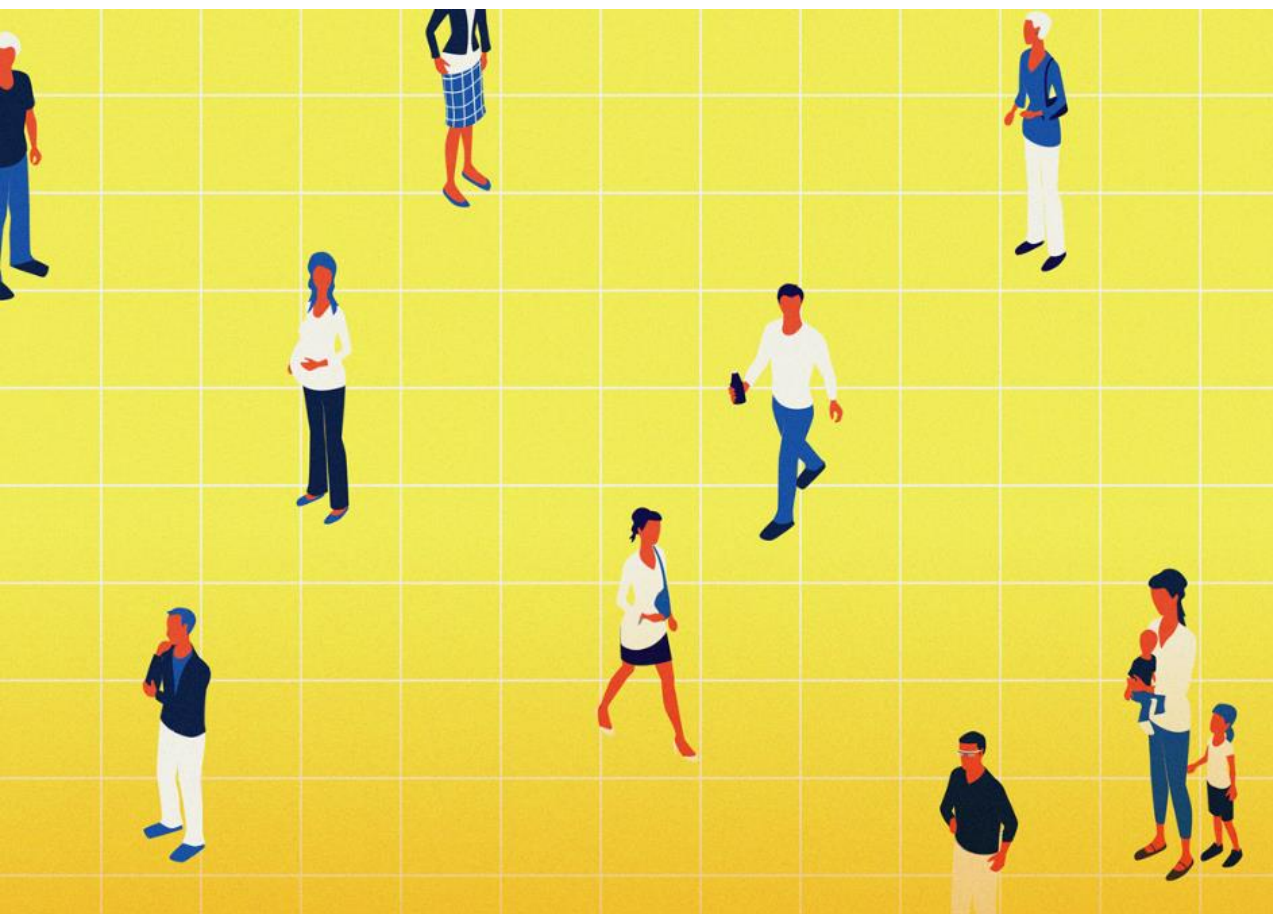


CRIMINAL RISK PREVENTION MANUAL

Full version

LABORATORIOS GEBRO PHARMA S.A.



COMPLIANCE
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I. INTRODUCTION. PURPOSE, OBJECTIVES, METHODOLOGY AND STRUCTURE OF THE MANUAL

1. Introduction

This Criminal Risk Prevention Manual (hereinafter referred to as the “manual”) constitutes the summary document of the Model of Organisation, Prevention and Detection of Criminal Risk Behaviours implemented within LABORATORIOS GEBRO PHARMA S.A. (hereinafter LGP). This manual is prepared in accordance with the purpose of the Company, and in compliance with the requirements established in Article 31 bis of the Penal Code, following the amendment introduced by Organic Law 5/2010 of 22 June 2010 and Organic Law 1/2015 of 30 March 2015.

The manual also specifies the structure and operation of the Compliance Committee, as the control and oversight body established in LGP to ensure the effectiveness of the model implemented. In addition, this manual identifies and systematises the controls which exist to reduce criminal risks. As a result of a review carried out with the collaboration of external advisors, LGP has decided to implement this model to prevent and mitigate the risk of committing crimes in the exercise of the Company's ordinary activity.

In addition, this manual establishes the procedures for investigating and checking communications received through the Corporate Complaints Channel. This channel is open to all Company employees and is used to inform the Compliance Committee of any possible infringements or irregularities within the Company.

Finally, the manual establishes a Disciplinary System for the sanctioning of conduct that violates its provisions and describes the procedures for responding to the possible commission of an offence within the Company.

With this Criminal Risk Prevention Manual, the Board of Directors of LGP, through its approval in the session on 3 September 2018, remains at the forefront of Corporate Social Responsibility and takes a step further in its commitment to continuous improvement. The Company sets itself the highest standards of integrity and professionalism in the conduct of its business.

As required by the reform of the Penal Code by means of Organic Law 1/2015 of 30 March 2015, before writing this manual there has been a detailed analysis of the criminal risks that could arise from the different activities undertaken by the Company's departments and business areas. This covers all the risks of non-compliance that could occur in LGP. This is discussed in the section on Risk Analysis.

2. Hierarchy, Authority and Means

The procedures set out in this manual are mandatory and have the highest hierarchy within LGP's internal regulations. They express the Board of Directors' firm commitment to comply with the legislation in force and its categorical opposition to the Company obtaining a direct or indirect benefit through unethical or criminal behaviour.

3. Purpose and objectives of the manual

3.1. Purpose

The manual aims to prevent and detect the potential commission of crimes in the name of or on behalf of LGP. It may also be invoked before the competent jurisdiction to demonstrate, within the framework of any judicial proceedings, that the Company has an adequate control system to prevent, detect and mitigate the criminal risks arising from its business activity. This shows that the LGP management exercises due control over these risks and complies with the requirements established in Article 31 bis of the Penal Code.

In parallel to the establishment of the Model of Organisation, Prevention and Detection of Criminal Risk Behaviour, the Company has initiated a programme of awareness-raising and dissemination at all levels of the organisation called 100% Compliance. In this framework, it will carry out the following activities (in addition to the training described in this manual):

- Effective communication of the policies and procedures to be established, with the involvement of all levels of the entity.
- Inclusion of criminal risk prevention matters in employee training programmes.
- Informing all persons acting in the name of, on behalf of or in any way in the interest of LGP of the consequences that may be imposed on the Company in the event of any offence giving rise to criminal liability for the Company.

3.2. Objectives of the manual

The specific objectives of this manual are to:

- Establish a structured and organic system of prevention and control aimed at reducing the risk of committing criminal offences. It takes the form of an effective organisational and management model.
- Prevent the commission of any offence that could entail the criminal liability of LGP.
- Ensure the effectiveness of control standards and procedures that minimise the risk of unlawful behaviour by employees or managers.
- Optimise and facilitate the continuous improvement of the risk management system.

- Optimise and facilitate the continuous improvement of the LGP criminal risk management system.
- Inform all persons acting in the name of, on behalf of or in any way in the interest of LGP of the consequences that may be imposed on the Company in the event that any of the offences for which it is criminally liable are committed.
- Inform all persons acting in the name of, on behalf of or in any way in the interest of LGP that a breach of the provisions contained in this manual will entail the imposition of disciplinary measures by the Company.
- To expressly and publicly state LGP's unreserved repudiation of any unethical or illegal conduct. Such conduct is a breach of the ethical principles that are key LGP values. These are reflected in its Code of Ethics and Behaviour, policies and other internal procedures.
- To demonstrate that LGP has exercised due control over its business activity, thus complying with the requirement of Article 31 bis of the Penal Code.

4. Methodology followed for the compilation of the manual

For the design and implementation of the Model of Organisation, Prevention and Detection of Criminal Risk Behaviours, the Company was thoroughly analysed.

The following actions were carried out:

- We listed and examined the activities and processes carried out in LGP to analyse their intrinsic criminal risk (called inherent risk) and the degree of coverage of controls already in place. The variables for risk categorisation were: frequency of activity, impact that the commission of each criminal offence could have on the Company, the Company's history and the way in which the offence was committed.

The methodology applied to assess the Company's criminal risks is explained in the Risk Map.

- We have identified those crimes and their respective behaviours that could potentially be applicable in LGP based on the company's activities. Criminal offences that could be applicable have been identified for each of the activities.
- We have interviewed the heads of the different areas to identify the most relevant control procedures and activities that reasonably prevent the risk of committing crimes in LGP. The Company's specific policies, operating procedures, instructions and manuals have been thoroughly reviewed. In addition, the reality of the proper application of each of these controls has been verified with each department manager.

Based on all of the above, an LGP Risk Map has been developed and made available to the Company's Board of Directors and the Compliance Committee.

Having determined the inherent risk of the Company based on its various activities, the controls already in place were inventoried, reviewed and assessed. This has established the degree of inherent risk coverage and the remaining residual risk has been assessed.

