

# Anti-Corruption Policy

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GGL\_Corporate Legal\_20190415\_2

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# Anti-Corruption Policy

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## Glossary

Compliance Management System (CMS)	The CMS is the system that combines all activities pertaining to compliance (such as policies, training, compliance processes, etc.) within the PHOENIX group.
Compliance Organisation Handbook	The Compliance Organisation Handbook is made available to all LCMs by Corporate Compliance. It comprises all instructions, processes, recommended actions, etc. related to the implementation of the PHOENIX group CMS.
Local Compliance Committee (LCC)	Local compliance committee at the country or regional level, which oversees tasks related to monitoring, inspection, decision-making, and escalation. (See Compliance Principles for more details)
Local Compliance Manager (LCM)	The individual who is responsible for the implementation of the CMS – following the specifications from Corporate Compliance – in their respective company/companies and who is available as a local point of contact for all matters relating to compliance. One LCM has been designated for each unit within the PHOENIX group. (See Compliance Principles for more details)
Employee	An individual who is employed by the PHOENIX group.
PHOENIX group (or just "PHOENIX")	Comprises all companies in which a majority of the shares are held by PHOENIX Pharma SE or one of its subsidiaries, or which are directly or indirectly controlled by the holding company or its subsidiaries.
SOP	Standard Operating Procedure. This policy contains numerous references to further SOPs with which each Employee of the PHOENIX group must comply. All compliance policies and SOPs may be consulted via COIN.

## I General information

This policy and the SOPs associated with it govern all matters related to (potential) corruption and actions taken to combat it within the PHOENIX group in the context of the CMS.

Corruption is prohibited. It is never a trivial offence, nor is it ever a necessity in initiating or transacting business relations. Corruption is a serious form of criminality; therefore, Employees are not to engage in corrupt practices. This principle is to be observed at all times.

[See Compliance Principles and Section 1.1](#)

The regulations of the Compliance Principles shall apply without restriction to this policy. They must be complied with and put into practice in their entirety. Contact your LCM or Corporate Compliance with any questions you might have regarding the prevention of corruption or any other content of this policy.

## II Regulations

### 1. Bribery

[Principles and rules](#)

Employees are not permitted to give bribes or accept them. Nor may they hire intermediaries (agents, consultants, other intermediaries, etc.) to commit bribery.

Any form of bribe, kickback, or other inappropriate form of payment is prohibited, as is the acceptance or granting of material or immaterial benefits.

PHOENIX does not distinguish between bribes involving public officials and those involving individuals in the private business sector.

All Employees, third parties, representatives, and contractors are prohibited from:

- a) The granting, offering, or promising of payments, gifts, invitations, or other benefits with the expectation or hope of receiving an illegitimate advantage, or to remunerate any party for having already provided or agreed to provide any such advantage.
- b) The acceptance of payments, gifts, invitations, or other benefits which come with the certainty or suspicion that they are offered in expectation of an illegitimate benefit for the other party.
- c) Offering or accepting payments, gifts, invitations, or other benefits through a third party (intermediary) in a manner that is excluded under (a) and (b).
- d) Performing actions or transactions that infringe against this policy or applicable anti-corruption legislation.

[Definition](#)

In general, corruption is understood as the misuse of power with which one has been entrusted in a professional context for one's own private benefit or to the benefit of a third party, such as one's employer.

This includes the granting, offering, promising, accepting, or requesting of benefits as an incentive for an action aimed at influencing individuals so as to achieve or maintain an economic advantage.

A benefit in this case is any action which improves the material or immaterial situation of the recipient and to which they don't have a legal claim.

Kickbacks concern payments in the form of hidden commissions, such as when a previously hired consultant transfers back a part of an inflated consulting fee to the account of the Employee. Agreements of such a nature are usually made in secret and not disclosed transparently.

