

**Conflict of Interest Management
Policy of
PrJSC “Pharmaceutical Firm “Darnytsia”
(public version)**



1. WHAT IS A CONFLICT OF INTEREST?

A conflict of interest is a situation where our¹ personal interests affect or may affect the proper, objective and impartial fulfilment of our duties in Darnytsia.

2. WHY DOES IT MATTER?

2.1. There may be situations at work where **personal interests** affect or may affect the proper performance of duties at Darnytsia, i.e. a conflict of interest. Conflict of interest management is one of the most important ways to limit the impact of personal interest in our actions as representatives of Darnytsia, on our functions (duties) and business decisions we make.

Darnytsia respects our private interests and recognises our right to engage in legal employment, management, finance, business and other commercial and non-commercial activities if such interests and personal benefits do not and cannot affect our proper, objective and impartial performance of our official (corporate) or other duties at Darnytsia.

A prerequisite for effective performance of our functions (duties) and making business decisions is the absence of conflicts between our personal interests and the interests of Darnytsia, as well as timely disclosure of information and further resolution in the presence of such conflicts (Conflict of Interest).

2.2. A Conflict of Interest by itself is not a violation of the legislation and/or internal policies and procedures of Darnytsia if appropriate timely measures have been taken to disclose and manage the Conflict of Interest. An undisclosed and/or unresolved Conflict of Interest, however, can result in violations or undermining of the regulatory and ethical principles of doing business by Darnytsia, affect the ability to make objective decisions, financial and reputational losses, as well as bring us or Darnytsia to liability.

Personal interest is an opportunity for you and (or) your related persons to receive income in the form of:

- money;
- other property, including property rights, property services, results of completed works. You will find a detailed definition in the Policy on the Management of the Conflict of Interests.
- Related persons are not only family, friends but also organizations with which you or your loved ones are connected.

The group of related persons includes:

- any members of your family, your spouse's family and your children;
- other persons living together and/or running a joint household with you;
- individuals or organizations with which you and (or) members of your family are connected by property, corporate or other close relationships that lead to the emergence of a personal interest.



¹ Employees, Directors, Members of the Governance Bodies of Darnytsia

2.3. Darnytsia's main principles in Conflict of Interest management:

- 1** **Immediate disclosure of information about the Conflict of Interest** by us as representatives of Darnytsia;
- 2** **No actions (and in some cases, no inaction) in a situation that can be described as a Conflict of Interest** until Darnytsia decides on the way to resolve it;
- 3** **Allocation of powers.** Darnytsia seeks to clearly allocate the powers of the Directors, other bodies, committees and employees in respect of making decisions in such a way as to prevent any Conflicts of Interest;
- 4** **Individual consideration and assessment of risks** upon identification of any Conflict of Interest and its resolution;
- 5** **Maintaining the balance of our interests and the interests of Darnytsia** in resolving any Conflict of Interest;
- 6** **Justice and independence.** Persons whose interests are or may be affected by a Conflict of Interest must not participate in making, considering and resolving decisions;
- 7** **Confidentiality of the disclosure** of a Conflict of Interest and of its resolution;
- 8** **"Double control" principle in decision-making** when considering situations and choosing measures to resolve a Conflict of Interest (a decision is approved by more than one person);
- 9** **Protection** from harassment, hurting, mobbing in connection with the disclosure of any Conflict of Interest;
- 10** **Liability for failure to take** measures to disclose and/or resolve any Conflict of Interest.

Disclose conflicts of interest in a timely manner - help Darnytsia prevent possible violations and protect yourself from negative consequences.



3. CONFLICTS OF INTEREST

3.1. What are the types of Conflicts of Interest?

- **Actual Conflict of Interest**

For example, an Employee decides to enter into an agreement between Darnytsia and a Limited Liability Company where he is a member holding a share of more than 1%.

- **Potential Conflict of Interest**

For example, a member (holding a share of more than 1%) of the legal entity participating in Darnytsia's tender has a relative who is Darnytsia's Employee. At the same time, the Employee does not affect the selection of a supplier and does not participate in the procurement.

