice, within reasonable and lawful limits, it can also create conflicts of interest.

When giving any gift or providing any entertainment we should follow Anti-Corruption Policy rules.

We should:

- Comply with local laws and regulations that apply to the Government Official;
- Provide gifts only in connection with a bona fide and legitimate business purpose;
- Have proper justification for providing certain gift or entertainment events.

We cannot:

- Be motivated by a desire to exert improper influence, or the expectation of reciprocity;
- Offer, promise, give, or accept any gift in cash or in-kind;
- Offer, present or receive anything illegal or non-ethical, which can create a reputational risk for the Company; anything intended for personal use, including luxury goods or any-thing that may violate a particular law or our Code of Ethics.

6. Interaction with healthcare specialists

Healthcare specialists are physicians and other medical professionals, pharmacists and other specialists working with medicines in a professional capacity and entitled to prescribe, recommend, acquire, sell or apply medicines and medical devices while performing their professional duties.

The Company's interaction with healthcare specialists should not result in conflicts of interest, in particular between those specialists' professional duties and our business interests. In particular, no conflict should arise when a medicine or medical device is being prescribed by a physician or recommended by a pharmacist.

Company interactions with healthcare professionals are professional in nature and are intended to facilitate the exchange of safety, medical or scientific information that will benefit patient care. To ensure an appropriate focus on education and informational exchange and to avoid the appearance of impropriety, it is not acceptable to offer, promise, provide or transfer any payment or any other advantage to healthcare specialists in any form for the prescription or recommendation of specific medicines and/or medical devices.

Any interaction with the healthcare specialist should be carefully considered for the subject of compliance with the local legislation. In no case remuneration to the healthcare specialists should be conditional on quantities of medicines and/or medical devices prescribed or sales of such medicines and/or medical devices.

The aim and primary purpose of all symposia, congresses and other professional, scientific or marketing events for healthcare specialists organized and/or sponsored by Company, should be to provide safety, scientific or educational information to them.

7. Relations with Business Partners

We should have business relations only with bona fide parties with reputations for professionalism and who work in good faith.

We are proud of the Company's reputation and the fact that its relations with our Business Partners are based on the principles of openness, and lawful and mutually beneficial coop-

eration. Establishing and maintaining relations with reliable Business Partners is an integral element of our success.

Relations with Business Partners should be based on mutual objectivity, fairness and loyalty. We are responsible for selecting and working with our Business Partners, thus demonstrating our commitment to fair business practices.

All Business Partners should undergo mandatory due diligence according to the procedure in the Company's Contractual Regulations or any other internal Company documents that may be amended from time to time.

As a general rule, our Business Partners should have an outstanding reputation for honesty and correct business practices, as well as high ethical standing and, if a company, not being recently incorporated.

Provisions for the activities of Business Partners should be continuously and appropriately monitored, in order to assure that they always act in compliance with the Anti-Corruption Laws.

We should:

- Follow a responsible approach to the selection of contracting parties, based on comprehensive due-diligence guarantees that their working methods will in no way damage our reputation;
- Ensure that all our contracting parties are familiar with this Code and Company's Anti-Corruption Policy to the extent necessary;
- Encourage and support all contracting parties in their aspirations to follow our business standards;
- Address any doubts regarding contracting party activities to the Compliance Officer to instigate an investigation of possible risks. Due to the sensitivity of the subject and possible penalties, the General Director should be contacted immediately in the every case of (suspected) breaches of the Anti-Corruption Laws;
- Ensure that all our employees engaged in government work know and abide by the specific laws and provisions (including those of the pharmaceutical industry) covering relations with Government;
- Include the additional agreement which indicates awareness of the requirements of Company's Code of Ethics and a commitment to follow related laws and regulations.

We cannot:

- Accept or ignore activities that, we believe, violate the Code of Ethics or Anti-Corruption Policy.

Business Partners

For the purpose of this Code the “Business Partner” means agents, intermediaries and other third party that offers intermediation services between R-Pharm and another trading party. The Business Partner acts as a conduit for goods or services offered by a supplier to a consumer. The definition of “agent” and “intermediary” according to the foreign legislation does not match with the definition according to the Russian legislation. According to the FCPA, agent relations are not only those prescribed by agency agreements, but any party representing the interests of R-Pharm before third party, including marketing services provided. According to the FCPA, distributors, for example, are traditionally considered as agents.

For the purpose of this Code, Business Partners include:

- Contract research organizations;
- Contract sales organizations;
- Co-promoters;
- Co-developers;
- Distributors;
- Other third party representatives.