As a result of this risk analysis, the fundamental and cross-disciplinary elements that make up the LGP Prevention Model have been defined. They are described in this manual and are as follows:

- **Protocols or procedures** have been established that specify the process of forming the will of the Company and the process of **adopting and executing decisions** in relation to them.
- Appropriate **financial resources management models** have been established to prevent the commission of the crimes to be prevented.
- The **obligation to report** potential risks and breaches to the Compliance Committee has been imposed.
- The functioning of the Compliance Committee as **an internal control body** for monitoring possible risks has been reviewed. It will be described under the corresponding heading.
- The operation of the **corporate complaints channel** has been reviewed, the procedure for which will be described under the corresponding heading.
- A **disciplinary system** has been established to adequately sanction non-compliance with the measures set out in the model.
- Periodic **verification** of the model is in place, together with procedures for its eventual modification when relevant violations of its provisions become apparent or when changes occur in the organisation, control structure or activity carried out.

Both this manual and the Risk Map constitute dynamic and living documents. They will be subject to continuous and ongoing review to evaluate new activities of the Company. New preventive controls will be incorporated where appropriate. Similarly, existing controls may be modified or replaced as appropriate.

5. Structure of the manual

The manual describes the criminal liability regime of the legal entity and lists the fundamental elements that make up the LGP Prevention Model. In particular:

- **Specific policies for the prevention of criminal risks**, which are itemised in the list of policies included in **Annex I to this manual** and are contained in the LGP Document Management System.

- The **policies and operating procedures** established in LGP, which are itemised in the list of procedures included in **Annex II to this manual** and are contained in the LGP Document Management System.
- The Compliance Committee.
- The complaints channel.
- The disciplinary system.
- Procedure for safekeeping of Compliance documentation.
- Procedure for reacting to a criminal act.
- Training and information.
- Revision of the manual.

The manual includes as **Annex I and II** a list itemising the specific policies for the prevention of criminal risks and another itemising the policies and operating procedures established to mitigate the Company's criminal risks.

II. SCOPE OF MANUAL AND INTENDED AUDIENCE

The manual is applicable to the following groups of people:

- All persons holding powers of representation of LGP.
- Those who, de facto or formally, have powers of administration of LGP.
- LGP senior managers: those who hold powers of organisation and control within the company, in accordance with Art. 31 bis of the Penal Code.
- Employees and dependents of LGP: any person linked by any employment relationship with the company and subject to the powers of management and control of the groups described above.

This Criminal Risk Prevention Manual will be found in the LGP Document Management System. It will ensure that employees have full knowledge of the functioning of the Compliance Committee, the Complaints Channel and the LGP Disciplinary System.

III. CRIMINAL LIABILITY OF THE LEGAL ENTITY: BASIC CONCEPTS

1. Corporate criminal responsibility budgets

The entry into force on 23 December 2010 of Organic Law 5/2010 of 22 June 2010, amended Organic Law 10/1995 of 23 November 1995 of the Penal Code and introduced criminal liability of legal entities.

Subsequently, the entry into force of Organic Law 1/2015, of 30 March 2015, again reformed the Penal Code and clarified the scope of criminal liability of the legal entity. It detailed the requirements that Crime Prevention and Detection Models had to comply with and established the possibility that they could serve as a defence against liability of the legal entity in the event of criminal proceedings.

Article 31 bis of the Penal Code establishes that a legal entity may be held criminally liable for:

- Offences committed in the name of or on behalf of the legal entity, and for its direct or indirect benefit, by its legal representatives or by those who, acting individually or as members of an organ of the legal entity, are authorised to take decisions on behalf of the legal entity or have powers of organisation and control within the legal entity.
- Offences committed in the exercise of the company’s activities and on behalf of and for the direct or indirect benefit of the same, by those who, being subject to the authority of the natural persons mentioned in the previous paragraph, have been able to carry out the acts. And they have done so in serious breach of the duty of supervision, monitoring and control of their activity.

Not every criminal offence gives rise to corporate criminal liability. Only those contained in the Penal Code in force. In addition, the offence must be carried out for the direct or indirect benefit of the Company.

Modifications to the company do not terminate the criminal liability of the legal entity. This may be transmitted to the company resulting from a corporate integration procedure, in accordance with Article 130.2 of the Penal Code.

2. Risk analysis: list of offences assessed based on LGP activity

A thorough risk analysis in LGP has identified the criminal offences with the highest theoretical probability of occurrence. These have been examined in more detail. As have the existing controls to mitigate them.

These are:

Criminal offences with a higher theoretical probability of occurrence in LGP	
Order	Offence
1	Crime against privacy and unauthorised access (Art. 197)
2	Swindling (Art. 248 to 251 bis)
3	Crime related to the market and consumers (Art. 278 to 286 and 288)
4	Crime against Public Finance and Social Security (Art. 305 to 310 bis)
5	Crime of corruption in business (Art. 286 bis)

6	Bribery (Art. 424)
7	Influence peddling (Art. 429 - 430)
8	Crime of illegal financing of political parties (Art. 304 bis)
9	Crime of altering prices in public tenders and auctions (Art. 262)
10	Crime of obstruction of inspection or monitoring activity (Art. 294)
11	Crime against workers' rights (Art. 316 to 318)
12	Crime against public health (Art. 361-362)
13	Crime of smuggling (Art. 2 of Organic Law 12/1995 of 12 December 1995 on the Suppression of Smuggling)

The other criminal offences not included in the table above have not been taken into account for the purposes of criminal risk analysis because they are not directly or indirectly linked to LGP's business activity.

3. Penalties under the Penal Code for legal entities for the commission of a criminal offence

Offences involving criminal liability of legal entities entail a specific penalty to be imposed on the legal entity in the event that the entity is found guilty.

In addition to the specific penalty established for each offence, the Penal Code provides for the possibility of imposing additional ancillary penalties on a company. These are of different natures (pecuniary, interdiction or disqualification) and are defined in Article 33.7 of the Penal Code.

The catalogue of possible penalties to be imposed on a company, established in Article 33.7 of the Penal Code, contains the following penalties. These are all considered serious penalties. Dissolution of the Company is even contemplated in cases of extreme gravity.

List of penalties:

- a) Fines, by scale or proportional.
- b) Dissolution of the legal entity. Dissolution will result in the definitive loss of its legal personality, as well as its capacity to act in any way in legal transactions, or carry out any kind of activity, even if lawful.
- c) Suspension of its activities for up to five years.
- d) Closure of its premises and establishments for up to five years.
- e) Prohibition to carry out in future the activities in the exercise of which the offence has been committed, facilitated or concealed. This prohibition may be temporary or permanent. If temporary, the term may be up to fifteen years.

f) Disqualification from obtaining public subsidies and aid, from contracting with the public sector and from enjoying tax or Social Security benefits and incentives for a period of up to fifteen years.

g) Judicial intervention to safeguard the rights of workers or creditors for as long as deemed necessary, up to five years.

Judicial intervention may affect the entire Company or be limited to any of its facilities, sections or business units. The judge or court shall, in the judgment or by subsequent order, determine the content of the intervention. It will also determine who will take charge of the intervention and within what time frame follow-up reports will have to be made to the judicial body.

The intervention may be modified or suspended at any time on the basis of a report from the controller and the public prosecutor's office. The controller shall have the right to access all the facilities and premises of the company or legal entity and to receive as much information as they deem necessary for the exercise of their duties.

The temporary closure of premises or establishments, the suspension of business activities and judicial intervention may also be ordered by the investigating judge as interim measures during the investigation of the case.

These penalties are compatible with and independent of those that may be imposed on the natural persons materially responsible for the offence, whether as perpetrators or co-operators. Penalties may even apply to those who -without materially participating in the criminal offence- did not prevent its commission, having the function and duty to do so (commission by omission).

4. The adoption and implementation of an organisation, management and control model as an exemption from corporate criminal liability

The entry into force of Organic Law 1/2015 of 30 March 2015 specified the scope of criminal liability of the legal entity. It detailed the requirements that Crime Prevention and Detection Models had to comply with and established the possibility that they could serve as a defence against liability of the legal entity in the event of criminal proceedings.

The Penal Code distinguishes two cases. First, when the crime has been committed by the legal representatives or senior managers of the Company. In this case, the Company may be exempt from criminal liability if the following four conditions are met:

- 1. The governing body has effectively adopted and implemented, prior to the commission of the crime, organisational and management models that include appropriate monitoring and control measures to prevent crimes of the same nature or to significantly reduce the risk of their commission;
- 2. The monitoring of the operation of and compliance with the prevention model implemented has been entrusted to a body of the legal entity with autonomous powers of initiative and control or which is legally entrusted with the task of supervising the effectiveness of its internal controls;

- 3. The individual perpetrators have committed the crime fraudulently circumventing organisational and prevention models and
- 4. There has been no omission or insufficient exercise of its supervisory, monitoring and control functions by the body referred to in condition 2.

Secondly, when the offense was committed by an employee of the Company who was not a legal representative or senior manager of the company. In this case, the Penal Code states that the legal entity may be exempt from liability if, prior to the commission of the crime, it has effectively adopted and implemented an appropriate organisation and management model to prevent or reduce the risk of crimes similar to that committed.

In both cases, in accordance with Article 31 bis of the Penal Code, the models for the organisation and prevention of crimes shall:

1. Identify the activities in which the criminal offences that must be prevented may be committed.
2. Establish the protocols or procedures that specify the process for the formation of the will of the legal entity, the adoption of decisions and the execution of those decisions.
3. Possess the appropriate financial resources management models to prevent the commission of the crimes to be prevented.
4. Impose the obligation to report potential risks and breaches to the body responsible for monitoring the operation and observance of the Prevention Model.
5. Establish a disciplinary system that adequately punishes any non-compliance with the measures set out in the model.
6. Carry out periodic verification of the model and its eventual modification when relevant violations of its provisions are revealed, or when changes occur that make modification necessary. These may be organisational, in the control structure, or in the activity carried out.

