



Code of ethics

éthi*Q*ualité



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DÉFINITIONS

Arkopharma:

Apharma TopCo and all entities in which Apharma TopCo holds, directly or indirectly, more than 50% of the share capital.

Chief Compliance Officer:

A Manager responsible for implementing Arkopharma's ethical principles and rules within the limits defined in this Code.

Compliance Committee:

The committee comprising three members in charge of the organisation, roll-out, monitoring and control of the application of the Code.

Compliance Department:

The team comprising the Compliance Officers, the Executive Committee Advisers and the Chief Compliance Officer appointed to identify, assess and control the risks of non-compliance for Arkopharma, defined as the risks of penalties imposed by the courts or the administrative authorities, material financial loss or reputational damage, arising from breaches of corporate criminal law, provisions that are specific to the pharmaceutical industry, professional and ethical standards or the ethical principles set out in this Code.

Compliance Officers:

The team of Members of Staff appointed to communicate the principles of the Code within Arkopharma, answer any questions from Members of Staff and refer any to the Chief Compliance Officer and/or the Executive Committee Advisers (please see the list appended to the Code).

Corporate Officer:

Any corporate officer of any Arkopharma entity, whether such person is a manager, chairman, chief executive officer, chairman and chief executive officer or member of a board of directors.

Customer:

A buyer of goods and/or services offered by Arkopharma, or a prospect.

Executive Committee Officers:

Division managers responsible for ensuring that the principles of the Code are properly understood and complied with (please see the list appended to the Code).

Healthcare Professional:

The term 'Healthcare Professional' includes all occupations involved in the delivery of care. This term refers to the medical professions (doctors, pharmacists, dentist-surgeons, midwives, etc.) and the paramedical professions (physiotherapists, nurses, speech therapists, chiropodists, etc.). These professions are regulated by the French Public Health Code. Healthcare Professionals work jointly and in teams to dispense care and treat patients and maintain or improve the health of the sick, injured or disabled.

Human Resources Department:

The team of Members of Staff appointed to deal with the management of employment matters, employment contracts, career development, pay and training for all Members of Staff.

Legal Department:

The team of Members of Staff appointed to provide a secure framework for all of Arkopharma's legal affairs (nationally and internationally) and who are involved in matters of contract (the drafting, negotiation and supervision of various contracts), company law (the management and supervision of corporate matters), trade mark and patent law, insurance law (the management and supervision of policies), real estate law (business leases and various corporate transactions) and pre-litigation and litigation.

Manager:

An employee in charge of managing and running an Arkopharma team.

Member of Staff:

Any individual who is an Arkopharma member of staff.

Service Provider:

Any individual or legal entity who provides services to Arkopharma, including consultants.

Supplier:

Any individual or legal entity who supplies goods to Arkopharma.

Third Party:

Any person or entity external to Arkopharma.

1

INTRODUCTION

- 1.1. Message from Management
- 1.2. Why an EthiQuality Code?
- 1.3. The role of Members of Staff
- 1.4. Arkopharma's principles and values
- 1.5. Integration with the Health, Safety and Environment Code



1.1. Message from Management

Audaciousness, Respect, Creativity, Humanity and Excellence are Arkopharma's 'ARCHE' values.

Arkopharma therefore attaches the utmost importance to complying with the laws, regulations and ethical principles that govern its business throughout the world. **Promoting an ethical and compliance culture is at the heart of Arkopharma's priorities** and it has therefore decided to document its commitment **by means of this Code.**

Arkopharma's **strive for excellence** must necessarily include a **commitment to acting with integrity.** Ensuring compliance and acting ethically are an integral part of the day-to-day work of Members of Staff.

In an ever-changing world, the decisions we all take every day can have a significant impact on Arkopharma's reputation. We must therefore ensure at all times that our initiatives and actions are carried out **in accordance with applicable law and regulations** but also in accordance with the **ethical good practice, rules and principles** to which Arkopharma subscribes.

Please read this Code carefully and refer to it if ever you have the slightest doubt regarding something done in Arkopharma's name. Upholding Arkopharma's integrity is key to building the foundations of our future. We all share this responsibility

Sincerely,

Arkopharma Management

1.2. Why an EthiQuality Code?

This EthiQuality Code (referred to below as the ‘**Code**’) sets out the rules and procedures that will guide Members of Staff in carrying out their day-to-day tasks and activities and ensure that Arkopharma’s legal, regulatory and ethical values and obligations are complied with.

This Code has been drawn up to explain clearly the rules that apply to all Members of Staff so that they can act and take responsible decisions as part of their daily functions and tasks.

This Code is not intended to replace applicable laws and regulations but to provide clarification and guidance for each Member of Staff regarding ethical rules and practices. Beyond simple compliance with laws, this Code is to help everyone show good judgement and to behave in the appropriate ethical way expected of them, reflecting Arkopharma’s commitment to act with integrity. This Code may occasionally differ from the laws and regulations of the countries in which Arkopharma operates. If this happens, the ethical principles contained in this Code apply, to maintain consistency between the commitments made by Arkopharma’s Senior Management and the values that Arkopharma upholds.

1.3. The role of Members of Staff

This Code applies to all Members of Staff in all countries in which Arkopharma operates, in accordance with international standards and the legislation and regulations that apply in each location. Involving everyone in compliance with these ethical principles will enable Arkopharma to better achieve its goal, protect its image and reputation and develop in a safe and secure environment.

All Members of Staff must familiarise themselves with this Code, read it carefully and agree **to comply with it as part of their day-to-day activities**. Each Member of Staff must be in a position to anticipate the compliance risks involved in his or her job and responsibilities.

Members of Staff must decide what approach to take in the critical or delicate situations they may face as part of their professional work.

For this reason, Members of Staff must notably ask themselves:

- whether the applicable laws and regulations have been complied with;
- whether the internal procedures have been implemented;
- whether the ethical principles have been complied with; and
- when they should refer something to their line managers if a breach of the Code is suspected.

Furthermore, Managers and Corporate Officers must ensure that the decisions and judgements they make comply with the provisions of the Code. They must also develop a culture of ethics and compliance within the teams they manage and promote respect for the principles and rules set out in the Code. Lastly, Managers and Corporate Officers must encourage direct and transparent communication on any ethical questions, however complex, that Members of Staff may raise.

Arkopharma will provide suitable training to ensure that each Member of Staff familiarises himself or herself with the ethical and compliance principles contained in this Code. Following these training sessions, any Members of Staff who require further information are encouraged to ask their Compliance Officers.

The Code describes below (please see Section 5, ‘Dealing with concerns and suspicions regarding breaches of the Code’) **the communication and whistleblowing procedures in place to obtain advice on its contents and to deal with any suspected breaches of its provisions.**

As a general rule, the first step a Member of Staff must take when faced with a compliance issue or a suspected breach is to notify his or her line manager of the concern. If a Member of Staff thinks that this is not the right course of action, he or she may also contact his or her Compliance Officer, the Legal Department, the Compliance Department and/or the Human Resources Department.

A Member of Staff who notifies his or her Manager of a suspicion will not face any disciplinary action provided that the Member of Staff acted in good faith, with no intent to cause harm, even if the facts that are the subject of the suspicion prove to be inaccurate or the matter is not pursued.

Arkopharma’s policies, including those described in this Code, apply to all Members of Staff.

1.4. Arkopharma's principles and values

The Code is based on Arkopharma's values set out in its 'Code of Values':

Audaciousness Creativity

Humanity

Respect

Excellence

Arkopharma reaffirms its belief in these key values that are shared by all Members of Staff.

