

# **TILLOTTS PHARMA**

## **CODE OF BUSINESS ETHICS**

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## **I. Foreword from Tillotts' CEO**

Tillotts Pharma AG and its affiliates (together referred to as "Tillotts" or "Company") are fully committed to upholding the six Corporate Values of the Company (see below) in all our activities and in the way we treat one another. These Corporate Values underpin the open and ethical culture of our Company and are central to its reputation and continued success. Our stakeholders trust that we act in line with all legal and regulatory requirements, as well as the highest professional and ethical standards.

The Code of Business Ethics ("CoBE") describes how to actively apply our Corporate Values that serve as a fundament in our day-to-day work. The Code of Business Ethics provides direction and support for the Company to perform its business in an ethical and responsible way. In the following, this Code of Business Ethics will highlight some key areas to be aware of when doing business to ensure that we are always acting within the boundaries of the law, as well as in line with our Corporate Values.

It is important to note that the Code of Business Ethics forms a part of your employment terms and therefore must be strictly followed at all times.

We all have an individual and collective responsibility to ensure that Tillotts' Corporate Values are not only followed, but that they are positively promoted throughout the organization. This includes speaking up when you see that something is not right. There are many channels through which you may raise such concerns, including the so-called "Compliance Help Link" established for the purpose of discreetly receiving and handling reports from Staff where all other avenues of raising concern are exhausted. More information can be found on this in Part L of this document.

Thank you for your engagement and for your efforts in upholding the Corporate Values of our Company, and by that contributing to its continued success.

Sincerely yours,

**Thomas A. Tóth von Kiskér**

Chief Executive Officer

Tillotts Pharma AG

## **II. Scope and Purpose**

This CoBE applies to all employees of Tillotts, including temporary employees, interns and consultants (in the following referred to as “Staff”). The use of the terms “we”, “you” and “employee(s)” throughout this document also refers to Staff. Each Staff member is required to always adhere to the CoBE and to positively promote the values described herein by personal example. This CoBE supports Tillotts in its commitment to sustainability in our business activities and its aim to apply and abide by the highest ethical, social and environmental standards.

All Staff members receive a copy of the CoBE when joining the Company, as it forms a part of the employment terms. As such, you are required to read and confirm your understanding of the contents within the first three months of employment by signing and returning the form at the foot of this document to the Legal Department. You should also make sure that you regularly refer to the CoBE and keep its contents and spirit at the forefront of your mind during your daily work.

Tillotts has other policies, guidelines and Standard Operating Procedures (so-called “SOP”s) that provide more detail to subject matter contained in the CoBE. Where this is the case, those policies, guidelines and SOPs shall supplement and explain the more general guidance contained in the CoBE. In cases where local laws and regulations impose additional requirements to those set out in this CoBE, those laws and regulations shall take precedence over the CoBE and must be observed as and when relevant.

Breaches of the CoBE may result in disciplinary action or – in severe cases of violation – termination of employment.

With the aim to continually improve the Company’s business practices and to steadily advance our performance, the CoBE may be adapted from time to time at Tillotts’ sole discretion to reflect any necessary changes. In such cases, Tillotts will inform Staff about the updates in an appropriate manner.

## **III. Tillotts Six Corporate Values**

Our CoBE is built on the foundation of Tillotts’ six Corporate Values:



These six Corporate Values are all equally weighted and are at the heart of everything we do. We genuinely believe that by upholding these values, we will strengthen the success of our Company and every Staff member in an ethical and meaningful way.

In addition, you and every Staff member are individually responsible for ensuring that we abide by applicable laws, rules and regulations and adhere to the highest ethical standards. This means taking the initiative to familiarize yourself with best business practices, laws and regulations applicable to your area of responsibility.

Observing high ethical standards also means that in all our dealings with one another and our business partners, we:

- Always act respectfully towards colleagues and other stakeholders
- Never make misrepresentations, dishonest statements or statements intended to mislead or misinform. If we realize that we have been misunderstood, we promptly correct the misunderstanding

- Fairly and accurately represent and promote the products of Tillotts in accordance with applicable advertising laws and the respective market authorizations of the products
- Do not to make incorrect or disparaging statements about a competitor's products or services
- Always take responsibility for own mistakes and learn from them in our endeavour to continuously improve
- Honour our commitments

Accountability also includes recognizing where you may not have the knowledge or expertise required in a matter and seeking appropriate support early on. In situations where applicable law or Tillotts' internal written standards (e.g. an SOP) do not provide clear answers, you should seek support and guidance from your superior, the Human Resources Department and/or from the Legal Department, as appropriate.