This policy applies to the following types of bribery:

- **Active bribery:**  
The offering, promising, or granting of a financial or other material or immaterial advantage.
- **Passive bribery:**  
The demanding or acceptance of a financial or other material or immaterial benefit as a reward, or to bring about an illegitimate action with regard to a certain professional position.

This policy applies to the following categories:

- **Bribery in the context of commercial practice:**  
The offering, promising, or granting of material or immaterial benefits to an individual within commercial practice with the intent of bringing about or rewarding the illegitimate exercise of the individual's office.
- **Bribery of (foreign) officials (public officials):**  
The offering, promising, or granting of a financial or other benefit to a public official with the intent of bringing about or rewarding the illegitimate exercise of the individual's office.

## 1.1 Facilitating payments

### Principles and rules

The PHOENIX group considers facilitating payments to be bribes; they are therefore prohibited. This is independent of whether they are allowed under local laws or not.

### Definition

Facilitating payments are payments made to public officials with the intention of expediting legally required actions to which one does have a legitimate claim (e.g. clearing goods through customs, issuing permits, etc.). These payments merely influence the moment of the activity, and not the result.

## 2. Conflicts of interest

### Principles and rules

Employees must place the interests of PHOENIX ahead of their own personal interests. By and of itself, a conflict of interest does not constitute an offence; however, it may become one depending on the way in which it handled.

Employees are obligated to inform their immediate superiors and their LCM about any conflicts of interest and to have them resolved before continuing with the matter in question.

Employees should refrain from involving themselves in any situation in which their objectivity in business decisions could be called into question due to a conflict of interest.

All conflicts of interest must be disclosed, regardless of whether the Employee considers a conflict as influencing a business transaction or not.

In case of doubt (if something is unclear, for example), Employees should always consult their immediate superior as well as their local LCM.

## Definition and examples

A conflict of interest is a situation in which an Employee's personal interest differs from the interests of their employer, or if said personal interest has an undue influence.

Conflicts of interest arise when personal, financial, or other relevant interests of Employees lead to (or may lead to) decisions or business transactions being made which are not (or not in this manner) in the interest of the PHOENIX group.

The concept of "personal interests" is wide-ranging, comprising not only the interests of the Employee themselves, but also those of any closely associated persons (natural or juridical).

Conflicts of interest may arise in the following situations, for example:

- In personal relationships, where it is in the personal interest of a person closely associated with the Employee to take up a business relationship or employment with PHOENIX ("nepotism"; e.g. employing a relative, initiating a business relationship with a relative based on non-objective criteria);
- In the awarding of contracts, whereby an Employee gives undue advantages to a person closely associated with them (e.g. granting a contract to a friend based on non-objective criteria);
- In instances of secondary employment<sup>1</sup> (e.g. doing side work for a competitor, client, service provider, etc. of PHOENIX);
- If a business partner (e.g. a competitor, current business partner, or potential business partner) has financial interests (e.g. ownership of significant shares).

## References

- Compliance Notification Template

### 3. Gifts and incentives

## Principles and rules

PHOENIX Employees may occasionally give gifts or grant incentives to third parties, or accept them; however, these must be socially appropriate<sup>2</sup> and should fall within the locally set value limits.

It is prohibited to promise, offer, or grant gifts or incentives in order to induce the recipient to grant a benefit to PHOENIX or to reward such conduct or induce them to refrain from doing something that might be to PHOENIX's disadvantage. This applies to the reverse situation as well.

Inappropriate gifts which might, for example, give you a sense of obligation or which might damage the reputation of the Employee, PHOENIX, or the business partner, must be rejected in a polite but resolute manner. Such gifts must never be offered by us to third parties, either.

Particular care is to be exercised with regard to gifts or other contributions made to public officials; if there is any doubt as to the appropriateness of such matters, it is necessary to refrain from offering anything.

<sup>1</sup> In addition to any obligation to report for compliance reasons, Employees are generally already obliged to report secondary employment in accordance with their employment contract.