Arkopharma's Customers and shareholders have a right to expect that Arkopharma and its Members of Staff meet the highest ethical and compliance standards. Arkopharma undertakes to comply with all applicable laws and regulations in all countries in which Arkopharma trades. Arkopharma will not tolerate any unlawful or unethical behaviour.

1.5. Integration with the Health, Safety and Environment Code

This Code forms part of Arkopharma's efforts in terms of Corporate Social Responsibility ('CSR').

The other CSR policies and codes introduced by Arkopharma are described in the Arkopharma Quality Manual (4000000004) - in particular the Health, Safety & Environment Process (9000000008) and the Quality Process (9000000007) - and therefore supplement this Code.

2.

COMPLIANCE RULES IN THE WORKPLACE

2.1. Respect for the individual

2.2. Confidentiality of personal data and the right to privacy

2.3. Protection of reputation

2.4. Prevention of conflicts of interests

2.5. Use of Arkopharma resources

2.1. Respect des personnes

- Arkopharma commits to ensuring that its recruitment policy is founded on **respect for Members of Staff** and **diversity**, to create **the spirit of collaboration** that is needed for a responsible business to thrive.
- Arkopharma guarantees **equal opportunities** and will treat each Member of Staff **fairly and respectfully**.
- **Arkopharma manages the careers of its Members of Staff in the same way, and prohibits any form of discrimination on the basis of:**
 - age
 - origin
 - whether or not one belongs to an ethnic group
 - whether or not one belongs to a nation
 - whether or not one belongs to a race
 - whether or not one belongs to a specific religion
 - genetic characteristics
 - sex
 - sexual identity
 - sexual orientation
 - health
 - pregnancy
 - disability
 - family circumstances
 - name
 - trade union activity
 - morals
 - political opinions
 - place of residence
- **Certain differences in treatment may still be allowed** if based on competency, experience or relevant objective criteria and if they meet an essential and determining professional need, **where the objective is legitimate and the requirement is proportionate**.
- **Arkopharma commits to prevent and punish severely any attack on a person's dignity and particularly any act of moral or sexual harassment.**
- Arkopharma will ensure that its Members of Staff treat their colleagues with kindness and courtesy, to create a pleasant working environment for everyone.



APPLICABLE LAW

Pursuant to **Article L.1132-1 of the French Employment Code**, no person shall be denied access to a recruitment procedure, work placement or training within a company, no employee shall be punished, dismissed or subjected to discrimination, direct or indirect, particularly in terms of remuneration, profit-related rewards, share distributions, training, redeployment, assignment, grade, classification, promotion or transfer opportunities, or contract renewal due to their origin, sex, morals, sexual orientation or identity, age, family circumstances, pregnancy, genetic characteristics, actual or assumed ethnic origin, nationality, race, political opinions, union or mutual insurance group activities, religious beliefs, physical appearance, family name, place of residence, health or disability.

Pursuant to **Article 225-2 of the French Criminal Code**, a person who discriminates against an individual based on their origin, sex, family circumstances, pregnancy, physical appearance, name, place of residence, health, disability, genetic characteristics, morals, sexual orientation or identity, age, political opinions, union activities, actual or assumed ethnic origin, nationality, race or religion, shall be liable to imprisonment for a term of 3 years and to a fine of €45,000 if the act of discrimination involves making a job



offer, work placement or training within a company contingent on a requirement based on one of the acts referred to in Article 225-1 or Article 225-1-1, or refusing to accept a person for a work placement.

Pursuant to **Article 222-33-2 of the French Criminal Code**, a person who harasses another by repeatedly making statements or engaging in conduct which has the purpose or effect of creating a hostile work environment with the likely result of infringing the victim's rights or dignity, harming his or her physical or mental health, or jeopardising his or her future career shall be liable to imprisonment for 2 years and to a fine of €30,000.

PLEASE REMEMBER

1. Behave in a respectful and kind way and avoid any form of harassment or discrimination towards other Members of Staff, Suppliers, Service Providers, Customers and any Third Parties in your professional dealings.
2. Inform the Human Resources Department of any behaviour that could amount to harassment or discrimination.



QUESTION/ANSWER

As part of the selection of a candidate to replace a Member of Staff who is retiring, my Manager implicitly asked me to avoid recruiting a disabled person, on the presumption that the disabled person would be less efficient than a person who is not disabled.

Should I take this implicit request into account?

Arkopharma forbids any form of discrimination whether in the selection of candidates or how work is carried out. The selection of a candidate must be made on the basis of objective criteria in light of the candidate's skills and merit. It is therefore strictly forbidden to take such considerations into account. You must not hesitate to discuss this request with your Human Resources Department or the Compliance Department.

2.2. Confidentiality of personal data and the right to privacy

● Arkopharma attaches the utmost importance to the protection of personal data relating to its **Members of Staff, Customers, Service Providers, Suppliers and Healthcare Professionals**, in accordance with applicable laws, and **the right to privacy**.

● Personal data means any element that enables a person to be identified (directly or otherwise and whether the person is identified or simply identifiable) by reference to an identification number or one or more elements that are specific to that person, including :

- first name(s) and surname
- email address
- postal address
- telephone number
- date of birth
- photograph
- social security number
- payment card number
- fingerprint
- biometric data
- DNA
- vehicle registration plate

● **Arkopharma undertakes to only collect, use, store and distribute personal data for specific and lawful purposes.**

● If such personal data is retained, **Arkopharma will ensure that such data is protected**. Once Arkopharma no longer requires the personal data, it will be destroyed in accordance with whatever timeframes and rules apply in the relevant location.

● Arkopharma will ensure at all times that the persons whose personal data is collected are informed of the type of data collected, how it is used and the method for contacting Arkopharma for their rights to be enforced.

● Persons whose data is collected and/or processed, including Members of Staff, have an **individual right to access and correct their personal data and control the collection, processing, use, distribution and storage** thereof.

- **Members of Staff are required to obtain permission from the Legal Department before transferring personal data outside the country in which it was collected.**
- The confidentiality of personal data is also regulated by the Arkopharma Joint Works Council IT Code. Moreover, Arkopharma Laboratories has appointed a Data Protection Officer to ensure that Arkopharma Laboratories is compliant with the French Data Protection Act.
- **Arkopharma cannot interfere in the private lives of its Members of Staff or breach the confidentiality of their correspondence or personal files.**
- The work carried out by Members of Staff during working hours and as part of their professional duties is presumed to be professional.



APPLICABLE LAW

In France, the processing of personal data is governed by the **Loi Informatique et Libertés (Data Protection Act) No 78-17 of 6 January 1978**, which was revised under the Act of 6 August 2004 and the General Data Protection Regulation (EU) 2016/679 applicable as of 25 May 2018.

An organisation or a company is only permitted to process personal data (particularly by creating and storing a file or sending an e-mail containing such data) and to collect and retain personal data on the following conditions:

1. the person or department responsible for the processing, collection and retention of personal data must first submit a declaration to the CNIL (French data protection authority). This declaration is approved by the allocation of a registration number. However, pursuant to Article 42 et seq. of the French Decree of 20 October 2005, notwithstanding the foregoing, a declaration is not required for processing operations for which the data controller has appointed a personal data protection officer;
2. the data must be processed for a specific and legitimate purpose and must not be retained for longer than the period of time necessary for the purpose sought; and
3. the person in charge of the file or processing of personal data must inform the data subjects of the purpose for which their data is to be processed, of the identity of the persons to whom the information will be sent, and of the data subjects' right to access and rectify their personal data and to object to the use or listing thereof.