In view of the regulatory framework in which Tillotts operates, issues of legal compliance may arise and may result in legal proceedings. In such cases, it is essential that you inform the Legal Department as early as possible about any issue that may have a legal impact or lead to legal proceedings.

## **IV. Focus Areas**

There are some key areas that we all need to be aware of given the nature and scope of our business. Further information on each of these can be found below. Please note that the subject areas are shown in no particular order; they are all important. Tillotts' Corporate Values must be at the forefront when dealing with any of the below, or indeed any other area which requires the exercise of due care and the highest ethical standards.

### **A. Fair Business Practices**

We believe in free and open competition in the marketplace. Anti-competitive practices distort the healthy functioning of markets, prevent fair competition, and harm consumers. This is why we do not enter into arrangements with our competitors, customers, suppliers or any other business partners which could unlawfully restrict competition. We do not enter into agreements with competitors to engage in any anti-competitive behaviour, such as – but not limited to - setting prices or dividing markets.

Examples of anti-competitive behaviour include talking to or exchanging information with competitors in order to or with the effect of:

- Fixing prices (including setting of minimum or “stabilized” prices)
- Fixing terms related to price, pricing formulas, credit terms, promotions, discounts, allowances, etc.
- Dividing up markets, customers or territories
- Placing output restrictions or limits on production
- Boycotting a supplier, customer, distributor or other party in the marketplace

Communication with competitors, if any, must be kept to a minimum and in any event, must always be based on a legitimate business reason and on a clear agenda. You should always involve the Legal Department ahead of any such discussions so that you can be advised appropriately.

Violations of fair competition laws can result in huge fines for the company, and also imprisonment for the individuals involved. Every Staff member shall be, beyond doubt, committed to the principles of fair competition in all form of business arrangement, and shall fully respect national and international laws restricting the operations of cartels and certain monopolistic practices.

## **B. Insider Trading**

Although Tillotts itself is not publicly listed on any stock exchange, we must be aware of insider trading rules as they apply to our publicly listed parent company, Zeria, and may also apply to any third-party business partners if it is a publicly listed company.

Inside information is confidential, non-public information about Tillotts, Zeria and/or a third party that, if made public, could influence the price of a company’s securities, such as shares or bonds. The following non-public information is considered to be sensitive and confidential inside information:

- Financial results and forecasts
- Information on dividends, including change of dividend policy
- Significant commercial earnings or losses
- On-going or planned divestitures, acquisitions or mergers
- Significant restructurings
- Outcome of clinical trials

- Negotiations with major customers
- Executive member changes in Board and Management
- Important corporate news such as major new contracts (e.g., licensing deals)
- Important new or threatening legal procedures or developments in pending legal procedures

Such information must be held in strict confidence until the transaction or sensitive data in question has been made public in a lawful way. This means that if you have access to sensitive Tillotts, Zeria and/or third party inside information, you must not disclose this information to third parties, including friends and family. Further, in such case, you are prohibited from trading in stock, securities or derivatives from the Company/companies involved for a period of time until the respective transaction or sensitive data in question has been made public in a lawful way. Often such non-trading time frame is provided by the Company. Such unlawful insider trading may lead to civil or criminal prosecution of anyone involved, regardless of their position within the Company.

Further guidance on this topic can be found in the [Insider Trading Directive](#) which is available on the intranet.

### **C. Bribery and Corruption**

Every employee is expected to strictly observe all national and international laws on corruption and bribery. This means that you may not make or accept inappropriate provisions of corporate hospitality, benefits and gifts or enter into or condone any action that is contrary to any applicable anti-bribery/anti-corruption laws.

Particular care and regard to local and international laws and codes of business practice shall be taken when dealing with healthcare professionals, healthcare organizations and patient organizations. The pharmaceutical industry is, rightly, very highly regulated when it comes to offering gifts and hospitality to these groups, and all applicable laws, codes and regulations must be strictly adhered to.

By principle, Tillotts does not make any political contributions such as cash, gifts, sponsorships, donations or benefits in kind, and no Tillotts employee may knowingly make a political contribution on behalf of Tillotts.

When entering contractual relationships or other cooperation with stakeholders of Tillotts, Staff should take extra caution if the counterparty is based in a country where



corruption/bribery is known to widely exist, or if the counterparty requests unusual payment terms, or if other contractual terms appear strange or out of the ordinary. Special caution should be shown when engaging with partners in Developing & Emerging markets to avoid any unethical behaviour or activity (e.g., poor environment protection, child labour, fraud and corruption) by Tillotts or our partners when conducting our business. In some countries, national regulations around such topics might not exist or are inadequate. Tillotts expects to apply the same strict standards in such countries as those we observe in our home country.