<sup>2</sup> Social acceptability refers to modes of conduct that are common and generally accepted, taking the ethical outlook of broad public as the standard. No generally applicable limits are defined in this regard. (On this matter, see also AnCo\_SOP\_Contributions)

If in an exceptional case in which a gift or incentive has been given or accepted that exceeds the value limit, it must be authorized by one's supervisor and reported to the LCM (see AnCo\_SOP\_Contributions).

The additional versions of the document AnCo\_SOP\_Contributions are to be observed when accepting or giving gifts and incentives.

The following points must always be taken into consideration with regard to gifts and incentives to and from third parties, in addition to the aforementioned points:

- Gifts in the form of cash or cheques or cash equivalents (such as vouchers) may never be given or accepted.
- Gifts and incentives may not be given or accepted contract negotiations/tendering processes are currently underway, nor may they be given to or accepted from companies or persons with whom no business relationship exists.

Each gift and each invitation must be assessed for potential inappropriate intentions before it is offered or accepted. It is inappropriate to accept or offer gifts or other incentives with a value exceeding a certain locally specified limit. Beyond this, any additional regulations (see references) must also be observed.

When granting gifts and incentives, it is irrelevant whether PHOENIX bears the cost of the gift, or if the Employee does so personally.

#### Definition

Gifts are any type of benefit with a particular equivalent that is transferred to another person (e.g. as a sign of appreciation) without expecting a something in return.

#### References

- AnCo\_SOP\_Contributions
- Value limits for the respective PHOENIX group company
- Compliance Notification Template

### **4. Travels, accommodations, hospitality services, invitations, and events**

#### Principles and rules

PHOENIX Employees may occasionally invite others on trips and/or events and provide accommodations or hospitality, or they may accept some such offers; however, these must be socially appropriate and should fall within the locally set value limits.

Invitations for overnight stays as well as offers to assume travel costs may not be accepted by PHOENIX Employees.

The principles and regulations specified in Point 3 of this policy (Gifts and incentives) are to be observed along the same lines, and the additional versions of the document AnCo\_SOP\_Contributions are to be observed; this particularly applies in cases of ongoing contract negotiations and tendering processes.

Occasionally, our Employees are invited to events. We likewise invite business partners to events. When socially appropriate and in compliance with the further regulations (see references), the PHOENIX group does not decline to participate in such events and accepts invitations in order to improve business relationships and promote mutual understanding with our business partners.

#### Definition

With PHOENIX, trips, accommodations, hospitality services, and invitations include any invitation (active or passive) to travel (such as flight costs, rail costs, etc.), accommodation (hotels, etc.),



hospitality services (restaurant visits, catering at events, etc.) and events (congresses, trade fairs, theatrical performances, sporting events, etc.).

When providing travel, accommodations, hospitality, and invitations it is irrelevant whether PHOENIX bears the costs of the gift, or if the Employee does so personally.

## References

- AnCo\_SOP\_Contributions
- Value limits for the respective PHOENIX group company
- Compliance Notification Template

## 5. Donations grants, and sponsoring

### Principles and rules

Charitable donations, grants, and sponsoring must be approved in writing by a member of the board of the respective company in a way that is clearly documented.

Donations and grants may only be granted by PHOENIX if no specific service is expected in return or a prospect thereof offered, or if it may be purported that this is the case.

Sponsoring relationships must categorically be regulated by contract. Every sponsoring activity must serve a legitimate business-related purpose.

All donations, grants, and sponsoring activities must be reported to Compliance. Clusters are defined for donations, grants, and sponsoring. The various procedure for handling these cases are described in AnCo\_SOP\_Donations\_Grants\_Sponsoring.

The additional versions of the document AnCo\_SOP\_Donations\_Grants\_Sponsoring are to be observed.

The PHOENIX group occasionally supports events and individuals or makes donations to charitable causes. These support activities must be in compliance with the integrity standards at the local and group level, as well as with local laws. They must be approved by a member of the board or a senior manager of the company within the PHOENIX group that is making the donation. One requirement for the approval of donations is, among others, the personal assessment of the senior manager/board member that the donation is not or could not be perceived as a concealed bribe.