Working with Business Partners may raise anti-corruption issues. Contracts with Business Partners must be negotiated, entered into and managed in compliance with Company’s Anti-Corruption Policy.

When engaging a Business Partner we should:

- Undertake selection procedures to an appropriate level of due diligence on the potential candidate;
- Be aware and respond to corruption risks or grounds for suspicion (“Red Flags”);
- Prior to engaging with them, obtain appropriate approval from Company management, according to our internal policy;
- Ensure that a clearly defined contract has been concluded before the Business Partner starts activities on the Company’s behalf.

When working with Business Partners we should:

- Always ask an invoice and require full disclosure of services provided;
- Avoid having frame contracts in place;
- Understand fees charged to ensure that costs correspond with work performed;
- Consult the Compliance Officer if in doubt.

We cannot:

- Make informal payments which are not sufficiently supported or substantiated;
- Violate laws and regulations;
- Pay fees which appear to be high in comparison with work done.

8. Political and public activity

We shall maintain political neutrality in all business-related events.

Nevertheless, liaisons with public organizations are an important and integral part of our business. Any such liaisons shall be arranged in accordance with the law and the Company's interests as well.

The Company acknowledges that its employees have the right to participate in political and public activities as individuals. However, employees should make sure that their personal views and opinions are not misconstrued as those of the Company.

The following rules should be applied when the operations of the Company require us to establish contacts with public organizations and political parties.

We should:

- Avoid sending any gifts, favors or leisure/social invitations to members of such organizations and parties as this may be seen as a corrupt practice and subject to prosecution by law.

We should not:

- Act on behalf of the Company in any political and public activities. Any participation in public activities on behalf of the Company should be coordinated with both the Company's management and the Compliance Officer beforehand.

9. Compliance with the law

We shall act in good faith when interacting with state bodies, including the officials of customs and taxation bodies.

Our products, both local and imported, and our activities are subject to numerous regulations and we must understand and abide by them when applicable.

We shall observe all applicable regulations on calculating any customs duties, customs fees, taxes, and levies.

We should:

- Prepare all documentation in strict compliance with any and all applicable rules and regulations;
- Be familiar with and observe all rules and limitations relating to our work;
- Be fair, accurate and open in our warranties and representations.

We should not:

- Accept or ignore any suspected violations of our law compliance standards. If you have any concerns, you should discuss them with your direct manager, the Compliance Officer, the Human Resources Director, the Head of Legal Department or the General Director of the Company.

10. Marketing activities

Product promotion should help people to use a medicine and medical device correctly, presented objectively, and should not exaggerate the properties of a medicine and medical device.

Any advertising campaign for the medicine and medical device should clearly identify the product as a medical substance.

Promotional activities should not be secretive in nature. They should not promote the medicine in such a way as to suggest that it has been clinically approved or promote it on post-approval observations and studies. Such approbations, programs and studies should be performed primarily for scientific purposes and should not focus on promoting prescriptions by healthcare specialists of the medicine. Materials relating to medicines and medical device and their use that are independent from advertising activities should expressly state that the Company produces the medicine and medical device, if applicable.

Only registered medicines are able to be promoted within Russian Federation territory.

This condition does not intend to violate any rights of the scientific community and society as a whole in relation to information on progress in science and healthcare. It does not intend to limit large-scale exchanges of scientific data, conducted according to the law, on medicines, such as through articles on medical studies published in special publications for healthcare specialists or through information given in presentations or question-and-answer sessions at scientific conferences. Similarly, this condition does not intend to limit the disclosure of information on any medicine to shareholders or other persons who should receive this information according to the law.

Advertising of medicines and medical device carried out on behalf of the Company should comply with advertising legislation and be coordinated with the Company's Marketing Department beforehand.

Advertising of medicines and medical device should contain objective, true and up-to-date information, based on information that fully accords with established procedure (marking, instructions for use, summary specifications).

Advertising information should be proven by scientific data. Certificates that prove such a fact should be submitted when requested by the interested parties. The Company should maintain an objective attitude when receiving reasonable requests and submit the information required.

Comparative advertising should only be carried out based on identical specifications and shall not deceive viewers, listeners or readers of the advertisement through lack of material information in the advertisement.

When expert conclusions or references to the results of studies/observations are used in advertising materials, both the information source and the date of its publication shall be specified.

When citing medical or scientific editions, or direct speech in advertising materials, the source of the citation/name of the speaker, date and place of publication/quote being given shall be specified.

The activity of the Company's medical representatives shall primarily be informational in nature and fully correspond to all rules and limitations established by law.