The collection of certain 'sensitive' personal data (information concerning



a person's racial or ethnic origin, health or opinions) is prohibited. Only government files are exempt from this prohibition (files held by a public authority such as the police force, intelligence service, tax authorities, etc.), subject to certain conditions.

Pursuant to **Article 226-16 et seq. of the French Criminal Code**, a person who breaches these rules shall be liable to imprisonment for a term of 5 years and to a fine of €300,000.

Under **Article 8 of the European Convention on Human Rights and Article 9 of the French Civil Code**, everyone has a right to privacy, which includes the right to respect for his or her correspondence. Pursuant to **Article L.1121-1 of the French Employment Code**, in the context of relationships between an employer and its employees, this right may be subject to restrictions, but only if such restrictions are necessary and proportionate to the purpose sought. Pursuant to the aforementioned provisions, employees' e-mails and files that are stored on their work computer and marked 'private', 'personal' or 'confidential' must not be opened and read by their employer. Pursuant to **Articles 226-1 and 226-15 of the French Criminal Code**, a person who infringes another's right to respect for his or her privacy or correspondence shall be liable to imprisonment for a term of 1 year and to a fine of €45,000.

PLEASE REMEMBER

1. When data is collected, ensure that it is done in accordance with applicable legislation and that the relevant person has been properly informed of the type of data collected, his or her rights to access and correct such data, and the dedicated Arkopharma contact in the event that the person wants to enforce his or her rights (the Data Protection Officer for Arkopharma Laboratories).
2. Before transferring any data outside the country in which it was collected, contact the Legal Department.
3. Arkopharma guarantees the privacy of each Member of Staff and the confidentiality of his or her correspondence and personal files.

QUESTIONS/ANSWERS

A close friend, who works in a service company, asks you if you would send him the business contact details of certain Arkopharma Managers to offer them services.

How should you proceed?

All Members of Staff are prohibited from disclosing these addresses, even business addresses, if the relevant persons have not agreed to this. If the service offered by your friend would be of real interest to Arkopharma, you should therefore suggest to the relevant persons that they contact him directly, and also notify the Legal Department of your friendship with the Service Provider, so that you do not breach the applicable ethical principles and rules relating to conflicts of interests.

A Member of Staff leaving on vacation asks you at the last minute for the addresses of certain Members of Staff 'to send them a postcard during my stay in Martinique', addresses that you hold in your capacity as a human resources manager.

Can you pass them on to him and, if so, what is the procedure?

The personal data of Members of Staff is strictly confidential. It is therefore forbidden to pass them on to anyone, even within Arkopharma. You must therefore remind this Member of Staff that you are forbidden from passing these addresses on to him but that he can, of course, ask them directly for their addresses if he wishes to send them a postcard.

2.3. Protection of reputation

- Arkopharma reminds Members of Staff that the protection of its image and reputation is a key issue in its development, and requires each of its Members of Staff to be aware of his or her responsibility in this regard and to comply with the following principles.
- External communications by Members of Staff are deemed to be done privately, save where they are officially authorised to communicate in Arkopharma's name.
- Each Member of Staff will ensure that he or she communicates in a **responsible manner**, irrespective of the medium, especially via social networking sites (Facebook, LinkedIn, Twitter, YouTube, Flickr, Tumblr, etc.), to avoid harming Arkopharma's image and reputation.
- **Remarks made publicly by any Member of Staff must never be insulting, offensive, outrageous or disrespectful towards anyone and must not be political, religious, sexual or racist.**
- If a Member of Staff notices an inappropriate communication by any of his or her colleagues, **he or she must notify the Compliance Department of the situation.**
- **Only those departments and persons who are duly authorised, having been specifically trained in communications, are permitted to communicate officially in Arkopharma's name, regarding its products, business, practices and Customers, within the framework of Arkopharma's communications policy.**





PLEASE REMEMBER

1. Use all means of communication to which you have access responsibly.
2. Systematically avoid posting on social networking sites facts relating to your work or the work of other Members of Staff.
3. Do not act as a spokesperson for Arkopharma unless officially asked or permitted to do so.

QUESTION/ANSWER

To celebrate his promotion within Arkopharma, one of your colleagues invites you, along with a few other Members of Staff, to mark the occasion in a bar far from the premises where you usually work.

The next day, you notice that one of your colleagues who was there the night before has posted on his Facebook account certain inappropriate photos which lead to numerous comments.

Can you just ignore these photos which were taken outside your workplace and which do not concern Arkopharma's image directly?

If these photos could lead to comments that refer to Arkopharma (which is the case if you appear next to your work colleagues) in a derogatory or simply crude or inappropriate way, you are strongly advised to ask your colleague to remove the photos from his Facebook account. If he refuses or if you have any doubts, speak to the Compliance Department.

2.4. Prevention of conflicts of interests

- Arkopharma expects its **Members of Staff to act in an objective, impartial and fair manner** at all times, and that they give priority to the interests of Arkopharma over their personal interests in the conduct of their business relationship or their working relationships in general.
- A **conflict of interests** arises where a Member of Staff is confronted with a situation whereby his or her **personal interests** or those of persons close to him or her (family members or friends) **conflict or compete with Arkopharma's interests**.
- **Members of Staff must not rely on their professional position at Arkopharma to obtain personal advantages, either directly or indirectly.**
- **In order to avoid any apparent conflict of interests, Members of Staff must inform their Manager and the Legal Department of any relationship they have with a Supplier, Service Provider, Customer, candidate in an invitation to tender or competitor of Arkopharma.**
- **Members of Staff must never accept from a Supplier, Service Provider, Customer or any Third Party a gift or an advantage that exceeds the limits acceptable locally, as set out in more detail in the 'Combatting unlawful payments, bribery, corruption and influence peddling' Section of this Code.**
- **Arkopharma acknowledges that, in their private life, its Members of Staff may belong to an association and support or join a political demonstration. If they do, in order to avoid any conflict of interests, each Member of Staff must comply with the ethical principles set out in the 'Involvement in politics, organisations and lobbying' Section of this Code.**



PLEASE REMEMBER

1. A conflict of interests arises where a Member of Staff is confronted with a situation whereby his or her personal interests conflict with Arkopharma's interests.
2. Avoid any situation whereby your personal interests or those of persons close to you risk conflicting with Arkopharma's interests.
3. Report any potential conflicts of interests of which you are aware to your Manager and the Legal Department

QUESTION/ANSWER

Your wife, who works as a salesperson in a translation company, asks you to present the company's services to Arkopharma so that she can demonstrate her employer's competitiveness and the efficiency of the services it provides (the best on the market) and thus potentially increase her commission. Should you agree?

A conflict of interests does not systematically prohibit a close relative or friend from entering into a business relationship with Arkopharma. If you have reason to believe that your wife's translation company offers good value for money, you may pass on her contact details to the Member of Staff in charge of these types of services, provided that you inform that Member of Staff of your connection and refrain from interfering in the business relationship in any way.