IV. STRUCTURE OF THE LGP CRIME PREVENTION MODEL

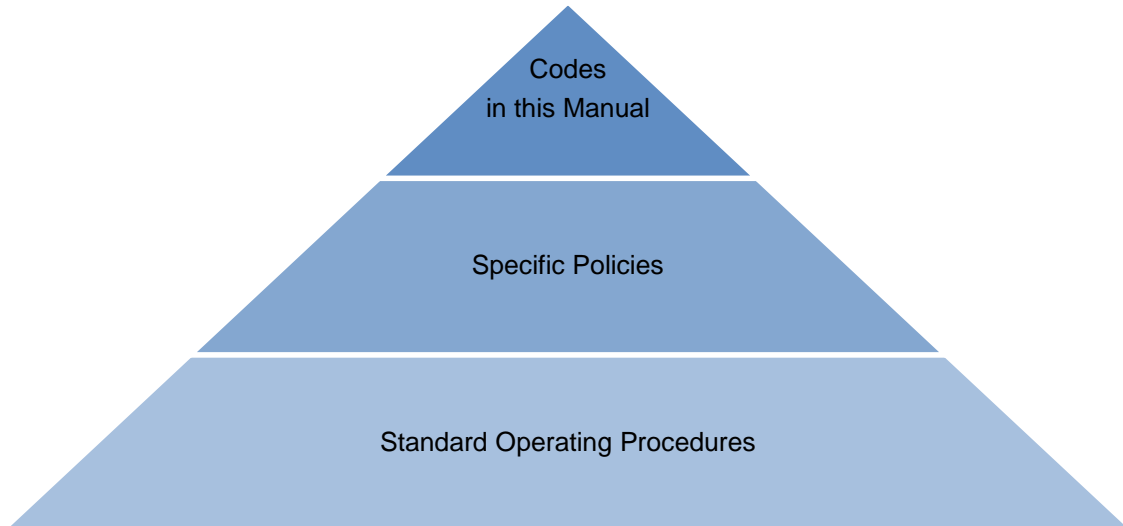
LGP sets **the first level** for crime prevention with a series of general or cross-disciplinary controls affecting the entire organisation. They are described in this manual.

Within this first level we find the **LGP Code of Ethics and Behaviour, the Code of Good Practices of Farmindustria and this Manual.**

These documents establish the principles of behaviour that must be observed by all the Company's managers and employees. Also, in interactions with healthcare professionals, healthcare organisations and patient associations.

At a second level, LGP has a number of **specific policies** to mitigate criminal risk. These are mandatory for those areas and departments where a risk of crime has been identified.

Finally, **at a third level**, LGP has a series of **operating procedures**. They are mandatory and, in addition to their operational function, they also serve to mitigate the Company's criminal risks.



The specific policies are incorporated into the LGP Integrated Document Management System and are available to the employees to whom they apply.

The standard operating procedures are listed in the list of related procedures in **Annex II of this manual**. They are included in LGP's Integrated Document Management System and are available to all employees of the Company.

LGP has a Document Management System. It is the repository for all specific policies and standard operating procedures that serve to mitigate the Company's criminal risks, including this manual.

This Document Management System is continually updated. The specific policies and operating procedures are available to Company employees for consultation.

1. The LGP Code of Ethics and Behaviour

The LGP Code of Ethics and Behaviour applies to all managers and employees working for the Company. It includes a series of ethical principles and commitments that must be fulfilled by all persons in the performance of their duties, scrupulously respecting current legislation.

In addition, the LGP Code of Ethics and Behaviour addresses issues relating to the confidentiality and use of information, respect for the industrial and intellectual property rights of third parties, occupational health and safety, prohibition of any situation of harassment and discrimination in the workplace and situations of conflict of interest, among others.

The LGP Code of Ethics and Behaviour makes the corporate complaint channel available to all employees so that they can communicate any irregularities of which they become aware. This Code sets out the zero-tolerance policy for any breach of the law or the Company's internal regulations, as well as disciplinary measures to sanction misconduct.

2. The Farmindustria Code of Good Practices

The Farmindustria Code of Good Practices aims to carry out drug promotion and the relationship with health professionals, health organisations and patient organisations under the strictest ethical principles of professionalism and responsibility.

This Code was born out of the will of the pharmaceutical sector to self-regulate. It ensures that the information provided to health professionals is truthful, balanced and objective. This is a benefit for the Public Administration, health professionals and patients. The Code regulates the promotion of prescription medicines and interactions with healthcare professionals, healthcare organisations and patient organisations.

LGP fully shares these objectives. This is demonstrated by the firm commitment to strive to improve the health and quality of life of patients every day through the Company's products. LGP is a member of the Farmindustria association and adheres to its Code of Good Practices, on which it regularly provides training to its employees and managers.

V. THE COMPLIANCE COMMITTEE

1. Functional and organic status

1.1. The Compliance Committee: organic and functional status

Article 31 bis of the Penal Code requires a corporate body with autonomous powers of initiative and control whose main functions are to supervise the operation of and compliance with the organisational and management model. This body is the Compliance Committee.

This body, in general and without prejudice to what will be specifically said later, must:

- Verify the suitability and effectiveness of the organisation and management model
- Monitor the effectiveness of the internal controls adopted
- Supervise their application
- Ensure they are regularly updated
- Ensure the operation of information flows to and from it
- Detect violations of the model
- Initiate sanctions against those responsible in accordance with the disciplinary procedure established for this purpose

The LGP Compliance Committee is a collegiate body consisting of four permanent members. It is endowed with sufficient autonomy in terms of both the power of control and initiative.

Accordingly, the Compliance Committee will not depend hierarchically on any other area or department of LGP. In fulfilling its powers, it is equally independent of the General Management and the Board of Directors of LGP.

In order to ensure maximum effectiveness in the performance of its functions, the Compliance Committee will have access to all the necessary documentation. Similarly, those responsible for any area or department of LGP are obliged to provide the Compliance Committee with any information or documents requested from them according to the procedure detailed below.

Strict compliance with the powers conferred on the Compliance Committee is an essential prerequisite for the Company to be exempt from criminal liability, if applicable.

1.2. Principles of action of the Compliance Committee

In accordance with the letter and spirit of the model established in the Penal Code, the Compliance Committee must be vested with the following characteristics:

- **Functional autonomy and initiative of control**

To ensure its autonomy and initiative of control, the Compliance Committee will:

- Exercise its functions with full impartiality and objectivity.
- Have full decision-making capacity in respect of its mandate.
- Report directly to the Managing Director and the Board of Directors within the timelines and forms set out in this manual.
- Have an appropriate budget for the performance of its functions.

- **Continuity**

The Compliance Committee is constituted as a collegiate body to ensure effective supervision and monitoring of the effectiveness of specific policies and operating procedures. Its members may not be entrusted with any other duties that might be incompatible with their function.

- **Effectiveness**

The Compliance Committee will require the collaboration of other bodies or departments of the Company, including external professionals to provide legal advice or internal audit work.

- **Confidentiality**

The actions of the Compliance Committee shall always be confidential. Dissemination of any information on the handling of its enquiries and decisions shall be avoided.

- **Truthfulness**

The actions of the Compliance Committee shall be presumed to be truthful by the Board of Directors.

- **Agility**

The Compliance Committee will use the most appropriate means to ensure maximum agility in its procedures. It will be efficient in its prevention, monitoring and detection work.

1.3. Grounds for prior and subsequent ineligibility

Grounds for **ineligibility** are:

- The provisions of Article 213 of the Capital Companies Act. In particular:
 - Persons disqualified in accordance with the Insolvency Act until the period of disqualification established in the judgment of qualification of the proceedings has expired.
 - Those convicted of crimes against freedom, property or the socio-economic order, against collective security, against the Administration of Justice or for any kind of falsehood, as well as those who, by reason of their position, are unable to carry on business.
- Having been convicted or even investigated in an order to proceed to trial for any of the offences that result in criminal liability of the legal entity under the Penal Code.

The Board of Directors must be immediately informed of the occurrence of a cause for the ineligibility of a member of the Committee during the member's term of office.

1.4. Appointment and composition of the Compliance Committee

The Board of Directors appoints or dismisses the members of the Compliance Committee in accordance with the provisions of this section.

The LGP Compliance Committee is constituted as a collegiate body consisting of four permanent members.

The specific appointment of the Compliance Committee shall meet these criteria:

- The need to preserve their autonomy and impartiality in the exercise of their functions.

- The need for the designee to have extensive knowledge of the Company, experience in the analysis and verification of legal processes and risks, and the ability to communicate with all those involved in the process.

The Board of Directors shall inform all LGP employees and managers of the nominative appointment of the Compliance Committee. Its functions and powers are understood to be communicated by the publication of this document through the usual channels.

1.5. Grounds for revocation

Cessation as a member of the Compliance Committee may be due to any of the following reasons:

- For organisational reasons.
- The termination of the employment relationship with the company.
- Dismissal for just cause by the Board of Directors.
- Voluntary resignation.

It shall be understood that just cause occurs in the following cases:

- Occurrence of the causes of ineligibility set out above.
- When the company is formally investigated in criminal or administrative proceedings as a result of defective compliance with the monitoring duties of the Compliance Committee, including of a culpable nature.
- For material breach of any of the company's codes, regulations or other internal policies and regulations.
- Due to illness that prevents the normal performance of their duties as a member of the Compliance Committee.
- For breach of the duty of confidentiality required from members of the Compliance Committee.

Members of the Compliance Committee may submit their voluntary resignation, giving 15 days advance notice, by letter addressed to the Chairman of the Board of Directors.

In case any member of the Compliance Committee:

- Is dismissed
- Resigns
- Is incapacitated
- Dies

- Engages in any of the causes that determine their compulsory removal

In the above cases, the Board of Directors shall appoint a substitute within 2 months.

The temporary incapacity of one of the members of the Compliance Committee (medical leave or maternity/paternity leave) will only lead to their temporary replacement when this lasts more than three months.

In these cases, the Compliance Committee shall propose a candidate to the Board of Directors. The candidate must conform to the profile required to become a member.

Once the member of the Compliance Committee is reinstated from their temporary incapacity, their temporary replacement shall cease.

2. Competences of the Compliance Committee

In accordance with Art. 31 bis of the Penal Code, this monitoring and control body shall:

- Monitor the operation of, and compliance with, the Prevention Model implemented
- Oversee the effectiveness of the company's internal controls

The competencies of the Compliance Committee are:



- **Prevent:** this is the cornerstone of the functions of the Compliance Committee. It's about preventing risks. That is to say: prevent them from happening or substantially mitigate their impact.
- **Detect:** discover possible deficiencies in controls, either in their design or in their effectiveness. Early detection of potential control deficiencies or deficits is an essential means of preventing a major risk from emerging. It is therefore necessary for the Compliance Committee to carry out tasks of supervision, monitoring and continuous analysis of risks and controls.
- **Inform:** Ongoing reporting to the General Management and the Board of Directors on the tasks performed, the deficiencies identified and the proposed corrective measures. Such information, provided in a timely and appropriate manner, should enable the General Management and the Board of Directors to take the relevant decisions and measures in each case.