All donations, grants, and sponsorships must be properly logged in the Compliance Register of the relevant company within the PHOENIX group. In addition, the PHOENIX group company in question must store and archive all correspondence relating to these activities for purposes of review/audit.

### Definition

Donations and grants are contributions made by PHOENIX in cash payments or contributions in kind to a third party, without receiving anything in return. Grants differ from donations in that they are made for a specific purpose (e.g. medicine provided to hospitals), whereas donations tend to be cash payments that may be used in a variety of ways (e.g. cash donated in the event of a natural disaster).

Sponsoring in the sense used here concerns collaboration aimed at achieving a certain goal. In such a case, cash, non-cash benefits, and services, as well as anything received in return, are contractually agreed upon.

## References

- AnCo\_SOP\_Donations\_Grants\_Sponsoring
- Compliance Notification Template

## 6. Public officials

### Principles and rules

PHOENIX in principle does not distinguish between bribes involving public officials and those involving individuals in the private business sector. Nevertheless, public officials are often subject to stricter regulations and limitations (at the local level) which do not apply (or apply less strictly) to persons from the private sector. This is intended to protect the independence of administrations. For this reason, stricter rules apply to contacts and business relationships with public officials.

Collaboration with public officials is in general only allowed if their special knowledge and competence necessitate it and the national laws or other regulations or provisions (e.g. those of the employer) to which they are subject are complied with in full. If a collaboration with public officials is required, it must be coordinated in a transparent manner in order to prevent any suspicion of corruption or bribery.

### Definition

The concept of "public official" is often defined very broadly by (local) supervisory authorities and comprises:

- Elected or appointed leaders or Employees of governments, government agencies, authorities, or companies which are publicly owned, either in whole or in part;
- Elected or appointed leaders or Employees of public international organisations, such as the United Nations;
- Persons who act in an official capacity or in the name of a government, government agency, authority, or public international organisations;
- Politicians and candidates for political office;
- Other persons considered to be "public official" according to the applicable laws, regulations, and industry codes.

Persons who are employed in the medical industry (so-called health care professionals) and the sciences are considered public officials if they work at a hospital, clinic, university, or similar facility that is publicly owned, either in whole or in part.

In case of doubt, Employees may contact their LCM.

## 7. Contracts with third parties

### Principles and rules

Compliance clauses in contracts and similar documents are only allowed by PHOENIX if:

- They do not contain references to foreign law (in particular the UK's Bribery Act<sup>3</sup> and the FCPA).

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<sup>3</sup> Does not apply to contracts within the UK or contracts for which the contractual obligations are intended to be fulfilled in the UK, at least in part.

- They do not reference other codes (e.g. internal company codes of conduct of the potential contracting partner) and oblige PHOENIX to them.
- They do not appear suspicious in some other way, or disproportionately restrictive.

If one of the points listed above in particular is not fulfilled, the document AnCo\_SOP\_Third\_Party\_Management (see references) is to be applied and/or the LCM consulted.

When filling out questionnaires on the part of PHOENIX as part of third-party due diligence processes, the document AnCo\_SOP\_Third\_Party\_Management (see references) must also be complied with and/or the LCM consulted.

Inappropriate conduct on the part of third parties may have legal consequences for the companies in the PHOENIX group and may damage their reputation. That is why we strive for relationships with third parties who share our high standards of integrity.

#### Definition

A third party is any natural or juridical person with whom a company of the PHOENIX group has (business) contact. In the context of this policy, other companies within the PHOENIX group and their Employees are not considered third parties.

#### References

- AnCo\_SOP\_Third\_Party\_Management

### 8. Transactions related to mergers and takeovers; joint ventures

#### Principles and rules

Before the conclusion of any contract dealing with transactions relating to mergers and/or takeovers or with joint ventures, an appropriate due diligence assessment is to be made for anti-corruption purposes.