If any of the above reasons appear to exist in the matter, you should seek the advice and guidance of the Legal Department and/or the Head of Compliance. Tillotts ensures that we carry out regular due diligence checks especially on new business partners (please refer to the [Third-Party Directive](#) on the intranet) to ensure that they are ethically aligned with Tillotts in their business practices. If you become aware of any suspicious activity, you must immediately notify the Head of Compliance.

## **D. Labour and Human Rights**

Tillotts supports fundamental human rights and will champion these rights. As a responsible company, we respect the human rights of all people with whom we interact, including our patients, customers, suppliers, employees and third parties who work as our external business partners. We strive to uphold human rights in all our business activities.

We will not knowingly work with business partners who employ children or forced labour. We will respect employees' lawful right to exercise free association, and we will recognize the right of our employees to choose or not choose collective bargaining representation.

In every country where we operate, Tillotts follows all applicable laws, regulations and international conventions related to human rights.

## **E. Fraud and Money Laundering**

Engaging in deceitful or intentionally misleading activity constitutes fraud. Tillotts is committed to ensuring the highest standards of honesty and has a zero-tolerance policy towards any form of fraud. Acting with integrity fosters trust, helps us build a solid brand, maintain our good reputation in the market and increases loyalty and respect. Examples of fraud include theft of Tillotts property, falsification of records or claims, submitting dishonest expense claims and tax evasion.

Money laundering is the act of concealing the origins of money obtained through illegal activities, so they appear legitimate. Indications of money laundering may include unusual payment patterns, large cash transactions or payments to undisclosed parties. Even remote association with such activities could greatly damage the Company's reputation and bring with it penalties and legal action. We ensure that we carry out regular due diligence checks especially on new business partners (please refer to the Third-Party Directive on the intranet) to ensure that such partners are ethically aligned with Tillotts in their business practices. If you become aware of any suspicious activity, you must immediately notify the Head of Compliance.

## **F. Intellectual Property Rights and Confidential Information**

We are all responsible for protecting and carefully using Tillotts' tangible assets (e.g., buildings, interiors, machines, and computers) or intangible assets (e.g., trademarks, reputation, protected information, intellectual property and confidential data).

Sensitive business information and trade secrets of Tillotts or of third parties must be closely monitored and safeguarded. Every Staff member who has access to or directly handles such confidential business information and trade secrets, may only use such information for legitimate business purposes and may only disclose such information to third parties under coverage of a formal and valid Confidential Disclosure Agreement. The secrecy obligation extends even to employees who have left Tillotts.

All Tillotts' data and information (e.g., database data, including e-mails, employee and technical information, R&D activities, business and marketing plans, programs and financial data) are of confidential nature and must be strictly protected.

A breach of confidentiality may lead to civil or criminal prosecution, be that for Tillotts or for the violating employee.

We must also respect the intellectual property rights of third parties, whether these are owned by individuals or companies. When using logos, trademarks, patents or other intellectual property, steps must be taken to ensure that such intellectual property is respected.

## **G. Export Controls and Sanctions**

We always adhere to all applicable international trade and economic sanctions to protect ourselves from market restrictions, penalties and reputational damage. Export controls and sanctions may prohibit or restrict us from doing business with certain individuals, entities, groups and countries. Since export controls and sanctions are always changing, it is important to consider whether they may be a relevant consideration when dealing with a potential business partner. It is also important to react quickly and seek advice from the legal department if there is a change so that we can put in place the necessary measures to protect the Company.

## **H. Data Protection**

Personal data is any information that can be used to identify directly or indirectly a natural person by reference to a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person. The personal data of individual Staff members, Tillotts` customers and business partners must always be protected in alignment with existing privacy laws and regulations. The use of such personal data must be limited to necessary business purposes with consent, as and when required. If you will be handling personal data, you should always first consult the [Data Handling Policy](#), which is available on the intranet. In case of any doubts or questions, please contact the Legal Department for help via the dedicated data privacy inbox ([dataprivacy@tillotts.com](mailto:dataprivacy@tillotts.com)).