2.5. Use of Arkopharma Resources

- The resources made available or provided to Members of Staff, including equipment, data covered by intellectual property and software, **enable Arkopharma to secure its economic development and thus the continuity of its business.**
- As a result, each Member of Staff must take care of the assets made available to them by Arkopharma, protect them and ensure their integrity.
- Generally, Members of Staff must refrain from using Arkopharma's assets and resources for personal use.
- **Exceptionally**, however, Arkopharma accepts that Members of Staff may use the **computer and e-mail system made available to them, on condition that such personal use is limited**, made in accordance with the principles set out in the Arkopharma Joint Works Council IT Code, **does not interfere with the work of the relevant Member of Staff and does not harm the image or interests of Arkopharma.**
- Each Member of Staff is required to report any inappropriate or unauthorised use of Arkopharma's assets and resources to the Legal Department.
- Members of Staff must take **great care** when using Arkopharma's financial resources or making a financial commitment on Arkopharma's behalf in the course of their work.
- Arkopharma agrees, moreover, to implement **internal procedures** in order to **identify and prevent damage to, or misuse of, its assets.**



APPLICABLE LAW

Article 314-1 of the French Criminal Code defines a breach of trust as an act whereby a person misuses, to the detriment of another, funds, securities or an item of property provided to him or her and which he or she has promised to return, promote or use for a specific purpose. Accordingly, a breach of trust arises where a person to whom (i) a chattel (ii) has been provided on a temporary basis (iii) ultimately misuses the chattel by retaining it, destroying it or forwarding it to a third party.

Article L.241-3 of the French Commercial Code defines the misuse of company assets as an act whereby a corporate officer knowingly uses, in bad faith, the assets or funds of a company for a purpose that conflicts with the company's interests, for personal use or for the benefit of another company or undertaking in which that corporate officer has a direct or an indirect interest. Accordingly, a misuse of company assets arises (i) where a corporate officer (ii) uses the assets or



funds of a company for a purpose that conflicts with the company's interests, (iii) in bad faith and for his or her own personal use.

Pursuant to **Article 314-1 of the French Criminal Code and Article L.241-3 of the French Commercial Code**, a person guilty of a breach of trust or misuse of company assets shall be liable to imprisonment for a term of 3 years and to a fine of €375,000. Pursuant to **Article 314-12 of the French Criminal Code and Article L.249-1 of the French Commercial Code**, a legal entity that commits or is an accomplice in a breach of trust or the misuse of company assets shall be liable to a fine of up to €1,875,000.



PLEASE REMEMBER

1. Please take good care of the assets that Arkopharma makes available to you.
2. No Member of Staff may use any business assets and resources for personal use.
3. Each Member of Staff has an obligation to notify the Legal Department of any inappropriate or improper use of Arkopharma assets and resources.

QUESTION/ANSWER

A friend asks you to use the printer that Arkopharma has made available to you, in order to print up about ten copies for his application for continuing professional education.

Can you agree to his request, even if you use your own sheets of paper?

The photocopier, and the furniture and any other assets made available by Arkopharma, are intended exclusively for business use, in Arkopharma's interests. You are therefore not permitted to benefit from these assets for other reasons, even to help a close relative or friend, and even outside your working hours.



3.

COMPLIANCE RULES IN THE CONDUCT OF BUSINESS

- 3.1. Confidentiality and protection of sensitive information
- 3.2. Free competition
- 3.3. Combatting unlawful payments, bribery, corruption and influence peddling
- 3.4. International trade, compliance with embargoes and export restrictions
- 3.5. Safer dealings with Suppliers, Service Providers and Customers
- 3.6. Transparency and integrity in dealings with public authorities

3.1. Confidentiality and protection of sensitive information

- **It is essential that Arkopharma's sensitive information be protected.**
 - Sensitive information is information that is not public. More specifically, any information of commercial or strategic value to Arkopharma, the disclosure of which could be detrimental, is confidential, in whatever form.
- Sensitive and confidential information thus includes information that relates notably to:**
- **financial results;**
 - **investment projects;**
 - **the results of studies;**
 - **intellectual property analysis;**
 - **contracts entered into by Arkopharma;**
 - **ongoing disputes and litigation;**
 - **agreements signed with Third Parties; and**
 - **information that is presented as such by Managers and Corporate Officers.**
- Arkopharma's competitive advantage is based on protecting the confidentiality of its business affairs.
 - Within Arkopharma, Members of Staff must act with the utmost care when distributing information, including within the framework of existing business relationships.
 - When working outside Arkopharma (in particular during business travel), the utmost vigilance is required to avoid disclosing confidential information inadvertently.
- **Arkopharma also protects the confidentiality of sensitive information provided to it** by Suppliers, Service Providers, Customers and Third Parties. Arkopharma commits to safeguarding this information on the same basis as its own information and to only use it for the purposes for which it was provided.
 - **If there is any doubt regarding the sensitive nature of any information, the Legal Department must be contacted.**

PLEASE REMEMBER

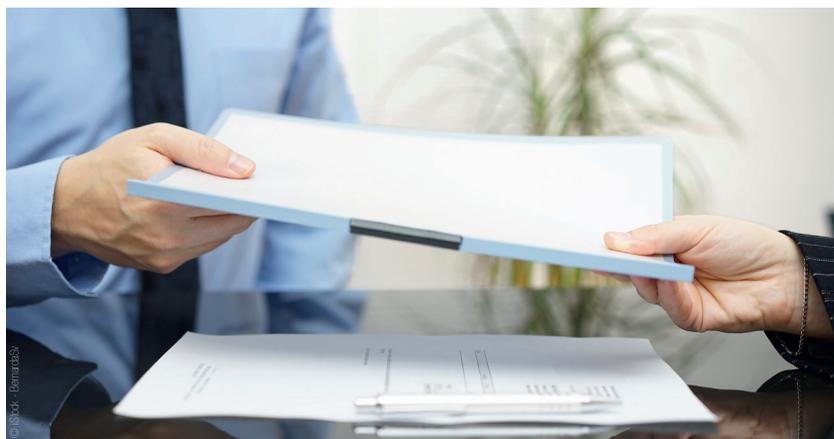
1. Do not disclose Arkopharma's confidential information, as defined in this Code, for any reason whatsoever.
2. You must be particularly vigilant when you are working outside Arkopharma or when you are in a public place.
3. Sensitive information belonging to Suppliers, Service Providers, Customers and Third Parties must also be safeguarded.

QUESTION/ANSWER

You are in charge of the marketing department and you receive a call from someone who introduces themselves as the intermediary of a Customer that is very interested in a product. The intermediary asks when the product will be put on the market.

How do you reply?

Ask this person for their contact details and tell them that you are sending their request to the relevant department who will get back in touch. Then quickly notify the Legal Department of this request.



3.2. Free competition

- Arkopharma commits to **maintaining free competition** and acting **fairly** and with **integrity** in its business dealings. Arkopharma takes all requisite measures to avoid entering into business agreements that could distort, eliminate or discourage competition or procure undue competitive advantages.
- **Each Member of Staff must, throughout the world, maintain free competition and comply with all relevant laws and regulations.**
- Breaches of competition law may take the form of unlawful agreements or exchanges with competitors (horizontal agreements) or with Suppliers, Service Providers and Customers (vertical agreements), relating notably to prices, terms and conditions of sale, product characteristics and markets. They may also take the form of discriminatory practices or boycotting Suppliers.
- **Generally, these matters should never be raised with competitors, particularly at meetings of organisations or trade gatherings, even if the meetings are organised for lawful and practical purposes.**
- **Each Member of Staff must therefore be particularly vigilant when meeting other Healthcare Professionals, especially in the context of exchanges regarding shared problems and mutual interests.**



APPLICABLE LAW

Articles L.420-1 and L.420-2 of the French Commercial Code prohibit anti-competitive practices, i.e., practices which 'have as their purpose or may have as their effect the prevention, restriction or distortion of competition in the relevant market'.