The Compliance Committee has these **competencies** to:

1. **Monitor and control** the operation of the model.
2. **Initiate the update of the model.** The changes required shall be assessed at least annually, especially if any of the following are detected:
 - ✓ Unregulated risk areas and procedures that could be improved.
 - ✓ Introduction of new activity or business area carried out by the Company.
 - ✓ Regulatory changes involving modification of the legal risk assessment.
 - ✓ Changes in the organisational structure of the company.

To this end, it shall propose to the General Management and the Board of Directors such modifications and additions to the model as it deems appropriate.

3. **Providing information and training on the model.** This means:
 - ✓ Promoting and monitoring initiatives to help all parties subject to the model to disseminate, understand and internalise it.
 - ✓ Supervising training activities that affect the Prevention Model.
 - ✓ Advising on and resolving any questions that arise regarding the content, interpretation, application or compliance with the Code of Ethics and Behaviour, the Specific Policies and the Operating Procedures that make up the Prevention Model.
4. **Managing the LGP Complaints Channel**
 - ✓ Receive, analyse and process information regarding possible violations of the Code of Ethics and Behaviour, the specific policies and the operating procedures that make up the Prevention Model. This information may be received through the complaints channel or by any other means.
 - ✓ Initiate the procedures for verifying and investigating complaints received. To do this, they can apply for help from any area or department of LGP.
 - ✓ Issue decisions regarding the procedures processed and, where appropriate, propose disciplinary sanctions in the event of a relevant violation of the regulations that make up the model. To this end, it shall entrust the competent department with the application of the disciplinary system implemented and the system of offences and penalties provided for in the collective bargaining agreement or in the applicable labour legislation.

- ✓ Inform the General Management and the Board of Directors of the previous resolutions, as provided for in the section of this manual relating to the complaints channel.

The Compliance Committee may not delegate its responsibility to any other person or body of the Company. Without prejudice to the above, the Compliance Committee may cooperate with and seek the assistance of any department or area of LGP in carrying out actions to improve the controls established. It may also require the services of an external legal adviser or of an expert in risk management or internal audit functions.

2.1. Supervision, monitoring and control of the Prevention Model

To ensure the effectiveness of its role in supervising and monitoring the Prevention Model, the Compliance Committee should have access to all information and all members of the organisation necessary for the proper exercise of its functions.

The purpose of this function is to monitor strict compliance with the Company's Code of Ethics and Behaviour, as well as its internal policies and procedures, in order to verify its effectiveness and identify possible non-compliance.

In short, it is a question of monitoring the company's activity and the functionality of the model in place.

The Compliance Committee should also have the financial resources necessary for the proper performance of its functions.

Actions aimed at carrying out the monitoring and control function of the Prevention Model are called verification actions and may be ordinary or extraordinary.

2.1.1. Verification Actions and Annual Monitoring Plan

The Compliance Committee may agree to carry out ordinary or extraordinary verification actions in any area or department of the company that has identified Compliance risks.

Annually, the Compliance Committee will draw up an **Annual Monitoring Plan**. This Plan will identify the areas or departments that will be monitored during that year. The Annual Monitoring Plan will define the scope and objectives of the checks and establish their implementation.

The verification actions may consist of:

- In situ inspection visits to the area to be monitored.
- Reviews of customer records, obtaining them from the place where they are filed and analysing them in the office.
- Reviews of management information (statistics generated on business activity).
- Employee self-certifications.

Once the Annual Monitoring Plan has been approved, the person responsible for the area or department to be monitored will be formally informed. This communication will include the objectives of the verification, its scope and the manner in which it is to be carried out.

The person responsible for the area or department may designate contact persons to collaborate with the Committee during the verification.

2.1.2. Ordinary Verifications

Ordinary verifications are those provided for in the Annual Monitoring Plan described in the previous section. Their purpose is to verify the degree of compliance with a policy, procedure or control established in an activity where there is a risk of compliance failure.

This will enable the Company to ensure the proper exercise of its function to supervise and monitor its activity as established in Article 31 bis of the Penal Code.

2.1.3. Extraordinary Verifications

Extraordinary verifications are those that were not initially provided for in the Annual Monitoring Plan and which the Compliance Committee has agreed to carry out as a result of:

- Becoming aware of an unforeseen risk in an activity.
- Detecting a deficiency of control or becoming aware of a breach of the policies, procedures or controls established in the Company.
- The investigation or verification of facts reported in the LGP Complaints Channel.

The Compliance Committee shall notify the person responsible for the area or department of the start date of the verification, its scope and the manner in which it will be carried out.

To carry out this task, the Compliance Committee may seek the assistance of other company resources or even an external expert in internal audit functions.

2.1.4. Conclusions of the verification procedure

Once the ordinary or extraordinary verifications have been carried out, and in the light of the results obtained, the Compliance Committee shall prepare a report containing the conclusions reached.

Whenever an incident is detected that is not the result of an isolated event or a one-off failure but involves a control deficit, it will be necessary to define and agree on appropriate corrective measures.

The conclusions shall be in writing and include at least the following aspects:

- General data of the verification: title, date, area monitored, persons responsible for the verification.
- Purpose of the verification: background, risks and controls to be reviewed, purposes to be achieved.
- Type of verification: describe the mode of verification used (employee self-certification, review of files, etc.)
- Fieldwork: description of tasks executed in the fieldwork.
- Results obtained: results in line with those expected or describe any incidents detected.
- Proposal for corrective measures: analysis of the cause of the detected incidents and proposal for corrective measures.

The conclusions and corrective measures shall be communicated to the person responsible for the area or department that has been monitored. The person responsible for the area or department may comment on the conclusions and may also propose additional or alternative corrective measures to those proposed by the Compliance Committee.

Following the conclusions and the proposed corrective measures, where applicable, the Compliance Committee shall issue a written agreement on the corrective measures to be implemented. The persons responsible for their execution and the period within which they must be implemented shall be specified.

The Compliance Committee shall regularly monitor the corrective measures agreed upon until they have been fully implemented. It will leave documentary evidence of such a review and ensure its traceability.

In addition, the conclusions should be reflected in the **Compliance Committee Annual Report**, which will be sent to the Board of Directors for their information.

2.1.5. Compliance Committee Annual Report

The Compliance Committee shall prepare an annual report on the Crime Prevention Programme describing:

- Its operation in the last financial year
- The verification actions carried out and the conclusions reached
- The main incidents that have arisen and the corrective measures agreed, if any.

In addition, where the Compliance Committee deems it appropriate, the report will include proposals for improvement for the next financial year, as well as methods for revising and updating the model.

The Compliance Committee Annual Report shall be submitted to the General Management and the Board of Directors for their information.

3. Information flows involving the Compliance Committee

3.1. General principles: confidentiality and data protection

In the execution of the information flows stipulated in the Model, it may happen that LGP processes personal data. The content and execution of the provisions of this document shall not imply a breach of the provisions of the applicable regulations on the protection of personal data or of the company's internal rules in this area. To this end, the Compliance Committee shall coordinate its action with the LGP bodies responsible for the protection of personal data.

In particular, it shall be ensured that:

- ✓ The timely communication of the rights of access, rectification, opposition, deletion ("right to be forgotten"), limitation of processing, portability and not being subject to automated individual decisions, as well as to complain to the Supervisory Authority, to those persons whose personal data will be processed as a result of the application of the Prevention Model.
- ✓ Appropriate management of data which is transferred or processed by third parties and derived from the structure of LGP and the application of the Prevention Model.
- ✓ The review of the quality of the processed data and its blocking or deletion where appropriate, in accordance with the applicable law.

In the performance of its functions, the Compliance Committee shall document and record in a timely manner all the activities carried out, the initiatives and procedures adopted and the information and complaints received. The objective will be to ensure full traceability of those involved and of the indications made to the departments and areas concerned.

It will also retain all the documentation generated, received or collected in the execution of its competencies and that is relevant to demonstrate the correct performance of its role of supervising and monitoring the model.

3.2. Obligations of reporting to the Compliance Committee

Article 31 bis paragraph 5 sub-paragraph 4 of the Spanish Penal Code establishes that an effective model must impose *"the obligation to report possible risks and breaches to the body responsible for monitoring the operation and observance of the Prevention Model"*.

Consequently, this manual expressly establishes the obligation of all employees, managers, directors, partners, auditors and external consultants, as well as any person outside the company who carries out any commercial or professional activity, directly or

indirectly, in the name of or on behalf of LGP (contractors and subcontractors, external commercial agents, commercial factors, etc.), to inform the Compliance Committee of any possible irregularity or infringement of the policies and procedures established in the model.

Failure to comply with the obligation to report the presumed commission of criminal risk behaviours or the infringement of any prescription of the Prevention Model will entail disciplinary liability, in accordance with the internal regulations.