## **I. Conflicts of Interest**

You must not, directly or indirectly, benefit from improper use of a personal relationship with individuals or entities outside of Tillotts. In addition, any situation, which could give reason to or even appearance of a conflict between your responsibilities towards Tillotts and your personal interests should in all circumstances be avoided. Such situations are known as conflicts of interest. If you think there may be a situation that gives rise to a potential conflict of interest and you are unsure what to do, please contact the Head of Compliance for support. We can assist you with assessing the situation from an objective standpoint and determining the best way forward.

## **J. Diversity, Inclusion and Fair and Equal Treatment**

Tillotts cultivates an inclusive, tolerant, fair and positive business environment in which all Staff members are personally respected and allowed to individually develop and grow. To ensure this, we have an established and clear process for setting objective performance standards (e.g., in the form of agreed yearly objectives) and for measuring and rewarding Staff performance. Tillotts respects the rights of its employees, as set forth in local laws, to associate freely, join or not join labour unions, seek representation and join workers' councils. Additionally, Tillotts supports a positive work-life balance for all its Staff and supports Staff`s ability to communicate openly with management about working conditions without threat of reprisal, intimidation or harassment.

Independent of position, all Staff are expected to treat each other with fairness, courtesy and respect. Tillotts will not tolerate any discrimination or harassment based on age, race, colour, gender, disability, ethnicity, national origin, citizenship status, religion, sexual orientation, gender identity, gender expression, genetic information or any similar characteristic.

Individuality and freedom of expression are encouraged at Tillotts. All relations among co-workers in the workplace as well as in relation to third-party collaborators are expected to be professional and free of bias, prejudice and harassment of any kind.

Examples of unwanted conduct includes:

- Unwanted physical behaviour or contact
- Display of offensive material
- Sexist, racist or other intolerant conduct
- Any behaviour that unduly and negatively influences the job performance of a co-worker or creates an intimidating, offensive or hostile working environment
- Mobbing, humiliation or insulting behaviour
- Threatened or exercised violence
- Psychological or physical abuse

Engaging in any such behaviour may result in disciplinary action, or in the most severe cases, dismissal.

## **K. Health, Safety and Environment (HSE)**

The Company's aim is to keep work-related risks to health, safety and environment at a reasonable minimum to protect our employees and the world around us as much as reasonably possible and to comply with all applicable laws and regulations.

Tillotts operates in an environmentally responsible and efficient manner to minimize adverse impacts on the environment. Our aim is to conserve natural resources, to avoid the use of hazardous materials and where possible engage in activities that reuse and recycle materials.

Tillotts also promotes health and safety of its employees outside of the workplace.

As an employer, Tillotts is ethically and legally required to:

- provide a safe and healthy workplace for its employees
- inform employees about hazards at work
- train employees to handle those hazards in a safe manner, including the use of PPE (personal protective equipment)
- protect the environment and surrounding residents from hazards caused by the company
- give employees the opportunity to comment on and participate in health and safety issues
- periodically control that working procedures, working equipment and workplace comply with current HSE regulations
- periodically verify that employees follow HSE rules

To prevent accidents or incidents, every employee

- has the right and obligation to stop an unsafe work process
- must report any accidents, incidents or near misses within 24 hours
- should report any health, safety or environmental issue they become aware of to their local HSE inbox, to be found in the global address list on Outlook
- must follow the HSE rules

## **L. Raising a Concern**

You are encouraged and fully supported by the Management, Executives and the Board of Directors of Tillotts to raise a concern should one arise. There are many ways of doing this. In the first instance, you may speak with your line manager. If you don't feel comfortable doing this, for instance, if your line manager is involved in the concerning behaviour, you may contact their line manager, Human Resources or the Head of Compliance.

If none of the above options are appropriate or make you feel uncomfortable, you are always able to make a confidential (anonymous) report using the [Compliance Help Link](#) which is provided to Tillotts by the EQS Group, a third-party hotline provider. You can use this channel to make a report about a suspected breach of Tillotts Code of Business Ethics. Although questions and concerns submitted in the Compliance Help Link are sent to the Head of Compliance for response and/or investigation, no identifying information is forwarded without your prior consent.

Further information can be found in the Compliance Help Link Policy, which is available on the intranet. You can rest assured that your report will be dealt with fairly, impartially, in confidence, and that any retaliation against you for making a report is strictly prohibited and will not be tolerated by Tillotts.

## **M. Contact**

Compliance Helpline Policy

Head of Compliance: [compliance@tillotts.com](mailto:compliance@tillotts.com)

Data Privacy issues: [dataprivacy@tillotts.com](mailto:dataprivacy@tillotts.com)