III. RESPONSIBLE BUSINESS

In the course of our business activities, we will adopt a responsible and fair approach.

Responsible corporate and personal conduct is critical for working with assets, and accounting documentation and information.

This section contains:

1. Accounting accuracy, financial reporting and information disclosure
2. Using property, assets and resources of the Company
3. High quality production and business standards
4. Confidentiality of information (data protection)
5. Electronic communications
6. Conflicts of interests
7. Public relations
8. Discrimination and abuse
9. Health and safety at work
10. Human rights
11. Investigations into violations and liability

1. Accounting accuracy, financial reporting and information disclosure

We will fairly, accurately and objectively communicate and record all our financial and non-financial information, as this will allow the Company to take informed business decisions, protect our resources, and fulfill all our legal and other obligations.

Both financial and non-financial information may acquire different forms, from expense reports and timesheets to transactional and forecast accounting.

We all play an important role in providing accurate and complete financial, tax, accounting, management and commercial accounting and reporting.

Falsification of documents and misrepresentation of facts is fraudulent and the Company's employees should make every effort to guarantee the completeness and objectiveness of all information submitted in any type of reporting documentation.

We should:

- Ensure that all reports, information disclosures, forecasts and analyses that we are responsible for are fair and accurate;
- Observe all laws, accounting requirements and procedures established by the Company when submitting financial or any other information;
- Act in good faith and be punctual when reporting our own travel and other expenses, and when approving such reimbursements to third parties;
- Interact conscientiously and openly with external auditors engaged by the Company's management;
- Avoid cash transactions. If no alternative exists, cash operations should be approved by the direct manager of the employee and be subjected to the due accounting and documenting procedures;
- Guarantee that any undertakings made on behalf of the Company are within the limits of the powers delegated to us;
- Make all efforts to uncover any possible corruptions of documents, data or records, as well as any other cases of possible deception or fraud, and report any doubts we have about the accuracy and completeness of any kind of reporting.

We should not:

- Prepare or submit on behalf of the Company any information intended to deceive its recipient(s);
- Make false or deceptive records in documents or reports that are issued on behalf of the Company;
- Disguise the actual purpose of any operation carried out by the Company;
- Sell, transfer or expropriate any assets of the Company without preliminary approval and preparation of the documentation required;

- Amend or destroy any Company documents except where an employee of the Company has been authorized to do so in accordance with the relevant rules and procedures;
- Participate in any actions intending to exaggerate or shift sales amounts or profits from one reporting period to another, which could distort financial indicators of the Company;
- Submit, either orally or in writing, any information on the Company's operations which could allow a counterparty to prepare inaccurate or deceptive reports.

2. Using Company property, assets and resources

Property, assets and resources of the Company are only for the purposes of carrying out business activities. We will ensure that they are justly and correctly used.

Any unjust or unauthorized use will negatively affect the Company's profitability.

We shall not use the property, assets and resources of the Company in any way that could be hazardous, illegal, immoral or unethical, or that puts ourselves or the Company in an embarrassing situation.

Company time includes the working time spent on fulfilling our obligations. We are all responsible for using our working time that of our colleagues optimally.

Confidential information on the Company and the Company's intellectual property are forms of property, assets and resources of the Company. We all must protect them to ensure the due document flow, accounting and protection is carried out.

We have to apply all practicable means to protect the property, assets and resources of the Company. This includes their physical protection, regardless of cost, to stop them being taken or used without the approval of an authorized employee in the Company. This will also mean that such assets and resources are used economically and correctly.

We are also responsible for uncovering and preventing thefts, embezzlement and any other incidents of assets, property and resources of the Company being taken against the will of the Company as is within our power, as long as our personal health and safety, and that of any third person, is not threatened.

We will:

- Protect and use the Company's property as you would protect and use your personal property, protecting it from theft, loss, fraud and misuse;
- Ensure that all costs, including requirements for recovering expenses, are supported by fair, accurate and correctly-issued documents;
- Give fair and accurate calculations of working time;

- Ensure that all instruments acquired by the company for work purposes, including means of transport, electronic systems, personal computers, portable computers and mobile devices are used in an honest, reasonable and appropriate way.

3. High quality production and business standards

Guaranteeing a high quality of production and services for our counterparties and consumers is the most important factor for the sustainability of our business.

We will promote the highest standards by actively looking to improve operational techniques in all aspects of our business, particularly in production and sales.

We will:

- Demonstrate our commitment to the highest quality of standards and continuously focus on the quality of everything we do;
- Never stop searching for ways to improve the efficiency of our activities;
- ensure relations with counterparties are established according to our standards and applicable laws;
- Provide effective control measures which guarantee that every problem affecting our standards or levels of quality is quickly discovered so we can try to remedy the situation;
- Not hinder common efforts to improve our operational standards.