3.3. Periodic communication duties

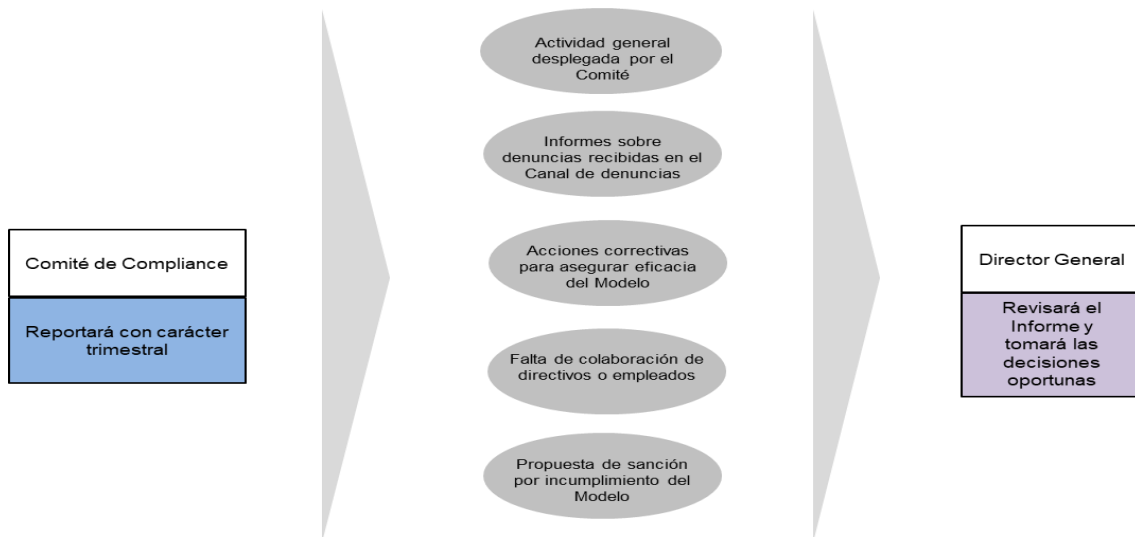
The Compliance Committee must be informed of any information relating to the company's activities that may be relevant to the performance of its duties. Especially:

- ✓ Organisational or procedural changes in the company.
- ✓ Updates to the system of powers and delegations.
- ✓ Decisions concerning the application, granting and use of public funding.
- ✓ Annual accounts (balance sheet, profit and loss account, statement of changes in equity, cash flow statements, annual report) and post balance sheet events, if applicable.

3.4. Compliance Committee information flows to other corporate bodies

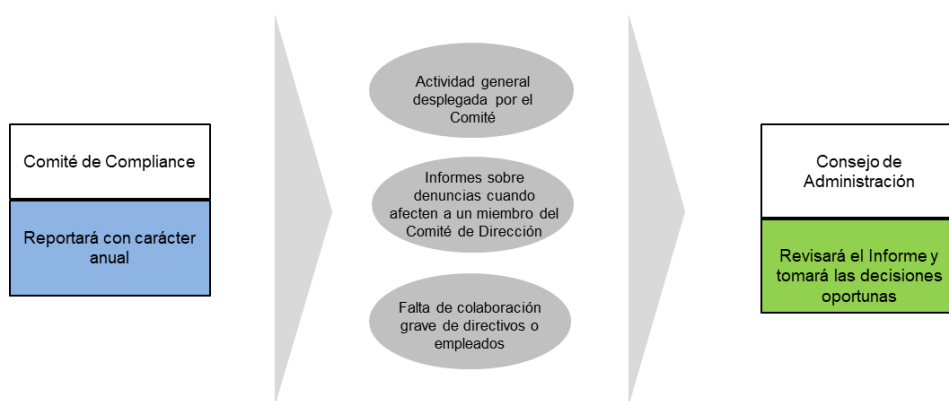
The Compliance Committee shall report to the General Management:

- ✓ The general activity carried out, on a quarterly basis.
- ✓ Any problems that have been revealed in their monitoring activity.
- ✓ Corrective actions, necessary or contingent, required to ensure the effectiveness of the model, as well as the outcome of those agreed upon.
- ✓ Complaint reports referred to in the next chapter. Unless any of them affect one of the members of the General Management team, in which case it will also report directly to the Board of Directors.
- ✓ The results of the investigation into behaviour that violates the standards that make up the Prevention Model, as well as the proposals for sanctions contained in the Final Report referred to in the next chapter.
- ✓ Disclosure of failures or non-cooperation by managers or employees in the execution of their investigative duties.
- ✓ And in any case, any information that is useful to enable any corporate body to take urgent decisions.



The Compliance Committee will report to the Board of Directors in particular:

- ✓ The general activity carried out, on an annual basis.
- ✓ Complaint reports referred to in the next chapter, where they affect a member of the General Management team.
- ✓ Resolutions of previous complaints in which the Compliance Committee proposes a sanction to the responsible manager.
- ✓ Disclosure of serious failures or serious and repeated non-cooperation on the part of managers in the execution of their investigative duties.
- ✓ And in any case, any information that is useful to enable the Board of Directors to take urgent decisions.



VI. THE COMPLAINTS CHANNEL: MANAGEMENT AND PROCEDURE

1. Aim and purpose

The Complaints Channel is the internal mechanism established in LGP to communicate, detect or prevent possible irregularities, wrongful acts, conduct contrary to current legislation or internal LGP regulations that may entail any type of liability (criminal, civil or administrative) for the Company.

2. Reporting principles

2.1. Employee obligations

All employees and managers are obliged to inform LGP of any irregularities, wrongful acts or conduct contrary to current legislation or internal LGP regulations of which they have knowledge or suspicion.

Any non-compliance with the provisions of the LGP Code of Ethics and Behaviour or the Farmaindustria Code of Good Practices shall be reported.

To fulfil this obligation, the employee may use any channel, including the ordinary hierarchical channel.

Suspicions of irregular behaviour may be reported by any of the following means:

- 1) In oral or written form to their line manager or to the HR department.
- 2) In oral or written form to any member of the Compliance Committee.
- 3) Directly to the Compliance Committee, by sending an email to **compliance@gebro.es**, which is the complaints mailbox of the LGP Compliance Committee.

The main users of the complaints channel are the Company's own employees. However, the obligation to report shall extend to collaborators, suppliers or customers who are contractually obliged to inform LGP of any irregularities they may be aware of due to their relationship with the Company.

In the event that the communication is made orally or in writing to the line manager, the latter shall communicate it immediately to the Compliance Committee, maintaining confidentiality.

Email will be the preferred way to communicate any irregularity or infraction of the current legislation or internal regulations of LGP. It is the means that best guarantees the confidentiality and accuracy of the information provided.

2.2. Confidentiality

LGP guarantees its employees, collaborators and third parties the confidentiality of any communication made that reveals alleged irregular conduct within the Company. The confidentiality of the disclosed information includes the characteristics of the complaint,

the identity of the reporting party, the facts themselves and the identity of the persons reported. The Compliance Committee is exempt from this rule.

However, the confidentiality of the system may be terminated in the event of a request from a court or competent authority.

2.3. Indemnity guarantee for the reporting party

No LGP employee will be subject to retaliation merely for denouncing, in good faith, allegedly irregular events.

To ensure this, when deemed appropriate, the Compliance Committee may urge the Human Resources Department to take appropriate measures to prevent and avoid possible reprisals against the reporting party.

The complaint or communication must always meet the criteria of veracity and proportionality. This mechanism may not be used for purposes other than compliance with the law and the standards that make up the Prevention Model. Exceptions from this rule are cases where the facts reported are completely false and the reporting party has acted in bad faith or with the aim of harming a third party.

Communications or complaints may be sent to the email address **compliance@gebro.es**, which will also be provided to LGP suppliers, customers and collaborators.

3. Management of complaints

3.1. Receipt of complaints

Whichever means of communication is used, the final recipient of complaints of infringement of the regulations that make up the Prevention Model is the Compliance Committee. The Committee will determine whether the complaint is related to the Prevention Model. If it is, a preliminary file will be opened, and the information will be entered into the complaints management system.

Once the complaint is received and classified according to its importance, the reporting party shall be provided with the appropriate acknowledgement of receipt and will be informed about the collection and processing of personal data in accordance with the provisions of the GDPR (2016/679).

To this end, the Compliance Committee shall send one of the following communications:

- In the event that the complaint is found to be irrelevant, inadmissible or not related to the Prevention Model, the reporting party will be notified of this decision. However, if after analysis, and despite the fact that it does not concern the Prevention Model, it is decided to redirect the complaint to other LGP bodies or to the authorities, the reporting party will be informed of the destination of their communication.

- If the complaint is relevant but the information provided is insufficient, incomplete or does not include the details necessary to initiate the investigation of the matter, additional information shall be requested from the reporting party.
- In the event that the complaint is relevant and appears sufficiently informed and documented to initiate the preliminary investigation, the reporting party will be notified of the initiation of this investigation.

In order to prove the sending and content of the communication (reply) sent, it is preferable to use burofax certified mail with acknowledgement of receipt and text certificate, if the complainant has provided their postal address. Where no postal address is available but an e-mail address is known, that channel shall be used. Such electronic files will be sent with the highest possible degree of protection.

In the event that the Compliance Committee considers that the complaint is irrelevant or impossible to prove, the personal data related to it shall be deleted from the Complaints Management System and the procedure will be archived.

The Compliance Committee shall justify in writing the grounds for initiating or closing a case and shall record that document in the Complaints Management System.

3.2. Processing the complaint

Once the complaint has been accepted, and this decision has been communicated to the reporting party, the case will be processed. One of the members of the Compliance Committee shall act as the instructor of the procedure and shall take minutes of all acts or meetings held. Communications relating to the processing of personal data, both of the reporting party and of the denounced or third parties cited in the complaint or included in the investigation, shall be made within a maximum period of three months. This period is set by the regulations on the protection of personal data.

The Compliance Committee shall prepare a preliminary report on the complaint, which shall contain:

- Information identifying the complaint, including its identification number and date of receipt.
- Description of the data provided in the complaint, distinguishing between objective and subjective data.
- Assessment of the content of the complaint.
- Measures proposed or already implemented if the Compliance Committee deems them necessary for reasons of urgency.
- Proposal for action.

The Compliance Committee shall forward the report on the complaint to the General Management team, or, where appropriate, to the Board of Directors¹, so that they may be aware of it, without prejudice to continuing the investigation process.

3.3. Investigation of the complaint: the Report of Conclusions

Where the facts reported in the complaint are relevant and credible, they shall be investigated in order to obtain the evidence that allows the issue to be resolved and the corresponding Report of Conclusions to be written.

If the truthfulness of the facts reported is accredited and they involve a breach of the regulations that make up the model, the Compliance Committee will draw up a Report of Conclusions to be submitted to the General Management and, where appropriate, to the Board of Directors². The documentation generated in the investigation process and in the initiation of the investigation shall be attached. If the facts do not imply a violation of the preventive model, the information may be forwarded to the Head of Human Resources if the conduct is relevant under other applicable laws or regulations.