In the context of relationships with competitors (horizontal agreements) and relationships with suppliers and customers (vertical agreements), these practices notably include:

- unlawful agreements in restraint of trade, which may involve:
 - the allocation of markets, customers or supply sources between competitors;
 - restrictions on market access or a restraint of trade by other companies;
 - an agreement on the fixing of higher or lower prices;
 - the exchange of sensitive information; or
 - a restriction or control of production, outlets, investments or technical progress;
- abuse of a dominant position or economic dependence, which may involve:
 - a refusal to sell, tie-in sales or discriminatory terms and conditions of sale; or
 - termination of an established business relationship if the partner refuses to comply with unjustified commercial terms.



An act whereby a person fraudulently plays a personal and decisive role in the development, organisation or implementation of any of these practices is a criminal offence. Accordingly, an offence is committed where (i) proof is provided of an anti-competitive practice (ii) in which a person fraudulently played a personal and decisive role.

Article L.464-2 of the French Commercial Code stipulates that legal entities, i.e. companies, shall be liable to a fine of up to 10% of the highest amount of turnover (excluding VAT) generated globally in any financial year ended since the period before the period in which the practices were implemented.

Pursuant to **Article L.420-6 of the French Commercial Code**, individuals shall be liable to imprisonment for a term of 4 years and to a fine of €75,000. A court may also direct that its decision be published, in full or in part, in designated newspapers at the expense of the offender.



PLEASE REMEMBER

1. Free competition is guaranteed by law and regulations, the breach of which may result in fines and imprisonment. Ensure that none of your actions could breach these rules.
2. Be particularly vigilant in your dealings with competitors as well as Suppliers, Service Providers and Customers.

QUESTION/ANSWER

You attend an international conference in which competing businesses are also involved. At the conference, you learn that one of your competitors is involved in the same sale of products to business customers by way of an invitation to tender.

Can you discuss this invitation to tender with the competitor?

It is forbidden to discuss this invitation to tender with the competitor. Indeed, there is a risk that sensitive information, particularly regarding sale prices, could be exchanged. Coordination on prices between competitors, to avoid a drop in prices for example, constitutes an anti-competitive practice.



3.3. Combatting unlawful payments, bribery, corruption and influence peddling

- Arkopharma does not tolerate any form of bribery, corruption or influence peddling and is firmly committed to combating such practices.
- No Member of Staff may accept or offer, directly or indirectly, any undue advantage as part of his or her work, in the form notably of illicit payments of money and/or the provision of gifts, services or any other object of value (please see the 'Safer dealings with Suppliers, Service Providers and Customers' Section of this Code).
- Members of Staff who breach anti-bribery rules expose themselves, and Arkopharma, to civil and criminal penalties, along with significant negative repercussions for Arkopharma from a business standpoint, particularly in terms of reputation.
- The giving and receiving of gifts is therefore subject to a certain number of conditions. Members of Staff are thus permitted to accept:
 - promotional gifts and discounts offered by transport companies, hotels, car rental companies or restaurants, but only if these are benefits offered to all travellers, as part of loyalty programmes for example;
 - gifts of negligible value, for example Arkopharma advertising gifts or products intended for the personal use of Members of Staff; and
 - with prior permission from their Compliance Officer, invitations to business lunches or shows, if the cost is reasonable and they are a usual business practice by the party offering them.
- Members of Staff may also give the gifts listed below to Suppliers, Service Providers and Customers, on the condition that the purpose of such gifts is not to influence them in their business dealings:
 - gifts of negligible value, for example Arkopharma advertising gifts distributed as part of its usual business practices; and
 - with prior permission from the Legal Department, invitations to business lunches or shows, if the cost is reasonable and they are a usual business practice by Arkopharma.

- If the recipient of the gift himself holds public office or is related to a person who holds public office, i.e., someone who is an officer of the state (civil servants, public and ministerial officials, etc.), or who has a public service role (administrators and agents appointed by the courts, members of public bodies, administrative authorities and commissions responsible for issuing notices, etc.), or who has an elected position (members of parliament and local councillors), it is essential that the prior permission of his or her Legal Department be obtained, irrespective of the value of the benefit given.
- Each Member of Staff must state precisely the gifts and benefits received and given, along with the receipts for them, in a register of gifts held by the Legal Department.
- The Legal Department must be consulted before the recruitment of any individual who is related to a person who holds public office.
- As part of business dealings with Suppliers, Service Providers and Customers, Members of Staff should be particularly vigilant regarding the following:
 - the reputation of the Supplier, Service Provider or Customer in its country of origin;
 - the content of contracts;
 - the payment terms for commissions as part of agreements with intermediaries;
 - the breakdown of the services provided as they appear on invoices; and
 - the market rate for fees invoiced, for equivalent services.
- Arkopharma must also make public the existence of all agreements entered into with Healthcare Professionals, and any benefit over €10 paid to Healthcare Professionals.
- In principle, Healthcare Professionals are prohibited from receiving benefits in kind or cash benefits, in any form whatsoever, whether directly or indirectly, from Arkopharma. Furthermore, Arkopharma is prohibited from offering or procuring such benefits, save for the following exceptions:
 - as part of agreements where the explicit purpose and actual intention is scientific research or evaluation activities; and
 - as part of 'hospitality' agreements at promotional events or at events that are exclusively professional and scientific.



APPLICABLE LAW

• French law

Articles 433-1 and 432-11 (bribery of French public officials), **Articles 435-1 and 435-3** (bribery of foreign public officials), **Articles 435-7 and 435-9** (bribery of judicial staff) and **Article 445-1** (bribery of a person in the private sector) of the French Criminal Code prohibit bribery, which may occur in two forms:

- active bribery: the offering of an undue advantage to an official in the public or private sector, for him or her to act within the scope of his or her functions or in a manner facilitated by his or her functions; and
- passive bribery: the request or receipt by an official in the public or private sector of an undue advantage, to act or refrain from acting within the scope of his or her functions or in a manner facilitated by his or her functions.

A person who commits an offence under the above Articles shall be liable to imprisonment for 10 years and to a fine of €1,000,000, which could be increased to twice the amount of the pecuniary gain derived from the offence, as well as additional sanctions. A legal entity that commits such an offence shall be liable to a fine of €5,000,000, as well as additional sanctions.

Articles 433-2 and 432-11 (influence peddling by French public officials), **Articles 435-2 and 435-4** (influence peddling by foreign public officials), and **Articles 435-8 and 435-10** (influence peddling by judicial staff) of the French Criminal Code define active and passive influence peddling as the practice of offering or giving any advantage to a person who illegally requests the advantage, directly or indirectly, for his or her own benefit or for the benefit of another, in order

to use his or her influence to obtain a favourable decision from an authority.

A person who commits an offence under the above Articles shall be liable to imprisonment for a term of 5 years and to a fine of €500,000, which could be increased to twice the amount of the pecuniary gain derived from the offence, as well as additional sanctions. A legal entity that commits such an offence shall be liable to a fine of €2,500,000, as well as additional sanctions.

Pursuant to **Article L.1453-1** of the French Public Health Code created by the Bertrand Act (the 'Sunshine Act'), Healthcare Professionals and manufacturers in the healthcare industry (cosmetics and drugs manufacturers) are required to publicly disclose all agreements and advantages involving a payment of more than €10 to a person in the healthcare industry. Pursuant to **Article L. 1454-3 of the French Public Health Code**, a Healthcare Professional or manufacturer who fails to disclose such an agreement or advantage shall be liable to a fine of €45,000. Additional sanctions may be imposed on individuals under **Article L.1454-4 of the French Public Health Code**, such as publication of the relevant decision, a prohibition on the holding of a public office or the performance of a commercial occupation, or a prohibition on the manufacture, packaging and importation of products for a term of 5 years.

