

ANTI-CORRUPTION POLICY

of “Antibiotic” Group*

1. OBJECTIVE

This policy aims to define the avoidance and limitation of corrupt practices and bribery. The management of the companies of “Antibiotic” Group is committed to maintaining the highest ethical standards and categorically does not accept or approve of bribery and corruption. The GROUP guarantees professional, honest, and respectful relationships with government authorities, contractors, clients, employees, citizens, etc. This policy demonstrates the desire of the management of “**Antibiotic**” to maintain the culture of best practices in the struggle against bribery and in anti-corruption measures. The main objective of the anti-corruption policy is to reduce and eliminate the risk of abuse and damage to the reputation of the group companies, their employees, partners, and customers. The policy is based on regulatory requirements in the Republic of Bulgaria, as well as the European legislation.

2. TERMS AND DEFINITIONS

Corruption - The solicitation, offering, giving or accepting, directly or indirectly, a bribe or any other undue benefit or the promise of such, which affects the performance of any obligation, an undue benefit or the promise of such, abuse of entrusted power for private gain for the purpose of undue and illegal advantage. Giving/receiving bribes is expressed in giving or receiving "something of value" in order to influence an official act or a decision.

Anti-corruption - a set of measures, activities, initiatives, and projects aimed at limiting, overcoming, and bringing the corruption under control.

Business integrity - the application of values for ethical behaviour, business processes and relationships within and outside the **Group** to be carried out in a correct and loyal manner.

Bribe - receiving material values (money or objects) or any material benefit or service for an action or inaction in the interest of the briber, which the recipient can or must perform by virtue of his official position. The acts of giving and receiving a bribe are illegal and punishable under the Criminal Code of the Republic of Bulgaria.

Commissions - a practice in which contractors return part of the amount due to them under a contract for the performance of a service to an employee to ensure an advantage over competitors.

“Valuable” items and gifts - gifts and services that have material value and that would constitute improper influence.

Third parties are understood to mean any person or organization with which the group companies have relationships in the course of their work, including partners, suppliers, customers and potential customers, consultants, business contacts, government, and public authorities.

3. MANAGEMENT COMMITMENT

The management of **“Antibiotic”** is committed to familiarizing employees and other persons related to the organization with this policy. The management ensures compliance with the adopted standards and policies related to the fight against corruption by all **“Antibiotic”** employees, officials, directors, and other related persons. **“Antibiotic”** tolerates honest, open, and ethical business relationships.

4. SCOPE AND AREA OF APPLICATION

The anti-corruption policy applies to all persons working at all levels and grades in **“Antibiotic”**, including Senior Management, Directors, Managers, Employees (permanent, temporary or fixed-term), Consultants, Interns, Partners, Suppliers, Customers and any other natural or legal person.

The anti-corruption policy covers the following areas:

- Bribes, commissions, and other types of improper payments;
- Payments and gifts to facilitate an activity;
- Relationships with third parties;
- Gifts and prizes;
- Donations;
- Conflict of interest;
- Prices and terms of sale;
- Financial documents, accounting, and other types of documentation.

4.1. Bribes, commissions, and other types of improper payments

All employees of **“Antibiotic”** and other related parties are not entitled under any circumstances, directly or indirectly, to offer, give, request or receive in any form bribes, kickbacks or other improper payments or items and services of high

value, in their relationships with private individuals, contractors or organizations, including government and public bodies and their employees, private companies and their employees. It is the responsibility of all employees who are directly involved in the use of external services (clients, suppliers, consultants, etc.) to ensure that these individuals are familiar with the Anti-corruption policy at the beginning of the relationship and upon any change.

4.2. Payments and gifts to facilitate an activity

It is the policy of **“Antibiotic”** that its employees shall not make or accept improper payments or gifts of any kind, which are usually informal and small amounts and are made to secure or expedite a routine procedure.

In the event that an employee is faced with a situation where a payment of some amount is requested by third parties in order to facilitate or accelerate the execution of actions, he must immediately report the situation to his immediate supervisor.

In order to adhere to high ethical standards and good practices, the Policy of **“Antibiotic”** prohibits this type of payments in its business.

4.3. Relationships with third parties

This policy prohibits improper offers, promises, or payments made by partners, intermediaries, enterprises, or other third parties. It is prohibited to offer or accept, directly or indirectly, money or other items or services of value to any person or organization that is intended or could be perceived as an attempt to influence or reward improper actions for the purpose of realizing personal interest or benefiting the company.

“Antibiotic” guarantees that there is full transparency and impartiality in the selection of a supplier.

“Antibiotic” expects its partners to approach corruption issues in a manner consistent with the principles set out in this policy. In cases where a company (partner, client, or others) is unable to ensure compliance with these principles, the group companies have the right to review their business relationships.

4.4. Gifts and prizes

The employees of **“Antibiotic”** must not offer or accept third parties' gifts, rewards or other benefits and incentives that could influence impartial business decision-making or improper performance of official duties. To prevent the risk of gifts and benefits being used for corrupt purposes, the organization needs to exercise strict control. Employees are allowed to give and accept gifts only for promotional purposes.

4.5. Donations

As part of its corporate activities, **“Antibiotic”** may support or provide sponsorships or donations to local charities, hospitals, welfare-houses,

individuals, etc. Any such support must be clearly documented in accordance with the regulations of the Republic of Bulgaria.

4.6. Conflict of interest

Employees should avoid situations or deals in which their personal interests could conflict or could be perceived as conflicting with the interests of the Company. This includes:

- a/ Using for personal benefit customer information acquired while working in the company;
- б/ Providing such information to a third party;
- в/ Any type of action that could be interpreted as insider trading.

A conflict of interest may arise if employees may have a personal interest of the business deals. It could be directly or indirectly related to the person in question and relevant not only to his personal benefits, but also to family members or friends. Each employee should make sure that his/her personal interests, relationships, and activities outside of his/her official duties do not lead to an actual or potential conflict of interest with the professional duties and decisions as an employee, by directly or indirectly compromising the independence or the sound judgment.

4.7. Prices and terms of sale

The pricing model is approved by the Executive Director of the Group. The same cannot be changed without the approval of the Management. Every activity on pricing and commercial terms is duly documented. Commercial policies developed in accordance with the Group's business model and regulatory requirements are reviewed annually and, if changed, approved by the Executive Director.

4.8. Financial documents, accounting, and other types of documentation

“Antibiotic” guarantees that there is full transparency when carrying out financial operations. Each transaction is duly documented, in accordance with International Financial Reporting Standards, Bulgarian legislation and accounting policy. The companies of the group declare all circumstances of their activities and publish them in accordance with the requirements of the regulatory framework.

5. REPORTING

In case of suspicion that there is a conflict with this policy, if a representative of **“Antibiotic”**, or persons/organizations related to the companies of the group, is requested or offered any type of improper payment/benefit or becomes aware of such actions, the information should be immediately reported to

ABR@antibiotic.bg. Actions to investigate the case shall be taken immediately.

6. ADDITIONAL INFORMATION

The zero-tolerance approach to bribery and corruption must be communicated to all suppliers, customers, employees, and related parties from the very beginning of the relationship and thereafter with any change. This policy applies to all activities and practices that could affect the reputation of **“Antibiotic”**. The anti-corruption policy should be implemented in accordance with all other adopted policies, standards and systems regulating the conduct and activities of the employees in the group companies.

The Anti-corruption policy is adopted by Protocol dated 27.10.2022 from a meeting of the Board of Directors of “Antibiotic – Razgrad” AD.