The Report of Conclusions shall contain:

- ✓ The precise description of the conduct observed.
- ✓ An indication of the rules of the model that have been infringed.
- ✓ The identity of the person(s) responsible for the infringement.
- ✓ Documentary or other evidence collected.
- ✓ The proposed sanction that could apply if it concerns LGP employees or managers.
- ✓ Proposed measures to be taken in the case of third parties who do not have an employment relationship with LGP.

Once the Report of Conclusions has been submitted to the General Management or, where appropriate, to the Board of Directors, a decision shall be taken in accordance with the provisions of the Disciplinary Regulations.

The General Management and, where appropriate, the Board of Directors shall inform the Compliance Committee of the agreed actions, so that they are documented and recorded in the Complaints Management System.

Having received such a communication, the Compliance Committee shall, if appropriate, prepare a document of recommendations to improve the internal controls that have

¹ In the event that a complaint is directed against one of the members of the General Management team, the Compliance Committee shall forward the report on the complaint directly to the Board of Directors.

² In the event that a complaint is directed against one of the members of the General Management team, the Compliance Committee shall forward the Report of Conclusions to the Board of Directors.

been found to be deficient. The document shall be passed to the General Management or the Board of Directors for evaluation and execution.

The reporting party is not part of the internal LGP investigation process. The Company reserves the right to determine in each case what information may be given to them about the outcome of the investigation of their complaint.

If the Report of Conclusions identifies the prior commission of a criminal offence within the Company, the provisions of section IX concerning the procedure for responding to a criminal offence shall apply.

VII. DISCIPLINARY SYSTEM RELATING TO THE LGP MODEL OF ORGANISATION, MANAGEMENT AND CONTROL OF CRIMINAL RISKS

1. Introduction

Together with other rules, policies and procedures integral to the Prevention Model, the Board of Directors of LGP has adopted this disciplinary system for the sanction of behaviour that violates its requirements.

The LGP disciplinary system operates in full compliance with the rules in force. Included are the Workers' Statute, the Chemical Industry Collective Agreement and other applicable employment legislation. It is strictly intra-corporate in nature. Therefore, when it affects employees subject to an employment relationship, it shall in no case be understood as a substitute for, but a specification of the disciplinary powers already held by the company covered by the legal regulations in force, as well as integrating other internal rules. The regulations shall be adapted to regulatory changes that occur in disciplinary matters, either by law or through collective agreement.

The purpose of the disciplinary system is to sanction conduct that constitutes a violation of the Prevention Model, in accordance with the requirements of Art. 31 bis of the Spanish Penal Code. In particular:

- a) Those committed by the legal representatives of the company, its administrators, or any senior manager, understood as those who are authorised to take decisions on behalf of LGP or any of its organisational units with financial and functional autonomy, including powers (even if only de facto) of management, organisation and control of the company.
- b) Those committed by LGP employees subject to the powers of supervision, monitoring and control of the above.

The initiation of disciplinary proceedings, as well as the imposition of the sanctions provided for in these rules of procedure, shall be compatible with the opening of any criminal or administrative disciplinary proceedings involving the same behaviours.

The disciplinary system is divided into four sections. The first section identifies the parties subject to the regulation. The second identifies the potentially relevant

behaviours. The third, the sanctions to be imposed. The fourth section identifies the procedure for determining the infringement and imposing the sanction, if applicable.

The provisions of this disciplinary system do not limit the rights of defence recognised in the applicable labour legislation and the Chemical Industry Collective Bargaining Agreement, which shall take precedence over the provisions of these regulations.

2. Parties subject to the disciplinary system

2.1. Legal Representatives, Administrators and Senior Managers

Article 31 bis of the Spanish Criminal Code prescribes the adoption of a disciplinary system to sanction possible violations of the measures provided for in the organisation, management and prevention of criminal risks model, whether committed by employees, legal representatives, administrators or senior managers. Specifically, and in accordance with Article 31 bis of the Penal Code, this category includes those who *"acting individually or as members of a body of the legal entity, are authorised to take decisions on behalf of the legal entity or hold powers of organisation and control within it."*

Such persons may be linked by a special employment relationship to LGP³ -a senior management contract- or by a normal contract, in which case the regime provided for employees shall apply, without prejudice to the procedural particularities described below.

2.2. LGP Dependents

A dependent is understood to be any person linked by an employment relationship, of any kind, excluding senior management contracts, in a subordinate relationship with the subjects listed in the previous section (permanent contract, temporary contract -whether for a specific job or service, temporary contract due to production circumstances, interim contract-, contract for training and apprenticeship or internship contract).

2.3. Third Parties

Third parties shall be considered to be, among others, all those entities (companies, associations, etc.) or natural persons (generically referred to as third parties) who, without having a management position in the terms specified in the previous section, are subject to the model by virtue of the function carried out in the company's corporate or organisational structure. Also covered are those who have been hired to act on behalf of the company (directly or indirectly) or who sell or promote LGP products.

The scope of this category can include:

³ Senior management personnel are workers who exercise powers inherent to the legal ownership of the company and those related to the general objectives of the company with autonomy and full responsibility only limited by the criteria and direct instructions emanating from the highest governing and administrative body or bodies of the Entity that holds that position. In the absence of a written agreement, it shall be understood that the employee is senior management personnel when the circumstances set out in Article 8.1 of the Workers' Statute are met and the professional presentation corresponds to that defined in Article 1.2 of Royal Decree 1382/1985.

- ✓ All those who have a special non-subordinate employment relationship with LGP (project collaborators, works and service contracts, etc.).
- ✓ All collaborators by whatever legal title.
- ✓ Commercial factors, representatives, and all kinds of agents acting in commercial transactions on behalf of LGP.
- ✓ All those performing specific functions in occupational health and safety on behalf of LGP
- ✓ Third-party contractors and partners.

Compliance with the obligations arising from the manual shall also be binding on third parties, provided that they have been previously informed of the existence of the model and have been provided with its contents. In this case, the specific nature of sanctionable behaviour must be provided for in the contract. In the event that the infringement is committed by a third party, the company may make a claim in accordance with the terms stipulated in the contract.

3. Violations

For the purposes of this disciplinary system, and in accordance with the provisions of the Workers' Statute and the applicable Chemical Industry Collective Bargaining Agreement, any behaviour, whether active or omissive, wilful or grossly negligent, that violates the policies and procedures set out in the model constitutes a breach of the model.

Depending on their importance, significance and intentionality, violations are classified as minor, serious or very serious misdemeanours.

The following are considered minor misdemeanours, unless their specific significance qualifies them as serious misdemeanours:

- a) The delay due to inexcusable negligence in reporting a breach of the Code of Ethics and Behaviour, specific policies and operating procedures that make up the model.

Serious misdemeanours are considered to be:

- a) The repetition of a minor misdemeanour, even if it is of a different nature, within a three-month period and after having been notified in writing.
- b) *Intentional* failure to comply with the procedures and work instructions listed in the special part of this manual on the prevention of criminal risks. If it involves a manifest breach of discipline or results in significant damage to the company, it may be considered a very serious misdemeanour.

- c) Failure to comply with the rules of conduct contained in the Code of Ethics and Behaviour, as well as those contained in the Company's specific policies and operating procedures, through culpable ignorance or negligence.
- d) Failure to report breaches of the Code of Ethics and Behaviour, specific policies and operating procedures set out in the model.
- e) Obstructing any investigation conducted by the Compliance Committee, unless it does not constitute a very serious misdemeanour.

Very serious misdemeanours are considered to be:

- a) Retaliation against another employee for reporting known or suspected violations of the model in good faith.
- b) Intentional failure to comply with the rules of conduct contained in the Code of Ethics and Behaviour, its specific policies or operating procedures that serve to mitigate the Company's criminal risk.
- c) Failure to report breaches of the model in the case of behaviour that could constitute an offence giving rise to corporate criminal liability under the Penal Code.
- d) Infringement of the rules that make up the model, in the case of violations that could constitute a criminal offence or create a serious reputational risk for the Company.
- e) Infringement of the rules that make up the model in the case of violations that could constitute an offence giving rise to corporate criminal liability under the Penal Code.

4. Sanctions

Sanctions shall be determined in accordance with the principle of proportionality and in keeping with the nature and gravity of the infringement committed. The following will be taken into account:

- ✓ The seriousness of the conduct or of the result produced.
- ✓ The type of infringement committed.
- ✓ The circumstances under which the infringement was committed.
- ✓ The intensity of the intent or the degree of recklessness. Aggravating circumstances shall be considered to exist:
 - When the behaviour involves infringement of two or more rules, in which case the sanction applicable shall be the most serious of the concurrent rules.

- When the perpetrator of the infringement has colluded with third parties (either employees or third parties outside the company) in order to circumvent the control established in the Company.
- When the author is a repeat offender.

Sanctions shall be imposed without prejudice to the right of LGP to claim for damages caused as a result of the infringement committed.

4.1. Applicable sanctions

The maximum sanctions that may be imposed in each case, depending on the seriousness of the offense committed, shall be:

- a) For minor misdemeanours: verbal reprimand, written reprimand, suspension of employment and salary up to two days.
- b) For serious misdemeanours: suspension of employment and salary for three to fifteen days.
- c) For very serious misdemeanours: from the suspension of employment and salary from sixteen to sixty days to the termination of the employment contract in cases where the misdemeanour was classified to be of maximum severity⁴.

4.2. Sanctions applicable to third parties

When there is an infringement of the rules inserted in the clauses of the contract signed with third parties, the following sanctions apply:

- a) For the commission of minor misdemeanours: written request for strict adherence to the model or the Code of Ethics and Behaviour. Where feasible and advisable, and in order to re-establish compliance with the contractual relationship, the request shall seek the application, at the third party's expense, of appropriate measures to manage and resolve the infringement that occurred. For example, a 'remediation plan'. The request will be made under warning of termination of the contract.
- b) For the commission of serious or very serious misdemeanours: the termination of the contract.

In contracts with third parties, LGP will insert the relevant clauses designed to comply with the above provisions. In contracts entered into by third parties to act on behalf or in the name of LGP, the contracting company must fully comply with the model, the Code of Ethics and Behaviour and the protocols linked to its activity.

