



COMPLIANCE AT EUROMEDIC GROUP



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The unified form prepared by: dr. Marianna Németh Vida Compliance Officer

WHAT DOES COMPLIANCE MEAN?

The origin of the word Compliance: „to comply with”

The set of rules and procedures that determine how employees of the Group do their work to ensure that their work, and thus the activities of the company complies with

- the law,
- professional and industry requirements,
- qualification and quality assurance requirements,
- internal codes and code of ethics,
- business behavior, behavioral norms,
- transparency requirements.

Responsibility of the individual is important!

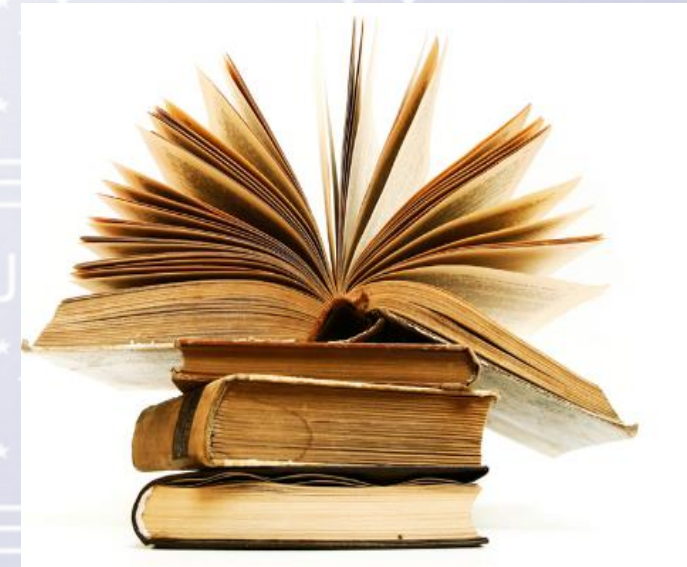


HISTORICAL OVERVIEW

In the 1980's, America began to build a system that guarantees that all employees adhere to the basic statutory and operational conditions, minimizes losses due to ignorance of laws or misapplication of law.

It has been nearly 40 years since then, and nowadays it has become an important role for both large and medium-sized and small companies. The great scandals of the last 10-15 years have particularly affected this development:

- ☐ Enron, Tyco, Worldcom where accounting discipline has been violated, dragging big auditing firms.
- ☐ 2008 US secondary mortgage market scandal that swept across the globe.
- ☐ Locally, K&H bank Kulcsár, or broker scandals.
- ☐ Hungarian Competition Authority investigations and convictions against pharmaceutical-wholesalers and medical device distributors.
- ☐ OGYÉI inspections and decisions regarding providing information on medicines and prohibited benefits (Richter, MYLAN)



COMPLIANCE AT EUROMEDIC GROUP

Euromedic Group

- adheres to regulations, professional and industry requirements,
- is committed to compliance with qualification and quality assurance requirements,
- supports fair market activity and non-limited and non-distortive competition,
- protects employee interests and
- does its business fairly and transparently.



Euromedic Group has decided to **develop and implement a Compliance Program** in order that legal and business compliance can be assured and to help prevent and detect violations of laws and regulations, competition, ethical and behavioural norms and transparency requirement.

COMPLIANCE AT EUROMEDIC GROUP

What does Euromedic Group do in order to meet
external and internal requirements:



- We are constantly improving our Compliance system and knowledge base.
- We provide training and information to help our employees know and adhere to legal and behavioral standards, and monitor compliance.
- We apply legal consequences in case of violation of regulations and expectations (termination of employment, termination of business relationship, enforcement of claim for compensation).

COMPLIANCE WITH EXTERNAL REQUIREMENTS

External expectations are **determined by** the **regulatory environment** (legislation, guidelines, unity decisions, etc.) created by the various legislators and law enforcement bodies.

Since its establishment, Euromedic Group has been particularly committed to meeting external expectations.

WE FULLY COMPLY WITH THE LEGAL REGULATIONS!



WHICH ORGANIZATIONS CONTROL IF THE GROUP MEETS EXTERNAL EXPECTATIONS?

- ☐ NAV
- ☐ OGYÉI
- ☐ GVH (Competition Authority)
- ☐ National Authority for Consumer Protection
- ☐ Public Procurement Authority
- ☐ Court of Corporate Registry
- ☐ Labour Office
- ☐ State Audit Office
- ☐ NAIH (National Data Protection Authority)



COMPLIANCE WITH INTERNAL REQUIREMENTS

Our goal is not only to meet external expectations, but to ensure a **controlled and fair operation, ethical and exemplary activity** in a **clear order** for all persons, and towards our employees, our partners and the authorities.