3.2. What decisions should be avoided?

Business decisions in respect of Darnytsia made to our personal benefit or benefit of our related persons

In the course of our employment at Darnytsia, we should not act or make any business decisions based on our personal interests or interests of any other companies, organisations or individuals other than Darnytsia. We must disclose the information if we or our related persons are in a situation where we can obtain personal benefits (financial or non-financial), and must refuse to make a business decision, enter into a particular agreement or arrangement related to Darnytsia's activities.

Financial interest and financial obligations

We must seek to exclude any financial or other interest that may affect our business decisions or actions at Darnytsia. If we have a direct or indirect financial interest in an organisation that is or may be a Customer/Counterparty/Competitor or other person interacting with Darnytsia, there may be a Conflict of Interest if we approve a decision or try to influence the decision-making. In order to avoid the negative consequences of the Conflict of Interest, we must disclose our direct or indirect (through Related Persons) financial interest in the above organisations to Darnytsia, if we or our Related Persons hold more than 1% of the shares.

We must not use the financial opportunities obtained in connection with the interaction with Darnytsia for personal benefits (other than remunerations provided for by the relevant agreements). Information on granting/intention to grant personal loans (credits) to Darnytsia's Counterparties or Competitors, as well as information on personal debt liability to us (other than personal business relations with banks and other financial institutions) must be disclosed to Darnytsia to resolve a Conflict of Interest.

Gifts and Business Hospitality that may affect the proper performance of our official duties

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Darnytsia's activities are based on ethical and open relations with its Customers/Counterparties and other persons interacting with Darnytsia (third parties). Darnytsia's attitude towards Gifts and Business Hospitality: it is prohibited to offer, accept, solicit or demand (directly or indirectly) any thing of value if it may affect the proper performance of the official duties.

We have to:

- ✓ act objectively and impartially (including inactivity when necessary), thereby maintaining high ethical standards of business conduct by Darnytsia;
- ✓ avoid situations and circumstances that create or may lead to a conflict of interests;
- ✓ disclose conflict of interests in a timely manner;
- ✓ contribute to the assessment and settlement of the conflict of interests that has arisen.



Employment with third parties during our working hours or employment giving rise to a Conflict of Interest

We are expected to dedicate all our working time to Darnytsia's affairs. Work outside Darnytsia can be performed only during non-working hours, except for a combination of positions within Darnytsia. We should make sure that there is no Conflict of Interest between our employment outside Darnytsia and our official duties at Darnytsia, and we must remember that our duties at Darnytsia are paramount.

Use of Darnytsia's property for personal purposes

Darnytsia's property includes equipment, machinery, consumables, buildings (premises, areas), financial resources (including cash), technologies, know-how, business strategies (plans), confidential information about commercial activities, and any other assets of Darnytsia. We must not use or give consent to the use of Darnytsia's property for personal purposes or for personal benefit.

We cannot anticipate all possible Conflicts of Interest that may arise. Comparing your particular personal situation with Darnytsia's rules, you should be guided by common sense and the highest ethical standards provided for by the Darnytsia Code of Business Conduct and Ethics.

If we face a situation that raises doubts (suspicions) as to the presence of a Conflict of Interest, we should seek the advice of our immediate supervisor and/or Compliance Manager in any form.

3.3. What can be done to prevent Conflicts of Interest?

- Be guided exclusively by the interests of Darnytsia;
- Immediately inform Darnytsia of any potential or actual Conflict of Interest arising as we perform our duties;
- Understand the reality of the liability established by law for violating Darnytsia's legitimate interests in connection with a potential or actual conflict of personal interests with Darnytsia's interests and the consequences of a failure to take measures to prevent or resolve it;
- Actively participate and assist in resolving a Conflict of Interest;
- Ensure that our personal interests, family relations, friendships or other relationships, personal likes and dislikes do not affect the objectivity of the decisions made in connection with the work at Darnytsia;
- Avoid any situations or circumstances where personal interests conflict with Darnytsia's interests.



By concealing a conflict of interest or reporting it untimely, you can harm yourself and Darnytsia, provoking negative consequences. Do not expose yourself and Darnytsia to risks, and conduct business honestly!

A Conflict of Interest should be disclosed in the following situations:

- At the time of employment (internship)/ appointment to a new position;
- During the performance of official duties in case of changes in the previously specified information;
- Annually as part of the certification of Darnytsia's managers;
- During the execution (amendment) of the relevant agreements, as well as during their term in case of a conflict of interest;
- In other cases.

