



### Introduction:

Bader Sultan & Brothers Co. (BSBC) is a long established, family owned company that operates mainly in the health care sector. It is a tough but fair competitor that focuses on sustainable, long-term growth, forgoing short-term opportunities that are inconsistent with its long-term values of maintaining the Sultan family reputation of integrity in both business and everyday life.

With such high standards of ethics upheld by the owners, BSBC requires that all its employees should be trained to uphold these standards, and hence this Code of Ethics.

This document provides you with a broad understanding of the Anti-Bribery and Corruption (ABAC) policy at BSBC, and identifies resources where you can find out more. Everyone at BSBC should not only read the policy, but live their daily lives by the rules, values and spirit, outlined in these pages.

### What is the ABAC Policy?

The ABAC Policy is part of BSBC's response to the threat and risk of bribery and corruption. It builds on BSBC's values and existing standards to form a comprehensive and practical approach to compliance in this complex risk area.

At BSBC, we are committed to the highest level of ethical behavior and compliance with laws and regulations. We expect that all employees will conduct themselves in accordance with our values, policies and the laws relating to bribery and corruption.

The ABAC policy sets out the company's requirements from all our employees to prevent corrupt practices and maintain standards of documentation.

The ABAC policy is implemented by many functions throughout the organization including Compliance, Legal, Finance and Audit.

### Goal of this Policy

This document is designed to help the reader to navigate through the ABAC policy. It will take you through the core elements of the Policy by discussing: 1) our standards, 2) our requirements to meet these standards and 3) indicators of corruption ("red flags").

### Bribery and Corruption: An Introduction

#### What are bribery and corruption?

Bribery and corruption means giving, offering or receiving an undue reward with the intention of influencing the behavior of someone in government or business in order to obtain or retain a commercial advantage.



### **Why should I care about bribery and corruption?**

Bribery and corruption have been identified as one of the key factors that limit growth and contribute to inequality. By wrongly benefiting a few individuals, it limits competition, damages innovation and corrupts societies. Put simply, it is unethical and against our values.

BSBC requires compliance with the highest ethical standards and all anti-bribery and corruption laws applicable to it in the conduct of its business. BSBC values integrity and transparency and has zero tolerance for corrupt activities of any kind.

Not only is bribery and corruption wholly contrary to our values, it is also illegal. Bribery and corruption laws expect that companies will have proactive measures in place to prevent and detect corrupt practice. The consequences of non-compliance with the laws are significant to the company and to individuals involved. Individuals can face civil and criminal charges that can result in large fines, imprisonment and disbarment from government contract processes.

### **What forms can bribery and corruption take?**

Bribery and corruption can take many forms including cash or gifts to an individual or family members, inflated commissions, fake consultancy agreements, unauthorized rebate and political or charitable donations. Common business practices, if abused, can be construed as corrupt payments. For example, excessive or inappropriate entertainment, paying for the travel of spouses, or inappropriate non business related travel could be a problem. In some cases, the offer of the inducement is unlawful, even if it is not accepted. Giving, offering, requesting and receiving a bribe are all forms of corruption, even if made indirectly through a third party. Intangible benefits such as favours can be corruption if offered in exchange for other tangible or intangible benefits.

### **Working with Government Officials – Corruption Risk**

BSBC interacts with government officials throughout the lifecycle of a product. For example: product registration; Customs clearance; Immigration authorities; and marketing to doctors and hospitals; and other interactions involve government officials.

Bribery of government officials poses a heightened risk to BSBC due to specific anti-bribery and corruption laws around the world relating to government sector bribery. The term government official has been broadly interpreted by regulators to include:

- Any officer or employee or person acting on behalf of a government
- Department or agency (including health or reimbursement authorities).
- Any officer or employee of a company or business owned in whole or part by a government or government agency.