Euromedic Group has created its own internal requirements to meet these goals and make it predictable and clear for both employees and third parties.

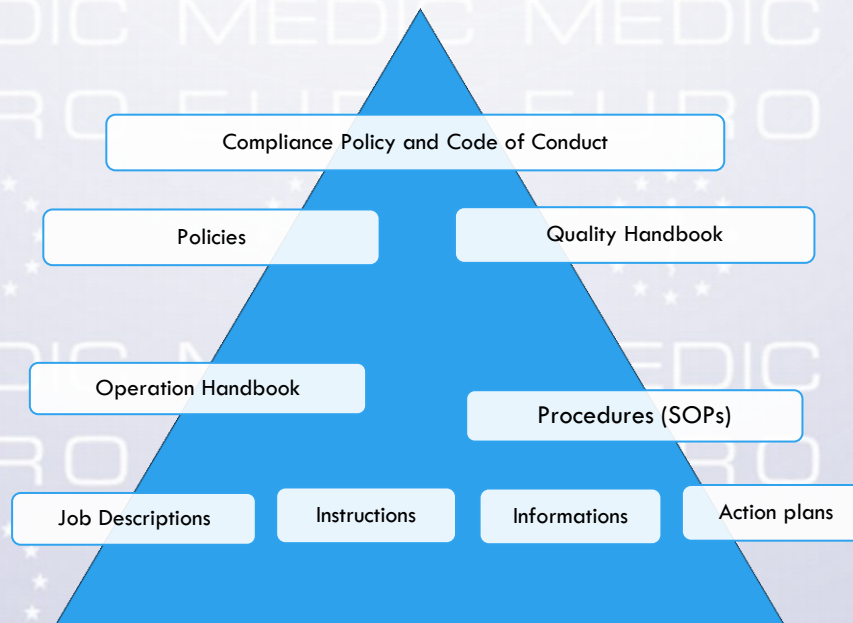


INTERNAL REQUIREMENTS ARE LAID DOWN IN COMPLIANCE POLICY, CODE OF ETHICS, AND OTHER POLICIES, INTERNAL ORDERS AND RULES OF PROCEDURES.

COMPLIANCE WITH INTERNAL REQUIREMENTS

The need for and content of documents containing internal expectations is constantly adjusted to business activities, professional expectations, changes in legislation, regulatory expectations, law enforcement practice and are amended as necessary.

The regulation structure:



COMPLIANCE WITH INTERNAL REQUIREMENTS

COMPLIANCE POLICY

Within the compliance regulation system, Compliance Policy sets out the basic rules, framework, human resources for ensuring compliance and is responsible for defining the most important rules for completing compliance program, communicating, implementing, preventing, controlling and managing problems.

The Compliance Policy and other Policies are reviewed at least once a year, or without delay, if any suggestions or comments are received from the authorities or from shareholders or from partners.

COMPLIANCE POLICY – KEY ELEMENT OF COMPLIANCE SYSTEM



COMPLIANCE WITH INTERNAL REQUIREMENTS

CODE OF CONDUCT

The most important rules of conduct, guidelines of conduct, desirable attitudes and basic ethical norms are regulated the Code of Conduct. The Code of Conduct provides, inter alia, for

- the fairness of internal and external relations,
- conflicts of interest and confidentiality,
- the prohibition of discrimination and harassment,
- key standards of business conduct and conduct,
- rejection of corruption and anti-bribery and anti-corruption rules.



COMPLIANCE WITH INTERNAL REQUIREMENTS POLICIES AND QUALITY HANDBOOK

The detailed expectations for all employees and contributors of Euromedic Group are contained in the Policies and Quality Handbook.

Examples for Policies:

- IT Security Policy
- Public Procurement Regulations
- Financial Policies
- Transparency Rules
- Document Management Policy
- Privacy Policy (including the Camera Surveillance Rules)
- Competition Compliance Policy
- E-communications and Telecommunications Policy
- HR Policies
- Whistleblowing Policy



The Quality Handbook contains the most important expectations and rules related to medicine quality assurance.