To recognize a conflict of interest, ask yourself two questions:

Do you have a personal interest?

Does the personal interest affect or can affect the performance of your duties in Darnytsia? If you doubt about even one of the points, it is most likely a conflict of interest.

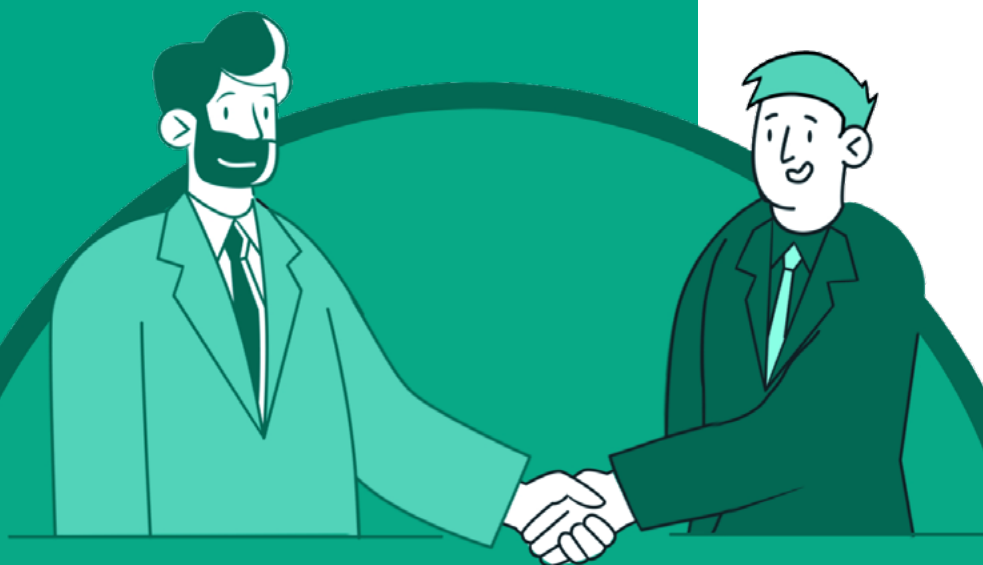
4. DISCLOSURE OF INFORMATION ABOUT A CONFLICT

Counterparties can report Conflicts of Interest violating Darnytsia's interests and/or applicable anti-corruption laws by reporting to the Single Hotline, the contacts listed below, in Section 5, to Darnytsia Compliance Manager at compliance.officer@Darnytsia.ua and/or by notifying Darnytsia's contact persons authorised to interact under an agreement (hereinafter the Contact Persons) through the channels, in the form and within the time specified in the agreement. Upon receipt of the information on Conflicts of Interest from the Counterparties, the contact persons will escalate it to their Direct Supervisor to make decisions.

Disclosure of a Conflict of Interest does not relieve us of our obligation to support and ensure that measures are taken to resolve them and to prevent similar situations in the future.

We should report any conditions resulting in termination of a Conflict of Interest previously reported to Darnytsia in a manner similar to the procedure for disclosure of a Conflict of Interest.

Personal data obtained during the disclosure of a Conflict of Interest must be processed in compliance with the requirements of the legislation of Ukraine.



5. WHERE TO SEEK HELP?

5.1. If we have doubts as to the correctness of our assessment of the presence (absence) of a Conflict of Interest, or how such an assessment should be made, as well as questions concerning the interpretation of a Conflict of Interest, we should consult our immediate supervisor or the Compliance Manager by e-mail: compliance.officer@darnytsia.ua.

5.2. Employees, directors, members of Darnytsia's management and other bodies who have become aware or have reason to believe that the principles or requirements of Darnytsia's Local Regulations and applicable anti-corruption laws are violated shall report it immediately in any of the following ways:

- Contact the direct supervisor or, if the report concerns actions of the direct supervisor, the senior manager;
- Contact the Compliance Manager (in any form);
- Contact the Hotline at compliance.officer@darnytsia.ua.

5.3. Darnytsia ensures independent and comprehensive consideration of all reports of violations.

5.4. There #must_be+no harassment in any manner (measures of influence) against persons who honestly reported violations, assisted in investigations, refused to participate in activities contrary to the principles or requirements of Darnytsia's local regulations and the Code of Business Conduct and Ethics at Darnytsia.



We support a culture where #problems can and should be reported.