- Any officer or employee of a political party or any person acting in an official capacity on behalf of a political party.
- Any candidate for political office.
- Any person working for a state-owned health care institution, i.e. healthcare professionals. Healthcare professionals (HCPs) are considered to be government officials. Examples of HCPs include doctors, pharmacists, Nurses, other officials of health authorities, hospital finance staff, and hospital administrators.

### **Is there any difference between bribery of government officials and commercial bribery?**

No, corruption can occur in both commercial dealings and dealings with government authorities and governments, including government officials.

BSBC does not distinguish between these forms of bribery. Both of these activities are prohibited by our policies and if breached may lead to severe sanctions, including dismissal.

### **What do you need to do?**

#### Five key principles:

#### **1. Do not offer or accept bribes**

We prohibit the giving, offering, accepting or demanding of improper payments.

Improper payments are anything of value made directly to an individual, or on someone's behalf, with the purpose of influencing or inducing an act to secure an improper business advantage or to improperly obtain or retain business. This restriction applies to anyone, regardless of their affiliation with a government organization or a private company. It is unlawful to even offer a bribe, regardless of whether the offer is accepted or a benefit is gained.

#### **2. Understand our policies and the corruption risks you face**

The first step to compliance is to develop an understanding this policy and how it impacts upon your responsibilities. Doing this requires an understanding of corruption risk and area of focus, how corruption risk may apply to your area and your responsibilities, and what steps you need to take to prevent the risk and to ensure that when problems occur, they are handled in an appropriate manner.

#### **3. Respond**

It is critical that compliance risk is assessed on an ongoing basis within each business area, that mitigation plans are appropriately established, and that the appropriate internal control measures are in place. This includes continuous monitoring of compliance with the ABAC Policy. The monitoring plan must be established at the local level and should be prioritized according to risk assessment.



### 4. Document

Documentation should always be accurate and complete. This means maintaining documentation to demonstrate compliance with the ABAC Policy and appropriate classification and / or characterization of our business activities. The ABAC Policy introduces new standards of documentation, including tracking and retaining supporting documentation for certain types of activities.

### 5. Report

We all have an obligation to support the standards of the ABAC Policy and to encourage others around us to do the same. If you observe or suspect inappropriate behavior within BSBC , you have an obligation to report your concerns in a timely manner and through the appropriate channels.

#### What are the areas of focus?

This section outlines the general requirements and processes for the following risk areas:

- Gifts
- Travel, Entertainment and Meals
- Engagements with Government Officials
- Donations and Contributions
- Facilitating Payments (prohibited)
- Financial Books and Records, and Internal Controls

#### 1. Gifts

##### Our Standard

Gifts include anything of value, e.g. money, goods, services, loans, tickets and prizes, given ostensibly as a mark of friendship or appreciation or to express the hope of future business success, and without expectation of consideration or value in return.

Gifts to government officials are not permitted because they can create improper influence or the appearance of improper influence, and could be viewed as bribes or other illegal gratuities.

On an exceptional basis, however, items of minimal/modest value may be provided to government officials where it is legal, would be considered respectful of local customs and provided it is done in a fully transparent way.

Regardless of whether they would be considered a government official under the local laws, no gift, benefit in kind (including loans) or financial advantage should be offered or given to healthcare professionals or to administrative staff as an inducement or reward for the prescription of products.

##### How we ensure compliance

You should ask GM before offering or accepting any gifts.



### Red Flags

If bribery or corruption is suspected, notify Manager, Legal Department /Executive Administration Manager and GM immediately.

Examples of “red flags” that could indicate bribery or corruption includes:

- Any gift that would be illegal, e.g. any gift offered to a government official in breach of local or international bribery laws.
- Gifts to or from parties engaged in a tender or competitive bidding process.
- Any gift of cash or cash equivalents.
  
- Any gift that is intended as a quid pro quo, i.e. offered for something in return.
- Any gift that appears excessive, or might adversely affect BSBC’s reputation.
- Any gift that is paid for personally in order to avoid having to report or seek approval.