In the case of third parties who do not act in the name of or on behalf of LGP (such as suppliers of goods and services), the clauses shall provide for:

⁴ The sanctions table provided for in the Collective Agreement for the Chemical Industry has been transposed.

- a) The right of LGP to know the model (or specific compliance programme in the case of foreign companies or public bodies) adopted by the company with which they are entering into the contract.
- b) The reciprocal obligation of each party to respect these models, sanctioning violations as described above.

5. Corrective measures

In the case of a minor misdemeanour due to negligence or inexcusable ignorance, disciplinary sanctions may be replaced by some of the following corrective measures:

- a) Verbal counselling
- b) Retraining or repeated training in the Code of Ethics and Behaviour, specific policies and operating procedures that comprise the preventive model
- c) Supervision

6. Disciplinary procedure

When, following the complaint received or ex officio, the Compliance Committee considers that an infringement of the model has occurred, it shall produce a Report of Conclusions containing:

- The precise description of the conduct observed.
- The description of the rules violated.
- The identity of the person(s) responsible for the infringement.
- The evidence collected.
- The proposed sanction applicable if they are managers or employees of LGP.
- The proposal for measures to be taken if they are third parties.

This report will be submitted to the General Management and, where appropriate, to the Board of Directors⁵, as well as to the Human Resources Department.

In the case of employees subject to an employment relationship, the procedure for the application of any sanctions shall be in accordance with the provisions of the Workers' Statute and the Collective Bargaining Agreement for the Chemical Industry in force. In the case of disciplinary dismissal, the provisions of Art. 55 of the Workers' Statute shall apply. The Compliance Committee shall ensure that both the report on the complaint and the report of conclusions are carried out as quickly as possible, in accordance with the deadlines prescribed in employment legislation.

⁵ The report of conclusions shall be submitted to the Board of Directors if the proposal for a sanction affects any of the members of the General Management team.

VIII. PROCEDURE FOR SAFEKEEPING OF COMPLIANCE DOCUMENTATION

1. Objective and Responsibilities

The Compliance Committee is responsible for the custody and quality of the documents concerned as detailed in paragraph 2 below and for the guidelines or characteristics it should contain.

The generation, custody and preservation of evidence is of vital importance in order to demonstrate:

- Due control of the Company over its activities
- The role of monitoring the model performed by the Compliance Committee.

Currently, LGP has an **Integrated Management System** that includes:

- The documented procedures required in the reference standards.
- The documents necessary to ensure the effective planning, operation and control of its processes, as well as the records and evidence derived from them.

More specifically, the LGP Integrated Management System ensures that:

- Documentation can be located, examined, reviewed and approved by authorised personnel prior to issuance.
- Changes and current revision status of documents are identified.
- Updated versions of documents are available at all points necessary for the effective operation of the Integrated Management System.
- Documents remain readable and easily identifiable.
- Obsolete documents are quickly removed from all points of use or distribution, or it is otherwise ensured that they are not inappropriately used.
- Obsolete documents stored for legal or documentary purposes are properly identified.

The Compliance Committee shall ensure that the specific policies and operating procedures included in the model are updated and clearly identifiable in the Integrated Management System.

The Compliance Committee shall ensure the quality and effectiveness of the document management system and appoint, where appropriate, persons responsible for this management in each procedure of the prevention system.

2. Documents to be retained

The documents that must be kept and safeguarded to serve as evidence of the existence of due control by LGP over its activities are:

- Internal policies, protocols and procedures.
- All documentation relating to the Compliance Committee (including its minutes, communications issued and received, documents supporting the processing of complaints, etc.)
- Minutes and other documents of any body of the company, including those of the General Management and the Board of Directors, adopting resolutions, giving instructions or discussing matters relating to the prevention of criminal risks.
- Documentation generated in the receipt of complaints, internal investigations and disciplinary proceedings, including the register of complaints and files.
- Any other document of relevance to the documentation of the model.

3. Requirements to be met by compliance documents

Traceability

Documents must ensure that the facts or content of the information contained in the document relate to a specific person or persons.

Integrity

It must be ensured that there has been no alteration of the information or facts contained in the document. The tracking and recording of documentation in virtual form will complement the physical medium.

Permanence

Information must be recorded on media that ensure its durability over time and must be kept securely, so that documents cannot be destroyed.

Crime Prevention Programme documents referring to specific facts (investigations, files, etc.) should be kept at least until the statute of limitations expires for the offences to which they may refer. For this purpose, a retention period of 10 years is normally sufficient.

Reliability

The facts described in the documents must be in accordance with the truth. The opinions, reports and value judgments expressed therein must meet admissible technical or scientific criteria.

IX. PROCEDURE FOR REACTING TO A CRIMINAL ACT

1. Purpose and scope of application

This procedure contains the guidelines for action that LGP employees will follow in the event of a potentially criminal act. It will apply in the following cases:

- a) Knowledge or suspicion of the **commission of a crime within the Company**.
- b) Receipt of a **complaint against the Company or any of its directors or managers for facts relating to their work activity in LGP**.
- c) **The imputation of the company or any of its employees, managers or directors in a judicial investigation** previously initiated for facts relating to their work at LGP.

The receipt of a complaint against an employee, manager or director of LGP is expressly excluded if the facts reported therein are unrelated to the Company and do not pertain to their professional performance in the company.

The imputation of an employee, manager or director of LGP is expressly excluded if the facts that have given rise to the imputation are unrelated to the Company and have no connection to their professional performance there.

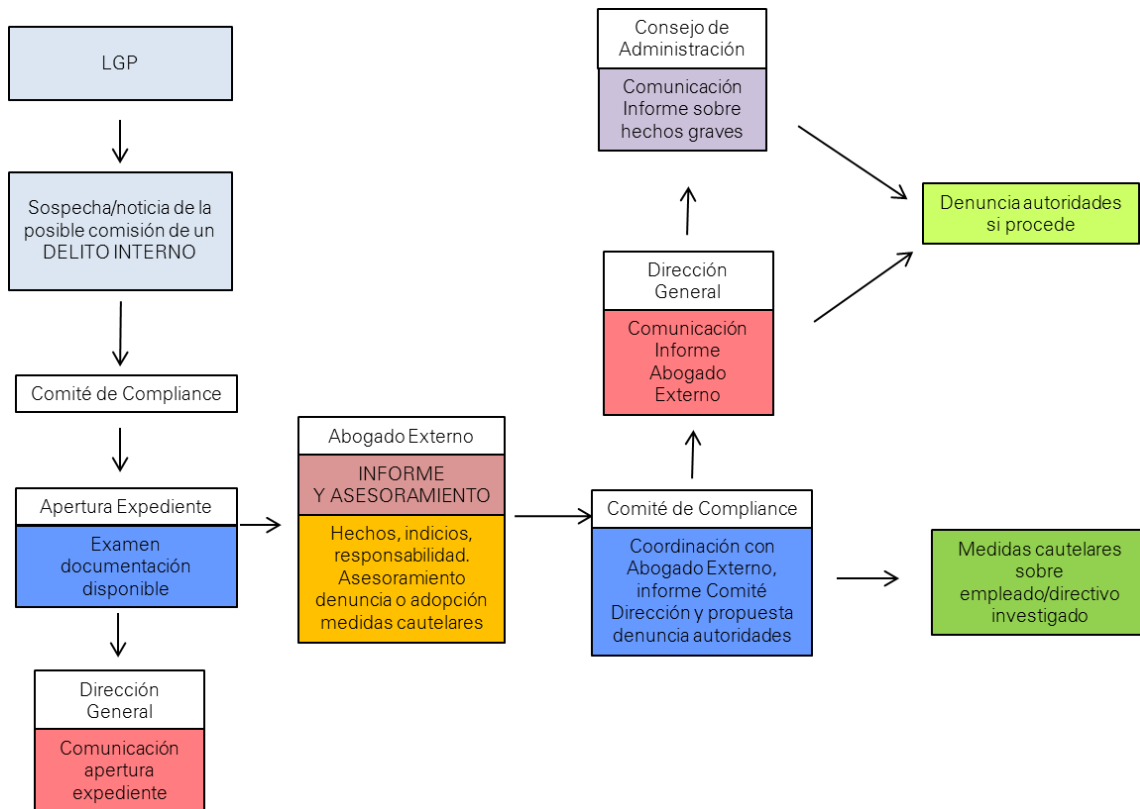
2. Procedure in case of internal commission of a criminal offence

This procedure regulates the tasks to be carried out in the event that the Compliance Committee receives a report, notice or complaint regarding a potentially criminal act within LGP.

The main objective is the preparation of a possible criminal defence of the legal entity, the exercise of due control under Art. 31 bis of the Penal Code and the preservation of the reputation of LGP.

The procedure shall be governed mainly by the following sub-processes:

Sub-process for opening the case and persons responsible for the procedure



If the Compliance Committee receives a report, notice or complaint about a potentially criminal act, it will open a file and inform the external lawyer without delay. To this end, it shall provide the relevant documentation in its possession.

The procedure shall be directed by the external lawyer. The Compliance Committee will coordinate with this lawyer and work with them to prepare the LGP defence.

The Compliance Committee shall promptly communicate the essential aspects of the facts investigated to the General Management. When the criminal act is particularly serious⁶, it shall also report to the Board of Directors.

All persons involved in this procedure do so as collaborators of the external lawyer and shall therefore be subject to the confidentiality imposed by the right of defence. The Compliance Committee shall inform the participants of this and obtain their written agreement.

At the request of the external lawyer, the Compliance Committee may take precautionary measures⁷ for the retention of information and the protection of the rights of the company, including the right to defence.

⁶ A criminal act is understood to be particularly serious when it affects several employees or managers of the company, or if it is a serious crime that may have a significant impact on the company and its reputation.

⁷ Examples include the suspension of access rights to computer equipment and systems, suspension of access rights to relevant documents, auditing of computer equipment and systems, suspension of employment, temporary suspension of activity at a certain location, etc.