Lastly, pursuant to **Article L.4113-6 of the French Public Health Code** (the 'loi DMOS' or 'Anti-gift Act'), Healthcare Professionals are prohibited from receiving, directly or indirectly, benefits in kind or cash in any form whatsoever from manufacturers in the healthcare industry, and manufacturers are prohibited from offering or receiving such benefits.

• International law

The US Foreign Corrupt Practices Act of 1977 ('FCPA') and the **UK Bribery Act 2010 ('UKBA')** have an extraterritorial scope. As a result, the bribery of a foreign public official anywhere in the world may be punished by the US and UK regulators if any link (even a slight link) is established with their territory (nationality of the contracting party, use of the US dollar, listing on a stock exchange, etc.).

Under **Sections 78dd-1, 78dd-2, 78dd-3, 78m and 78ff of Title 15 of the United States Code** (as regards the FCPA) and **Sections 1, 2 and 6 of the UKBA**, it is an offence to pay, promise to pay or authorise the payment of a sum of money or any other item of value to an official representative of a foreign government in order to influence his or her acts or decisions with a view to establishing or maintaining a business relationship. The act of concealing acts of bribery and corruption in accounts is also prohibited.

Furthermore, under **Section 7 of the UKBA**, a commercial organisation may be prosecuted for failing to prevent bribery if it carries on a business, or part of a business, in the United Kingdom or forms a partnership with an undertaking governed by the UKBA.

A person who commits an offence under FCPA regulations shall be liable to imprisonment for a term of 5 years and to a fine of \$250,000 per offence. A legal entity shall be liable to a fine of \$2,000,000. A person who breaches accounting regulations shall be liable



to imprisonment for a term of 20 years and to a fine of \$5,000,000, and a legal entity shall be liable to a fine of \$25,000,000.

On a civil law level, a person who commits an offence under the regulations on bribery and corruption shall be liable to a fine of \$16,000 per offence. A person who breaches accounting regulations shall be liable to a fine equal to the pecuniary gain derived from the offence, limited to between \$7,500 and \$150,000 for an individual and to between \$75,000 and \$725,000 for a legal entity.

A person who commits an offence under the UKBA shall be liable to imprisonment for a term of 10 years and to an unlimited fine, and a legal entity shall be liable to an unlimited fine.

An offender may also be liable to additional indirect sanctions, such as exclusion from tender processes for public procurement contracts, loss of public funding, revocation of export privileges, etc.

PLEASE REMEMBER

1. You must not accept or offer undue advantages with the aim of obtaining business privileges.
2. The giving or receiving of gifts is permitted on certain conditions that are defined in this Code.
3. The giving or receiving of any advantage outside the framework described in this Code must be approved in advance by the Legal Department.
4. Non-compliance with anti-bribery regulations exposes you, and Arkopharma, to heavy civil and criminal penalties.

QUESTION/ANSWER

Although the Arkopharma trainee recruitment process has ended for this year, a civil servant with whom you are in contact asks you to take his son on as a trainee.

What do you do?

If you accept, you expose Arkopharma and yourself to risks. Indeed, such a favour may be considered an undue advantage that could constitute an act of bribery.



3.4. International trade, compliance with embargoes and export restrictions

● Arkopharma reminds Members of Staff of its commitment to complying with the laws, regulations, boycotts, embargoes and other forms of trade restrictions imposed by, amongst others, the United Nations, the European Union and the United States.

● Arkopharma has introduced specific procedures to avoid any breach of these rules.

● Members of Staff involved in international trade are kept regularly informed of any changes in these regulations, that they are obliged to comply with.

● The main countries currently subject to embargoes or import and/or export restrictions are as follows:

- Afghanistan
- Belarus
- Burma/Myanmar
- North Korea
- Eritrea
- Iraq
- Iran
- Libya
- Liberia
- Lebanon
- The Central African Republic
- Democratic Republic of Congo
- Russia
- Somalia
- Sudan
- Syria
- Ukraine
- Yemen
- Guinea
- Zimbabwe

● Before entering into business negotiations with Suppliers, Service Providers or Customers that have any sort of connection with any of these countries, Members of Staff must refer the matter to their Legal Department to check the legality of the proposed transactions (importation, exportation, financial services) in light of applicable restrictions and embargoes.

● Moreover, Arkopharma and all of its Members of Staff commit to promptly providing any customs authorities who request with accurate and complete information regarding Arkopharma's imports and exports.



APPLICABLE LAW

The foreign policies of both international bodies (such as the United Nations and the European Union) and states (especially the United States, Russia and China) increasingly rely on the implementation of embargoes, known as 'economic sanctions', against a blacklisted state or persons.

Economic sanctions may therefore restrict or prohibit the trade of certain products and services (including chemicals, biological materials, equipment, finished products and technologies), and prohibit payment to certain blacklisted entities or persons (e.g., measures implemented against Iran, Libya, Egypt, Tunisia, Ivory Coast and Syria).

The economic sanctions imposed by these entities are constantly changing in accordance with international relations, and require permanent monitoring by Arkopharma's Legal Department.

Pursuant to **Article 459 of the French Customs Code**, a person who breaks an embargo imposed by the European Union shall be liable to imprisonment for a term of up to 5 years and to a fine of up to twice the amount to which the offence or attempted offence relates.



Under **Section 3575 of Title 18 of the United States Code (18 USC 3571)** and the Trading With The Enemy Act, a person who breaks an embargo decided by the United States shall be liable to civil sanctions (a civil fine of \$250,000 or twice the value of the transaction per offence) and criminal sanctions (a fine of \$10,000,000 and/or imprisonment for a term of 30 years per offence). These sanctions (civil and criminal) are imposed by the Office of Foreign Assets Control, an agency of the US Department of the Treasury in charge of applying the economic sanctions decided by the United States. They apply to both the companies and the individuals who committed the offence.

À RETENIR

1. Notify your Legal Department as soon as possible of any transaction that may be connected to any of the countries that are subject to embargo.
2. If you have any doubt regarding whether a foreign transaction is lawfulness in the light of embargo measures and other trade restrictions, please consult your Legal Department.
3. Cooperate with the customs authorities.

QUESTION/ANSWER

As part of an invitation to tender organised by Arkopharma, you discover that a company bidding, registered in China, includes amongst its shareholders a company that is registered in Russia. Following a quick check, you find that this company is not covered by the European anti-embargo rules imposed on Russia.

Can you proceed with the invitation to tender process with this company?

No. If it appears that the company replying to the invitation to tender may be connected, even indirectly, with Russia, which is currently the subject of embargoes, you must obtain the permission of your Legal Department before continuing to deal with this company. If you think that the measures taken by the European Union are not an obstacle to dealing with this company, it may still be that measures taken by the United States (or other states or international authorities) strictly forbid it, thus running the risk of severe civil and criminal penalties for Arkopharma and yourself.