In addition to the above, ask the following questions to determine if a gift is appropriate:

**Intent:** Is the intent only to build a business relationship or offer normal courtesy, or is it to influence the recipient’s objectivity in making a business decision?

**Materiality and frequency:** is the gift modest and infrequent or could it place you or the recipient under an obligation?

**Legality:** are you sure the gift is legal? Compliance with rules: does the recipient’s employer allow them to accept the gift?

**Transparency:** would you be embarrassed if your manager, colleagues, or anyone outside BSBC became aware of your actions? If so, there is probably something wrong.

**Hypocrisy:** are there double standards? We should only offer what we would be comfortable accepting, and vice versa.

## 2.Travel, Entertainment and Meals

### Our Standard

Providing travel, entertainment and meals to healthcare professionals or government officials may be a violation of the law, if they are excessive, unreasonable or do not have a valid business purpose.

In general, we discourage payment of expenses relating to travel, accommodation and meals of government officials to attend site visits or educational meetings. However, in situations where the governmental body for which the government official works does not cover all expenses relating to such visits, reasonable and actual costs may be reimbursed.

### How we ensure compliance

Approval from GM should be obtained for bona fide expenses relating to travel entertainment and meals of government officials prior to entering into such an interaction.

In situations where a government official insists on bringing a guest to an event, all costs relating to the guest must be paid by the government official and not BSBC.



In general, government officials must be discouraged from bringing their guests to any events. A guest may share an invitee's lodging, if there is no additional cost to BSBC, but a guest may not attend any meeting-related hospitality.

### Red Flags

If potential corruption is suspected, notify Manager, Legal Department /Executive Administration Manager and GM immediately.

Examples of "red flags" are as follows:

- Travel expenses for government customers/officials for which there is not a legitimate business purpose.
- Travel or entertainment expenses for family members of a government customer/official.
- Travel or entertainment expenses submitted on behalf of government customers/officials.

### 3.Engagement with Government Officials

#### Our Standard

In the normal course of business, meetings may be scheduled with government officials for the purpose of discussing legitimate BSBC business. These meetings must be held in an open and transparent manner in order to minimize the perception of any corrupt activity taking place.

In general, services performed by government officials for BSBC are strongly discouraged. Engaging a government official would be allowed only if the official's knowledge and expertise are considered to be of unique value, and if allowed by local laws and regulations and any code of practice applicable to the government official. The engagement must be approved in advance by the Division Manager responsible for the corresponding business unit as well as GM Approval.

#### How we ensure compliance

Poorly executed transactions with government officials may expose BSBC to legal liability and reputational damage. As such, all interactions should be documented properly after obtaining approvals. Feedback from all interactions with government officials should be shared with the concerned BSBC Manager.

To ensure that interactions with government officials are transparent and monitored, all relevant documentation, including internal and external approvals, must be retained per our internal document retention policies.

#### Who is Responsible?

The concerned BSBC Manager will lead the coordination of all interactions with the government officials.

#### Red Flags

If at any point, potential corruption is suspected, Manager, Legal Department /Executive Administration Manager and GM immediately must be notified to determine the appropriate course of action.

The following are examples of red flags:

- Payment related to a government expense is made to an individual.
- Payment related to a government entity is made in cash. (as opposed to a company cheque).
- Travel expenses for customers, particularly government customers, for which there is no legitimate business purpose.
- Payment to an entity that is owned or influenced by the government official.
- Spouse joins the trip to visit a manufacturing site.



### 4. Donations and Contributions

#### Our Standard

BSBC is committed to the charitable donation of products for humanitarian needs and other factors, including emergency and disaster situations.

Our product donations usually channel through a number of organizations, such as the regional Ministries of Health, which increases our corruption risks. As such, it is important that we pay special attention when making donations, so that our donations would not be considered inducements, as this would be a violation of the anti-corruption laws and our own policy.

#### How we ensure compliance

All BSBC donations must be made in accordance with our policies and require prior authorization by the General Manager.