The rights of workers, and in particular their privacy, presumption of innocence and honour, must be respected at all times. The Compliance Committee shall ensure that these rights are respected. To this end, the Compliance Committee may count on the support of the Head of Human Resources at any time if it deems this to be appropriate.

Sub-process of drafting a report by the external lawyer

The Compliance Committee shall request the external lawyer to prepare a report within a reasonable period of time, which in any case shall not exceed ten days from the time the facts became known.

The external lawyer shall present in their report the results of their investigation, and in particular:

- The events that occurred
- The company's defence evidence
- Individual responsibilities
- A proposed sanction
- A proposal for reparation or compensation

For the best preservation of the legal entity's rights of defence, at the proposal of the Compliance Committee, the external lawyer may be the custodian of the report. In this case, the Compliance Committee shall record that the external lawyer has such a report.

Sub-process of communication to the authorities: reporting

The Compliance Committee, with the advice of the external lawyer, shall assess the possibility of reporting the facts to the courts.

In any case, the Compliance Committee should consider several factors:

- Preserving the constitutional rights of defence of the company
- The impact (positive or negative) on the reputation and good name of all affected persons, including the company.

The Compliance Committee will make a proposal for such a report to the Managing Director and, depending on the seriousness of the case, directly to the Board of Directors⁸.

3. Procedure in case of a complaint, accusation or judicial enquiry

This procedure shall be followed in the event that news of the offence originates from the initiation of a criminal investigation. Be it of any type (criminal investigation,

⁸ When the complaint affects a member of the General Management or is lodged for offences of particular gravity.

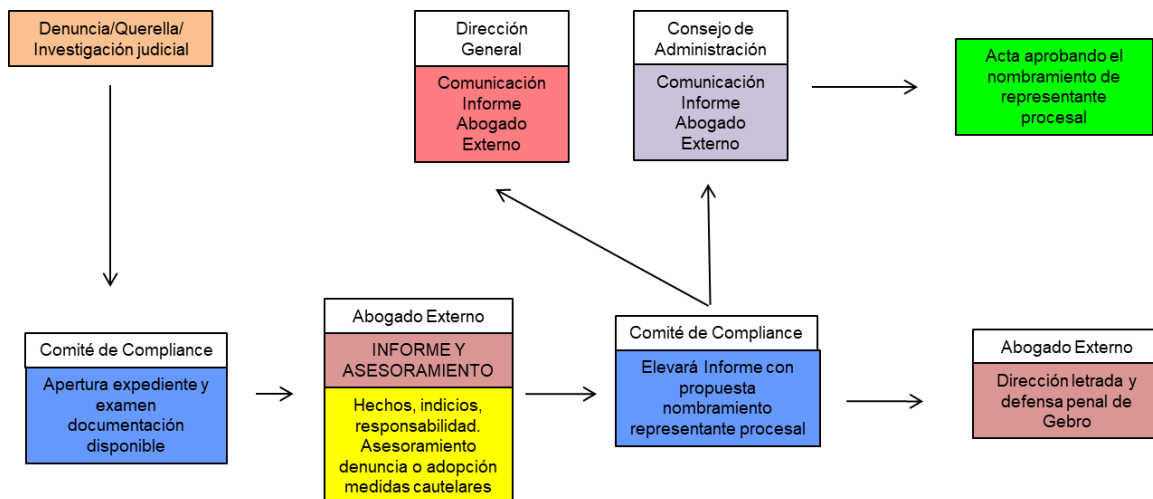
prosecution proceedings) with whatever origin (complaint, lawsuit, investigation) and concerning the possible commission of a criminal act by LGP or by any director, manager or employee thereof. It shall apply where criminal liability may arise.

Any member of LGP who becomes aware of such an investigation or the likelihood thereof must inform the Compliance Committee.

This procedure seeks the best criminal defence for LGP. In particular:

- Establishing the facts and identifying their main aspects from the point of view of the rights of defence, and the evidence that proves them.
- Coordination of procedural activity on behalf of the company.
- The transfer as soon as possible to the investigating authority of evidence demonstrating that LGP has met the highest standards of proper control.
- Avoidance of unnecessary damage to the operation and good name of the company.

This procedure shall be governed by the following sub-processes:



Sub-process of managing the case and persons responsible for the procedure

The procedure shall be coordinated by the Compliance Committee and led by the external lawyer.

The Compliance Committee shall communicate and report its essential aspects to the Managing Director and the Board of Directors.

The Compliance Committee shall forward all documentation relating to the facts investigated to the external lawyer with the utmost diligence.

Sub-process of appointment of LGP procedural representative

As a general guideline, a member of the Compliance Committee shall be appointed as LGP's representative in criminal proceedings. The appointment shall be approved by the Board of Directors, which shall keep a copy of the Minutes of the Board meeting.

Under no circumstances may any member of the Company who is individually under investigation in the same case represent LGP.

Once a representative has been appointed, no director or manager of LGP shall have the authority to speak or act on behalf of the Company in such legal proceedings.

Sub-process of appointment of legal representation and defence of LGP

The Board of Directors shall grant power of attorney for legal proceedings to a lawyer of its choice.

Following the guidelines contained in sub-process 2, the external lawyer will prepare a report. They will do so with an express indication of the offences that may be under investigation and evidence of the effective exercise of the duty of control by the Company.

The external lawyer, assisted by the members of the Compliance Committee, shall obtain the information necessary to exercise the Company's rights of defence and fulfil its control duties under Art. 31 bis of the Penal Code. These actions will be carried out without hindering the criminal investigation and with full respect for the rights of those involved.

Sub-process of action in case of receiving a summons to appear as a witness or investigated person

Immediate communication to the external lawyer.

Coordination of the defence with the Compliance Committee.

Coordination between the defence of the legal entity and the natural person, where possible.

It is the legal entity that is under investigation and not its directors, who do not have to be summoned. The appointment of the representative of the legal entity for the purposes of criminal proceedings is not the responsibility of the investigating judge or the public prosecutor. It is up to LGP to appoint, if appropriate, a member of the Compliance Committee.

Persons called as witnesses in judicial proceedings are obliged to testify and tell the truth, under penalty of incurring the offence of false testimony.

Sub-process guidelines for action in the event of an entry and search

The general guideline must be **collaboration**.

LGP shall contact the lawyer of its choice so that, in defence of the rights of the legal entity, they may be present as soon as possible at the Company's premises and supervise the legal proceedings.

In any case, LGP has the right **not to voluntarily provide evidence against itself**, which will be assessed by the Compliance Committee and the lawyer appointed by the Company.

Any request for LGP to cooperate with the investigation will be communicated to the Compliance Committee, which will pass it on to the lawyer for a decision. No manager or employee shall respond to requests for cooperation addressed to the legal entity as such, but shall refer them to the Compliance Committee.

4. Communications procedure

When, through the procedures described above, the possibility of a criminal act is detected, the Compliance Committee, together with the Managing Director and the Board of Directors, will assess **whether it is appropriate to make it known** to the public.

Where appropriate, such communication will **emphasise** that the fact has been detected through the intervention of LGP: through the complaint made by the company, through the detection and prevention measures it has in place and with the reparation or compensation that has been or will be made.

When the Compliance Committee becomes aware of an investigation into a member of the company for conduct in the course of company business or of an investigation of the company, or of its imminence, it shall consider whether it is appropriate to make its **assessment of what has happened** publicly available. Emphasis will be placed on the detection and prevention measures that the company has in place, and on the remediation or compensation that has been or will be provided.

Communications to the public referred to in the preceding paragraphs shall be accompanied by **internal communications** informing of the public communication, its content and any other information deemed necessary by the Compliance Committee to preserve the good business environment and the reputation of LGP.

X. REVISION OF THE MANUAL

This manual shall be reviewed, modified and updated:

- Whenever there are significant changes in the organisation, control structure or activity carried out by LGP that make it advisable to do so.
- Whenever there are relevant legal or jurisprudential modifications that make it advisable to do so, within 6 months of the modification.
- Whenever relevant breaches of its provisions become apparent which make it advisable to do so.

Even if the above circumstances do not apply, this manual shall be reviewed at least once a year.

If there are no legislative changes, the risks of committing criminal offences should be reassessed at least every three years. This reassessment will serve to update the internal risk map.

XI. DISSEMINATION AND TRAINING

To ensure the effectiveness of the measures established to prevent the commission of criminal offenses by LGP employees and managers, the company will disseminate the Criminal Risk Prevention Manual to all its employees. It will also promote adequate training in the prevention of such risks.

1. Dissemination

The dissemination of this manual is the responsibility of the Compliance Committee, which will ensure that it is made available to all recipients. Such dissemination will emphasise the importance of compliance with it and the assumption by LGP of the principles that this manual represents.

LGP has taken the following steps for the initial awareness of the manual:

- Dissemination of the principles and values contained in this manual, as well as the communication of their approval to all staff through the usual channels.
- The provision of a summary of this manual to new LGP employees, together with the welcome documentation and the documentation normally provided on appointment.
- Confirmation by all personnel, after appropriate training has been received, of full knowledge and compliance with the principles, rules and procedures contained in this document. Also their commitment to compliance during the performance of any activity carried out in the interest or for the benefit of LGP.

2. Training

As from the entry into force of this manual, LGP will implement a specific training plan on the prevention of criminal risks for all its employees. This training plan will be directly supervised by the Compliance Committee.

With regard to training and raising awareness, LGP will ensure that all employees know and disseminate the agreed rules of behaviour. Attendance at training courses in criminal risk prevention will be mandatory. Employees must sign the attendance sheet and leave a written record of attendance.

XII. APPROVAL OF THIS MANUAL

This manual was approved by the Board of Directors of Laboratorios Gebro Pharma S.A. at its meeting held on 03/09/2018.

It may be modified in order to maintain control of LGP's activities at all times and minimise the commission of criminal offences.

ANNEX I: THE CODE OF ETHICS AND BEHAVIOUR

SPECIAL PART

ANNEX II:

1. Specific policies of the LGP Crime Prevention Model: Anti-Corruption Policy

ANNEX III:

1. Operating procedures that mitigate LGP's criminal risk.

The specific policies and operating procedures listed in this Annex are included in the LGP Integrated Document Management System which is available to Company employees.