Mergers and/or takeovers may result in the companies in the PHOENIX group being liable for the past or future transactions of the companies concerned. Therefore, it must be guaranteed that these companies share our standards of integrity and act accordingly. To ensure compliance with this policy in the event of transactions of this nature, the business activities of the companies concerned are to be assessed and monitored accordingly within the scope of due diligence before and after the contracts are concluded.

#### Definition

The concept of merger and takeover transactions designates the takeover/acquisition of a company in whole or in part, the purchase of a company, or the merger of a company in the PHOENIX group with another company.

A joint venture denotes the shared operation of a company with at least one third party.

#### References

- M&A policy

### 9. Customer loyalty programmes / point systems

#### Principles and rules

PHOENIX group Employees are only allowed to privately benefit from bonus programmes used to perform a business activity (e.g. purchasing, procurement, and hiring of services as well as leasing) if this business activity is governed by a binding internal policy (e.g. policy on travel costs, policy on motor vehicles, etc.).

### Definition

So-called customer loyalty programmes or point systems are programmes offered by various providers (e.g. by airlines, hotel providers, hire car services, etc.) that reward the loyalty of customers for using their services by awarding points or forms of credit to a customer account.

### References

- Local travel cost policy, if available

## 10. Books and records

### Principles and rules

False or misleading entries in the books and records (electronic or otherwise) of PHOENIX are strictly prohibited (such as in the form of "slush funds" or "black funds"). All financial transactions must be documented and properly recorded in the books and records of the respective unit within the PHOENIX group.

Local control mechanisms and/or authorization procedures must always be followed.

Books and records of PHOENIX must be documented with sufficient accuracy and detail. Sources of revenue and their use, as well as all assets, must be documented in accordance with the locally applicable accounting regulations (from PHOENIX).

The measures we take to prevent the risk of corruption and/or bribery must be documented in sufficient scope within a sensible framework. Books and records must accurately, fairly, and reasonably reflect the subject of transactions while complying with the relevant and (locally) applicable accounting principles.

Locally applicable legal and tax retention periods must be complied with.

### Definition

Books and records are defined as all accounts, invoices, written documentation (correspondence, notes, etc.) in addition to any other written records.

### References

- PHOENIX group Accounting Manual

## 10.1 Obligatory compliance records

### a) Local value limits

The local compliance unit specifies and recommends permissible value limits for the respective PHOENIX group company and maintains an index of existing local value limits for all audit purposes and for inspection by the compliance unit at the group level. The local value limits must be approved by the LCC of the respective company. The compliance unit at the group level sets appropriate maximum values to serve as points of orientation for the compliance units within the companies.

Further details are laid out in the Compliance Organisation Handbook.

### b) Compliance Register

Each local compliance unit maintains a Compliance Register with records of:

- a) Conflicts of interest (Point 2)
- b) Benefits which exceed value limits (see Points 3 and 4)

- c) Donations, grants, and sponsoring (see Point 5)

The Compliance Register must be available for all audit purposes.

The Compliance Register is provided by Corporate Compliance and managed by the LCM. The compliance unit at the group level may lay down additional requirements with regard to the form, content, and availability of the Compliance Register.

Further details are laid out in the Compliance Organisation Handbook.

## 11. Contact

[See Compliance Principles](#)

There are various options available for reporting misconduct (see Compliance Principles).

In case of any questions about this or one of the other policies, please contact your LCM or Corporate Compliance.

Corporate Compliance may be reached via the following channels:

By email: [compliance@phoenixgroup.eu](mailto:compliance@phoenixgroup.eu)

By phone: +49 621 8505 – 8519

(Anonymously) via the case reporting system: <https://phoenixgroup.integrityplatform.org/>

By post:  
PHOENIX Pharma SE  
Corporate Compliance  
Pfungstweidstraße 10-12  
68199 Mannheim  
Germany