3.5. Safer dealings with suppliers, service providers and customers

- Arkopharma only establishes business relationships with Suppliers, Service Providers and Customers that comply with the highest ethical standards in all of their activities.
- Members of Staff must be extremely vigilant when considering a business relationship with a Supplier, Service Provider or Customer.
- Arkopharma systematically reminds its Suppliers, Service Providers and Customers of the existence of this Code to ensure that they adopt and comply with the Code.
- In its business relationships with Suppliers, Service Providers and Customers, Arkopharma acts in an ethical, professional and responsible manner, and strictly complies with its ethical obligations.
- Arkopharma commits to treating its Suppliers, Service Providers and Customers objectively and fairly in the context of tender processes. **Any form of favouritism or discrimination is prohibited** (please see the '**Combatting unlawful payments, bribery, corruption and influence peddling**' Section of this Code).
- Arkopharma is extremely vigilant in relation to money laundering in the context of dealings with its Suppliers, Service Providers and Customers.
- In its promotions and communications, Arkopharma produces information that is exhaustive and accurate.



APPLICABLE LAW

Article 324-1 of the French Criminal Code defines money laundering as any act the purpose of which is to introduce the proceeds of crime into the legal financial system. There are two forms of money laundering:

- concealing the source of goods or income; and
- direct laundering of the proceeds of crime, through the placement, layering or integration thereof.

Money laundering is based on the following assumptions:

- a crime or an offence was committed; and
- the person guilty of the crime or offence was aware of the fraudulent source of the funds and decided to take part in the laundering thereof.

More specifically, proof of the source of the funds may have been facilitated 'by any means'.

As regards the second form of money laundering:

- involvement in a placement includes simply giving financial advice;
- layering is an act whereby a transaction is concealed in order to



remove all traces of it; and

- integration is the act of converting something into something else.

Pursuant to **Article 324-1 et seq. of the French Criminal Code**, a person who engages in money laundering shall be liable to imprisonment for a term of up to 5 years and to a fine of up to €375,000, which may be increased to half the value of the assets or funds laundered. These Articles also stipulate that a legal entity shall be liable to a fine of €1,875,000 or €3,750,000 if there are aggravating circumstances, as well as to the additional sanctions listed in **Article 131-39 of the French Criminal Code**.

PLEASE REMEMBER

1. Arkopharma attaches the utmost importance to ensuring that its Suppliers, Service Providers and Customers conduct themselves in an ethical manner and comply with the Code.
2. Arkopharma commits to abiding by the highest ethical standards and to combating money laundering.
3. Ensure that information presented to Third Parties is exhaustive and accurate.

QUESTION/ANSWER

You wish to establish a business relationship with a maintenance service provider whose offers are attractive to new customers. However, having obtained information on the company's reputation, you learn that it does not comply with national regulations on working conditions.

What do you do?

You cannot establish a business relationship with this service provider, as doing so would breach the principles of this Code. You could explain to your Service Provider that they must comply with the regulations in force in order for Arkopharma to be able to work with them. Furthermore, you must inform the Service Provider of this Code.

During negotiations of a contract with a company in Ukraine concerning the distribution of products in that country as well as in other countries of the Commonwealth of Independent States, the company asks you to issue an invoice in the name of a third party recently registered in Switzerland.

What do you do?

If you agree to issue an invoice in the name of a third party without conducting proper due diligence, you will be incurring a risk for Arkopharma and yourself. Such a process – which does not initially appear to be commercially justified – should raise suspicions of money laundering and be reported to the appropriate Compliance Officer.

3.6. Transparency and integrity in dealings with public authorities

- In its dealings with public authorities, Arkopharma acts in a fair, ethical and professional manner.
- Arkopharma provides the competent authorities with specific, accurate and exhaustive information on its business.
- Members of Staff must notably cooperate with public authorities in the context of investigations and inquiries conducted by these authorities.
- Each Member of Staff must notify the Legal Department of any issue with an Arkopharma document.
- Arkopharma also has in place a product safety alert procedure.
- In accordance with the legislation on bribery and corruption (please see the 'Combating unlawful payments, bribery, corruption and influence peddling' Section of this Code), **no facilitation payment or advantage of any kind should be made, directly or indirectly, to a public official in order to influence the manner in which he or she carries out his or her work.**





PLEASE REMEMBER

1. Arkopharma and its Members of Staff must cooperate with public authorities in a professional and fair manner, particularly in the context of specific inquiries conducted by these authorities or internal investigations.
2. Report any issue concerning a document and/or information to the Legal Department.

QUESTION/ANSWER

You receive a request for information from a public authority. When preparing to send the relevant documents, you notice that some of them are not in order.

What do you do?

In principle, fair and ethical collaboration with public authorities involves the provision of all requested documents and total transparency. Accordingly, you must not destroy or deliberately refrain from providing a document under any circumstances. You must send the document regardless of its content or form. In case of doubt as to the validity of a document, you should contact the Legal Department first.



4.

COMPLIANCE RULES AS A SOCIALLY RESPONSIBLE GROUP

**4.1. Involvements in politics, organisations
and lobbying**

**4.2. Charity work, corporate philanthropy
and sponsorship**

4.1. Involvements in politics, organisations and lobbying

- **Arkopharma supports the involvement of its Members of Staff in politics and/or organisations**, provided however that the relevant activities remain strictly personal and that they do not give rise to any kind of involvement for Arkopharma.
- Any Member of Staff who wishes to engage in political activity and/or the activities of an organisation must do so on an individual basis, **during his or her free time and at his or her expense**.
- **No Member of Staff is permitted to directly or indirectly involve Arkopharma in supporting a political party or to rely on his or her position as an Arkopharma employee in politics and/or organisations.**
- Arkopharma's financial resources must not be used to directly or indirectly fund political activities and/or an organisation, unless the Legal Department gives its express permission.



PLEASE REMEMBER

1. You may only be involved in political support or take part in a political event on a personal level.
2. You must ensure that you do not appear to be and/or act as a representative of Arkopharma in the context of your political activities and/or involvement with organisations.

QUESTION/ANSWER

*In view of the next elections, the main political parties contact companies in the private sector with a view to raising funds.
Are you permitted to make a contribution in the name of Arkopharma?*

Although companies in the private sector are permitted to fund political parties, no Member of Staff must make any contribution in the name of Arkopharma without the express prior permission of the Legal Department.

4.2. Charity work, corporate philanthropy and sponsorship

- Arkopharma may become involved in charity work, philanthropy and sponsorship in the communities in which it operates, and encourage its Members of Staff to do likewise.
- Arkopharma also encourages its Members of Staff to engage in charity work.
- **Donations, charitable contributions, patronage and sponsorship in the name of Arkopharma require the prior approval of the Legal Department.**
- **The act of disguising the offering of undue advantages as charitable donations constitutes a breach of anti-bribery legislation** (please see the '**Combatting unlawful payments, bribery, corruption and influence peddling**' Section of this Code).



PLEASE REMEMBER

1. We encourage you to contribute to charity work supported by Arkopharma. Please note, however, that donations, charitable contributions, patronage and sponsorships made in the name of Arkopharma require the prior approval of the Legal Department.
2. Please pay particular attention to donations that might breach anti-bribery regulations.

QUESTION/ANSWER

*A friend of yours who is the Chairman of an association asks you whether Arkopharma might host their charity gala.
What do you think?*

The Legal Department has sole authority to involve Arkopharma in such projects. Arkopharma supports many types of charitable work, but it is essential to follow the prior approval process.

5.

DEALING WITH CONCERNS AND SUSPICIONS REGARDING BREACHES OF THE CODE

5.1. Compliance Officers

5.2. Executive Committee Advisers

5.3. The Chief Compliance Officer

5.4. The Compliance Committee

5.5. Processing compliance incidents

5.1. Compliance Officers

Each Arkopharma Division or entity has a Compliance Officer who is responsible for communicating the principles of the Code, answering any questions raised by Members of Staff and referring such questions to the Chief Compliance Officer and/or the Executive Committee Advisers.