We will not:

- Approve of or ignore a decrease in our standards.

4. Confidentiality of information (data protection)

We shall process and store any data belonging to the Company and to third parties, including personal information with due respect and sensitivity, and carry out such operations in accordance with our obligations to counterparties and the law, including laws on state, commercial and other protected secrets, and on personal data protection.

We will:

- Collect and use confidential and personal information exclusively for business purposes according to procedures established by the law and by agreements signed by the Company;
- Guarantee that the individuals whose information is at our disposal are aware of this and understand how this information will be used;

- Distribute and use such information once the individuals that the information is based on have given their consent;
- Keep confidential and personal information securely, in both hard and soft copies, according to the procedure established by internal Company regulations and by law;
- Restrict access to confidential and personal information to Company employees and counterparties who need it for carrying out of their business activities and who have undertaken in writing the responsibilities of the Company in terms of handling such information;
- Guarantee that confidential and personal information is accurate and up-to-date;
- Return or destroy confidential and personal information if there is no more need for it;
- Guarantee that all employees of the Company processing data understand their duties and demonstrate a responsible attitude when performing their job;
- Observe all legal requirements on personal and confidential information;
- Report any incidents of illegal or unauthorized use of confidential and personal data, as well as their loss, including the loss of data storage.

We will not:

- Receive, store or distribute any information which may be considered offensive to other individuals and lead to legal action taken against us or the Company.

5. Electronic communications

We are provided with electronic devices, such as telephones, computers and portable communication devices, to help us to carry out our jobs.

Electronic equipment and the information contained in them are the property of the Company. The Company reserves the right to track or filter information being transmitted via electronic communication channels for the purposes of protecting the business from intrusions, loss of information, financial losses and legal action.

The Company's electronic equipment shall be used by the employees of the Company only for carrying out the functions required of their role within the Company.

We will not:

- Install software on any devices belonging to the Company, or connect such devices to any other equipment, without the IT Directorate issuing a permit to do so;
- Disable equipment protection functions;
- Tell access codes (passwords/logins) for Company electronic devices to any third party, as well as the access codes for software resources, servers and corporate email providers.

6. Conflict of interest

Our business decisions shall always be taken based on the interests of the Company once the Company's management has been informed and has approved them. At the same time, we shall not permit our personal or family interests to conflict with the interests and obligations of the Company.

A conflict of interests may arise in the following situations:

- If your family member, your friend or close relative are employees of a counterparty of the Company;
- If you have any financial interests in an actual or potential counterparty of the Company;
- If you have a family member, a friend or close relative who is working at the Company or looking for a job with the Company.

If you have any reasons to believe you are in a situation where a conflict of interest may arise, you should report to your direct manager, the Compliance Officer or the Human Resources Director.

It is possible that no conflict exists at all or it can be resolved as appropriate.

We should:

- Avoid situations where our personal interests or those of our partners, family members, friends or close relatives could conflict with the interests of the Company.

We should not:

- Abuse our position in the Company to obtain personal benefits or benefits for a third party, including partners, family members, friends and close relatives.

7. Public relations

Our reputation depends on our professional and ethical conduct. Everything we do and say and everything that is said about us by third parties define the Company's reputation.

We shall protect the integrity of information we provide, ensuring that honest and accurate information on the Company is available to everybody on an equal basis, founded on the principles of confidentiality and legality.

Many of us regularly interact with one or more third parties as part of the Company's business activities.

We should:

- Present requests from the media and the press to the Marketing and Business Development Director.

We should not:

- Use letterheads, logos or Company emails to express our personal points of view, or use them for purposes unrelated to the business activities of the Company;
- Say or write anything on behalf of the Company when we do not have the authority to do so;
- Say or write anything on behalf of the Company which falls outside of our area of competence;
- Write something in a blog without clearly stating that we are presenting our personal view rather than that of the Company or its management.

8. Discrimination and abuse

We should all strive to maintain an environment of decency and respect, free of any kind of abuse, discrimination or other type of derogatory conduct.

Any conduct or action which violates the above principle and, in particular, forcing someone to do something and intimidation of any sort are unacceptable and shall not be tolerated.

We will guarantee that none of our colleagues is subject of discrimination on the grounds of his or her age, race, origin, gender, sexual orientation, limits to his or her abilities, political views, religion, marital status, physical health and/or mental health. Any offence to the personal honor and dignity of another, as well as the distribution or demonstration of offensive or discriminatory materials, also represent unacceptable conduct.