COMPLIANCE WITH INTERNAL REQUIREMENTS OPERATION HANDBOOK AND OTHER PROCEDURAL RULES

Operations Handbook, which contains comprehensive rules of procedure, as well as Standard Operational Rules, its special categories, Internal Instructions, Job Descriptions, Work Orders help to implement the Compliance Policy, Code of Conduct and Policies.



SUPPORTING COMPLIANCE WITH EXTERNAL AND INTERNAL REQUIREMENTS

In order to meet **external expectations**, we follow up on changes in legislation and expect our employees to be aware of the regulations and other rulings related to the completion of their duties.

- Euromedic Group also uses legal, compliance and data protection consultants to ensure legal compliance, including competition and data protection provisions too.
- We support the employees' work with regular consultations and providing information.



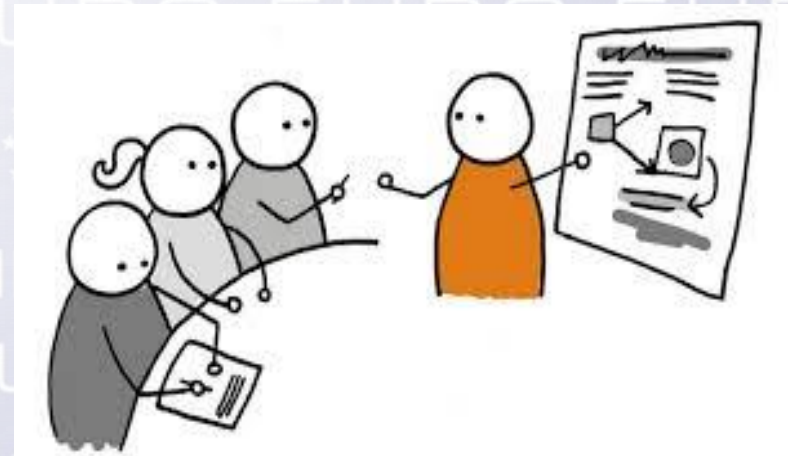
To ensure **compliance with internal requirements**, we publish and enforce relevant documents.

SUPPORTING COMPLIANCE WITH EXTERNAL AND INTERNAL REQUIREMENTS

We organize trainings, where besides reviewing the comprehensive Compliance training material, we make sure that the employees are aware of the most important external and internal expectations with the help of different modules.

Examples for Training Modules:

- Fair business
- Compliance with Competition Law
- Policies and Code of Conduct
- Data protection



FAIR BUSINESS TRAINING MODULE

- ❑ The module aims to provide practical guidance on laws and guidelines for preventing corruption and bribery.
- ❑ Supports that the contact with health professionals and government officials is legally appropriate, ethical and reliable.
- ❑ Helps understand and adhere to the Euromedic Group Guidelines for external relations.



Bribery and corruption (including influencing decision-making by offering anything having value) is wrong and harmful to the group.

COMPETITION COMPLIANCE TRAINING MODULE

- ❑ The module aims to help understand the most important competition rules and competition law enforcement practices.
- ❑ Provides guidance on correct and incorrect procedures, behaviours making possible the fairness of competition and also the offensive behaviours.
- ❑ It presents the consequences of a breach of competition law.



All activities (including active or non-active behavior, information transfer and acceptance) are prohibited, and their aim or effect is to restrict competition.

CODE OF CONDUCT AND POLICIES TRAINING MODULE

- ❑ The purpose of the module is to make employees aware of the scopes and most important provisions of the Code of Conduct and Policies adopted by Euromedic Group.
- ❑ Describes the basic operating rules of the Euromedic Group, the expectations towards employees and their own commitments.
- ❑ It highlights the most important ethical standards and expectations regarding their completion and enforcement.



We do business with full enforcement of regulations as ruled in the Code of Conduct and Policies and keep in mind what we expect from our employees and partners too.

DATA PROTECTION TRAINING MODULE

- ❑ The purpose of the basic module is to describe the most important terms and rulings related to data protection.
- ❑ The purpose of the advanced module is to familiarize employees with the detailed provisions of the Privacy Policy, to ensure the recognition and resolution of data protection issues.



We protect personal data of individuals, and we process personal data only in accordance with the statutory regulations and the Privacy Policy.

IF THERE ARE STILL QUESTIONS REMAINED

You can report anonymously any compliance-related concerns or can set any compliance-related questions to the compliance consultant regarding the operation, procedures of Euromedic Group or its employees, partners through the following electronic contact details or on paper form:

COMPLIANCE@EUROMEDIC-HUNGARY.COM