The Compliance Officer's main duties are to:

- **communicate and**, if necessary, **explain** the Code and Arkopharma's ethical obligations to the Members of Staff under his or her responsibility;
- **answer questions raised by Members of Staff where possible**; and
- inform the Executive Committee Advisers or the Chief Compliance Officer of any questions, observations or suspicions raised with the Compliance Officer.

A list of Compliance Officers is appended to the Code.

5.2. Executive Committee Advisers

Each Arkopharma Division or entity has an Executive Committee Adviser who is responsible for implementing Arkopharma's ethical principles in each area for which he or she is responsible (a list of Executive Committee Advisers is appended to this Code).

Executive Committee Advisers, who act as both facilitators and organisers, **help prevent the occurrence of ethical risk** by encouraging professional practices that comply with this Code and Arkopharma's obligations in the matter.

The **main duties of Executive Committee Advisers** are to:

- **communicate and**, if necessary, **explain** the Code and Arkopharma's ethical obligations to the Members of Staff under his or her responsibility;
- **oversee implementation of the principles of the Code**;
- **draft or supervise the drafting of additional documents** in collaboration with the Compliance Department;
- **ensure compliance with this Code** as part of Arkopharma's growth policy;
- **manage actions** to raise awareness, training and communication;
- **draft an annual report** in collaboration with the Chief Compliance Officer and send the report to the Compliance Committee;
- **answer questions raised by Members of Staff** and give advice on ethical and compliance matters;

- investigate suspicions brought to his or her attention, with the assistance, if necessary, of the Compliance Department; and
- prepare an inventory of ethical risks in the relevant area.

A list of Executive Committee Advisers is appended to this Code.

5.3. The Chief Compliance Officer

The Chief Compliance Officer is responsible for:

- **investigating all suspicions** brought to his or her attention;
- **preparing an inventory of compliance risks within the relevant Divisions or entities**, in liaison with the Executive Committee Advisers;
- **sending an annual report to the Compliance Committee** setting out the compliance risks identified and recommending corrective action in the form of raising awareness, training and communication; and
- **proposing amendments to the Code to the Compliance Committee** which reflect regulatory changes in the area of compliance.

All those involved – Compliance Officers, Executive Committee Advisers and the Chief Compliance Officer – **are chosen** for their **personal qualities** of **rigour, honesty** and discretion, for their **ability to act as mediators** and to **remain impartial**, and for their **analytical skills**. **They are required to observe the utmost discretion and to protect the confidentiality of information of which they become aware during the performance of their work.**



5.4. The Compliance Committee

The decision to adopt this Code was taken by Management. A Compliance Committee, which reports to the Strategy Committee, is responsible for rolling out, monitoring and controlling compliance with the Code.

The **Compliance Committee** (whose members are listed in an appendix to this Code) has the required independence to perform the following tasks:

- **identify risks of non-compliance** within Arkopharma and implement measures to prevent, reduce or punish any non-compliance;
- **communicate and, if necessary, explain the Code and Arkopharma's ethical obligations** to the Compliance Officers;
- **supervise and assist the work of the Compliance Officers** for the relevant departments;
- **prepare a bi-annual report** for the Strategy Committee, containing information on the action taken; and
- **make proposals as to how the Code might be adapted** in order to step up action to prevent risks of bribery and corruption as well as infringements of Arkopharma's ethics in general.

5.5. Processing compliance incidents

As a general rule, **the first step a Member of Staff must take when faced with a compliance issue or a suspected breach of the compliance rules and principles set out in this Code is to inform his or her line manager of the concern.** If the Member of Staff prefers, **he or she may also contact his or her Compliance Officer, the Legal Department, the Compliance Department and/or the Human Resources Department.**

Arkopharma further commits to implement a **secure and anonymous whistleblowing procedure** to enable Members of Staff to **report any breach of financial, accounting or anti-bribery law.** To this end, **a dedicated telephone number and e-mail address** will be made available to Members of Staff.

A Member of Staff who makes a disclosure will not face any disciplinary action, provided that he or she acted in good faith, with no intent to cause harm, even if the facts that are the subject of the suspicion prove to be inaccurate or the matter is not pursued.

6.

PRINCIPAL CONSEQUENCES OF BREACHES OF THE CODE

6.1. For Suppliers, Service Providers and Customers

6.2. For Arkopharma

6.3. For Members of Staff

6.4. For Arkopharma shareholders

6.1 For Suppliers, Service Providers and Customers

The **principal consequences of breaches of the Code** for Suppliers, Service Providers and Customers of Arkopharma consist notably of the following:

- the substandard efficiency and/or quality of a product;
- a health risk;
- an environmental risk;
- an increase in costs; or
- a loss of trust in Arkopharma.

6.2. For Arkopharma

If this **Code is breached**, Arkopharma runs the risk of:

- civil or criminal action, fines or administrative sanctions;
- damage to its image and reputation;
- a commercial loss; or
- a loss of trust in dealings with authorities in the relevant location.

6.3. For Members of Staff

Members of Staff are required to comply with the Code.

Any Member of Staff who breaches the Code runs the risk of:

- civil, criminal and administrative sanctions; and
- a threat to his or her reputation

6.4. For Arkopharma shareholders

Arkopharma shareholders will also suffer in the event of a breach of the Code, consisting notably in the following:

- a loss of trust in Arkopharma;
- a loss in value of their investments; and
- a threat to their personal reputation.

APPENDIX

OFFICERS

Compliance Committee

Pascal AMBROSI
Jacques CHEVALLET

Chief Compliance Officer

Régine GOURDIN

Executive Committee Advisers/Division Managers

Pôle des Opérations : Dominique COTTEAUX

Pôle France : Thierry DEMEURE

Pôle Marketing Innovation : David FRAPPART

Pôle autres Pays : Yann MALAUD

Pôle Espagne : Olivier RICQ

Pôle Finances Administration : Eric MASSOU

Data Protection Officer (DPO) (Arkopharma Laboratories)

Régine GOURDIN

APPENDIX

COMPLIANCE OFFICERS

	Contacts	Activities covered	Allocation of CSR
QUALITY (SMQ EthiQualité)	E FRARD and «EthiQuality» team : V AUVARO, L. BORRI, B BOUMANCHA	Compliance / Roll-out Performance Communication Audits France and subsidiaries	All, according to priority All sectors
R&D	V CLEMENT NGO	Regulatory	Governance Fair practices Consumer issues
ADMINIS- TRATION & FINANCES	R GOURDIN J-M MONNEAU M AGART	Code & Legal Accounts Employment relations	Governance Fair practices Working relationships and conditions Human rights Communities and local development
GLOBAL MARKETING & INNOVATION	A FETOUX KOUTAGIAS	Conception Suppliers Customers	Governance Consumer issues Environment Fair practices Communities and local development
OPERATIONS	S MASSYN J ESTIVILL J-M ESTERLINGOT	Supply chain Production Distribution Partners / SE Purchasing	Governance / Working relationships and conditions / Environment / Fair practices Human rights / Consumer issues / Communities and local development
FRANCE	I PERIPHANOS S PICCICELLI	Promotion & External Training Commercial Marketing Communication	Governance Fair practices Communities and local development Consumer issues
SPAIN	E BUENDIA	Distributors Subsidiaries	Governance Fair practices Consumer issues
OTHER COUNTRIES	J-G LE BOT A MILLETTI P VERBELEN E VAN MAURICK S MITTWICH	Distributors Subsidiaries	Governance Human rights Fair practices Consumer issues