#### Red Flags

Examples of common “red flags” are as follows:

Charitable contributions made to any organization having any affiliation with a government official, customer or customer representative.

- Charitable contributions made on behalf of a government official, customer or customer representative.

### 5. Facilitating Payments

#### Our Standard

A facilitating payment is defined as a payment to an individual to secure or expedite the performance of a routine government action by government officials to whom one is already entitled. These are generally small payments to low ranking government officials, for example, in order to:

- Obtain permits, licenses or work orders to which you are already entitled
- Receive police protection, mail pickup or delivery.
- Receive phone service, power and water supply, loading and unloading
- Cargo, protecting perishable products.

#### Financial Books; records and Internal Control:

##### Our Standard

BSBC must maintain detailed and accurate books and records and a system of internal controls that ensures accountability for all shareholder assets.

“Off-the books” payments and fraudulent accounting practices, for example knowingly falsifying BSBC’s books and records to cover up or disguise any improper payments, are prohibited.

Books and records include accounts, invoices, correspondence, memoranda, discs, papers, books, and other documents or transcribed information of any type.

Examples of falsified books and records that violate our policies and anti-bribery laws include the payment of false or fraudulent invoices, the miscoding of an improper payment in the general ledger, or a falsified expense report to hide improper entertainment of a government official.



### How we ensure compliance

Every BSBC employee has an obligation to truthfully report all transactions and ensure no payments are made based on false documentation. Compliance is monitored by the BSBC Finance Department and Internal /External Audit. BSBC employees having custody of books and records shall be responsible for their security and ensure that no improper or unauthorized alterations or disclosures occur.

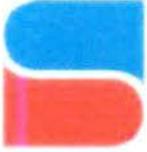
The following acts are prohibited:

- Authorizing or funding any transaction that is undisclosed or unrecorded in the company's books, records and accounts.
- Approving, inducing or making any payment with the intention, purpose or understanding that such payment or any part thereof is to be used for any purpose other than that described by the documents supporting the payment; Omitting, falsifying or disguising entries, or otherwise creating misleading.
- Incomplete entries in any of BSBC's books and records; approving or inducing such acts or entries in any books, records or accounts of any third parties with whom the company conducts business.
- Paying expenses that are improper, unauthorized and/or unsupported by proper documentation.

### Red Flags

There are certain red flags that may indicate possible concealment of the true nature of the transactions, including:

- Unusual pay arrangements (e.g., requests for payments in cash or to out of country bank accounts, or upfront payment for services).
- Invoices or requests for payment that are unusual or outside the normal vendor authorization, approval or payments process.
- Invoicing with a lack of supporting documentation. Vague or false description of services provided such as "Consultancy services" or "For services rendered". No supporting written agreement with clear detail of the services being provided.
- Excessive payments for the services described on the invoices.
- Incomplete or unclear journal entries in the accounting system.



## BSBC ANTI- BRIBERY AND CORRUPTION POLICY

### How to report any concerns of misconduct

Vigilance and an understanding of what is not permissible are the responsibility of each of BSBC staff; particularly those of us who work directly with customers who are in a position to influence commercial decisions.

Report any concerns of misconduct to:

- Division Managers
- Executive Administration Manager
- Finance Controller
- General Manager.

### Consequences of Misconduct

This policy applies to employees at all levels in the company and will be enforced regardless of the employee's position.

Failure by any employee to comply with our ABAC Policy will subject the employee - including supervisors who ignore or fail to detect misconduct or who have knowledge of the conduct and fail to correct it - to disciplinary action up to and including termination from employment. Ignorance of BSBC's standards and/or local law is not an excuse for failure to comply.

Management and Human Resources are responsible for determining any appropriate disciplinary action in accordance with local labour laws. Breaches of law may also result in civil or criminal penalties for the individual employee.

Approvals on literally implement this policy:

<u>Name</u>	<u>Title</u>	<u>Approval</u>
Emad Al Zaben	General Manager	
Anwar Sultan Al Essa	Chairman & Managing Director	