We are responsible for implementing the Company's commitment to creating a healthy working environment that provides equal opportunities to all, and where job positions in the Company are occupied by the most competent candidates who have been fairly assessed on their ability based on their skills, attitude to work, abilities, professional experience, qualifications and work efficiency.

Relations with employees

We will provide each Company employee, regardless of his or her location, with safe, appropriate working conditions that meet all legal requirements and labor regulations.

We will:

- Take an unprejudiced and equal attitude to all colleagues;
- Show respect to cultures which may differ from our own;

- Hire, promote, create incentives, punish and provide other work conditions regardless of age, race, origin, gender, sexual orientation, limits to employee capabilities, political views, religion, marital status, physical health, mental health, and any other status which is protected by the law;
- Adapt in a sensible manner to our colleagues regardless of their age, race, origin, gender, sexual orientation, limits to their capabilities, political views, religion, marital status, physical health and mental health.

We will not:

- Allow any discriminatory factors to influence our decisions either directly or indirectly related to hiring, providing incentives to or promoting an individual;
- Take part in any undue exertion of force or offence, or conduct ourselves in a way that may be perceived as aggressive, intimidating, malicious or offensive;
- Allow or participate in actions that exclude individuals or groups of people from team- or group-based activities of the Company, public and mass events of the Company, or any other type of team work;
- Allow or participate in any form of behavior that creates hostile working conditions.

9. Health and safety at work

We shall maintain a culture that promotes high levels of health and safety in the Company and that rejects unacceptable or potentially hazardous conduct.

We will:

- Conform with health and safety regulations;
- Understand dangers, risks when performing our responsibilities in the Company and how to respond;
- Be familiar with what needs to be done in emergency situations and compare our knowledge against all available and legal methods;
- Take preventive measures to protecting our own and colleague health and safety;
- Include health and safety protective measures in our routine activities;
- Report all accidents, incidents, injuries and violations of safety and workplace hygiene rules to the Company's Health and Safety engineer.

We will not:

- Allow activities or ignore activities that violate health and safety rules applicable to the Company according to legal requirements.

10. Human Rights

When performing business activities in the Company, we must uphold and protect human rights and ensure we do not do anything which directly or indirectly violates them.

We shall strive to eliminate any human rights violations which could arise in a labor market, particularly if related to the business of the Company.

11. Investigations into violations. Liability

Investigations into possible violations of the Code

In response to any information we receive on a possible violation of this Code, an investigation shall be performed by the Compliance Officer of the Company with the relevant qualifications and authority, along with specialists from Human Resources Department and the Legal Department when necessary. All investigations will be fully comprehensive, objective and in full compliance with the Code and relevant laws that guarantee the rights and legal interests of a worker.

Investigation principles

If we are informed of a possible violation of the Code, the Compliance Officer shall decide together on the launching of an investigation and its composition. In order to ensure the process is fair and objective for individual cases, the investigation commission shall be formed of individuals who are not related to the business unit where the supposed violation took place.

Investigations will:

- Be performed as quickly as is reasonably possible to avoid any unfairness to any of the individuals involved;
- Be performed in such a way as to ensure complete confidentiality and the observance of third-party rights and legal interests. We promise that any individual subject to an investigation is fully aware of the nature of the allegation made against him or her, and what specific aspect of the Code they have been accused of violating;
- Ensure that evidence collected is comprehensive, trustworthy and legally obtained;
- Be conducted in a professional and thorough manner;
- Be conducted in accordance with the law and internal Company documents, and guarantee the right of all the subjects of the investigation to attend commission sessions and participate in its work.

Should sufficient and trustworthy evidence of a violation of the Code be obtained through an investigation, further actions will be taken including disciplinary actions in accordance with procedures established by the law and internal Company documents.

When an investigation is completed, its conclusions and final outcome, including copies of official letters, shall be stored in the personal file of the employee who violated the Code. Employees should know that this information will be kept in their personal files for a period of time as defined by the law.

Disciplinary actions

Standard disciplinary actions will be carried out and, if the Code has been violated, corresponding disciplinary action will be executed, including potential dismissal from the Company.

Other liabilities

If any Code violation is a legal violation as well, the Company shall immediately inform the relevant state bodies and take immediate action to stop such a violation and/or its consequences (depending on what can reasonably be done in the circumstances) and will assist the respective state bodies in prosecuting the guilty individuals.

Right to appeal

All individuals proved to have violated the Code have the right to appeal to the senior management of the Company the decision taken by the commission.