

**ETHICAL CODE OF CONDUCT
FOR THE EMPLOYEES OF
SOPHARMA AD**

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I. GENERAL PROVISIONS

Art. 1. The present Code determines the rules of conduct of the Employees of "Sopharma" AD and aims at establishing standards for ethical and professional conduct in all aspects of their activities to prevent the possibility of allowing expressions of bureaucracy, corruption and other illegal activities, thus increasing public confidence in their professionalism and morale and strengthening the authority of the Company.

Art. 2. (1) The work of the Employees of "Sopharma" AD is based on the principles of legality, loyalty, professionalism, responsibility and accountability.

(2) The Employees of "Sopharma" AD shall perform their duties competently, objectively and in good faith, in strict compliance with the requirements set out in their job descriptions and legislation in Bulgaria, contributing to enhancing the confidence of Shareholders and the interest of potential new Investors through their overall behavior.

(3) With respect to the public status of "Sopharma" AD, all Employees of the Company, depending on their duties, are subject to the established rules of corporate governance, strictly complying with the internal regulations of the Company to perform their duties accurately and professionally and shall strive to improve their work efficiency in the interest of Shareholders and the Company.

(4) The Employees of "Sopharma" AD shall behave in a manner that does not harm the reputation of the Company, not only during the performance of their duties but also in their social and personal life.

II. RELATIONS WITH SHAREHOLDERS, INVESTORS, FINANCIAL AND OTHER MEDIA, THE FINANCIAL SUPERVISION COMMISSION, AND THE REGULATED MARKET FOR SECURITIES

Art. 3 (1) In the course of their official duties the Employees of "Sopharma" AD shall treat politely and with respect each Shareholder of the Company and any person who showed interest in the Company, explaining, within their official function, in detail their rights or direct them to the appropriate official.

(2) The Employees of "Sopharma" AD shall treat respectfully and responsibly the Financial Supervision Commission, the regulated market for securities, on which shares of the Company are traded, the Central Depository, financial analysts, economic and other media, and all participants on the capital market in Bulgaria, providing the necessary assistance within their official duties.

(3) Assistance under the preceding paragraph shall be provided in compliance with current regulations.

Art. 4. (1) The Investor Relations Director, as an Employee of "Sopharma" AD, whose primary function is to carry out effective liaison between the Board of Directors of the Company and its Shareholders and those interested in investing in securities of the Company shall:

1. provide those individuals with full information about the current financial and economic situation of the Company and any other information to which they are entitled by law in their capacity as Shareholders or Investors;
2. be responsible for the timely submission of all required reports and notices of the Company to the Commission, the regulated market on which the securities of the Company are traded, and the Central Depository, according to the procedure and within the timeframe provisioned by law; be responsible for sending within the statutory period the materials for the General Meeting to all Shareholders who have requested them;
3. assist the Financial Supervision Commission, the Bulgarian Stock Exchange, as well as

- journalists and financial analysts in explaining the particular facts and circumstances contained in public disclosures about the Company when such assistance is requested;
4. ensure that the information provided to Shareholders and Investors, financial analysts and the media is correct, by providing this information on the principle of equal treatment;
 5. fully and clearly answer all the questions raised by Shareholders of the Company regarding its financial and economic performance and its overall activity and if necessary provide further explanations;

(2) The Investor Relations Director of "Sopharma" AD shall perform their duties unbiasedly and impartially, treating all Shareholders of the Company based on the principle of equality regardless of the number of shares, their nationality, race or ethnicity, age, sex, political or other beliefs.

Art. 5. (1) The Investor Relations Director of "Sopharma" AD shall provide information on the financial and economic performance of the Company and its overall business to financial media and analysts interested in such information as well, and if necessary, shall provide further explanations.

(2) When communicating with the financial media and analysts, the Investor Relations Director shall not have any personal bias and preferences, providing all information about the Company subject to the requirements of equal treatment of all stakeholders.

III. PROFESSIONAL BEHAVIOUR OF THE EMPLOYEES OF "SOPHARMA" AD

Art. 6. (1) The Employees of "Sopharma" AD shall perform their duties professionally and responsibly, not allowing their personal interests or external factors affect their quality of execution of their assignments.

(2) They shall attend their workplace on time and in a state that allows them to perform their duties and responsibilities, and shall not use alcohol or other drugs during working hours, using this time only for the execution of their assignments with the required quality and within the determined deadlines.

Art. 7. (1) The Employees of "Sopharma" AD are obliged to respect the established hierarchy of the Company's intraorganizational relations, strictly complying with the internal regulations, the directions of their direct manager and not preventing other Employees from performing their duties.

(2) They are not obliged to execute illegal directions issued in the established order, when they contain obvious offenses.

(3) They shall discuss the problems they face in the course of their work with their direct manager or the governing body of the Company.

Art. 8. (1) They shall not allow to be placed in financial dependence on or other commitment to outside individuals or organizations and shall not seek and accept gifts, services, money or other benefits that may affect the performance of their duties.

(2) The Employees of "Sopharma" AD can not accept gifts or benefits that could be perceived as a reward for doing work that is part of their official duties.

Art. 9. (1) In performing their official duties the Employees of "Sopharma" AD shall handle the entrusted devices and materials with the necessary care and shall not use them for personal purposes. In case of loss or damage of entrusted property, the Employees shall promptly inform the immediate supervisor.

(2) They shall not disclose confidential information and shall preserve the good name of the Company and all information, including that contained personal data under the PDPA to which they have access in their capacity as Employees of the Company, should be used only for fulfilling their obligations under the rules of data protection.

Art. 10. The Investor Relations Director of the Company shall fulfill their obligations with due diligence in a manner, for which they reasonably assume that is in the interest of all Shareholders of the Company by using only the information which they reasonably believe is accurate and complete by showing loyalty to the Company under POSA.

IV. PERSONAL BEHAVIOUR

Art. 11. (1) In performing their duties, as well as in their social relations outside the workplace the Employees of "Sopharma" AD shall adhere to behaviour which does not harm personal dignity and reputation of the Company.

(2) They shall behave properly and adhere to business type of clothing appropriate to their job position.

Art. 12. They are not allowed to participate in events that are inconsistent with generally accepted principles of ethical behavior and could impair their professional reputation or the reputation of the Company.

Art. 13. Depending on their position they may not engage in activities, which according to law are incompatible with their duties and responsibilities as Employees of the Company and may not receive income from such activities.

V. RELATIONS BETWEEN THE EMPLOYEES

Art. 14. (1) In their relations with their colleagues, they shall show respect and honesty, not allowing conduct which offends the dignity and rights of the individual or any acts of discrimination.

(2) They shall respect the opinion of their colleagues and their right to privacy.

(3) They shall comply with their hierarchical subordination within an established internal structure and prevent abuse of their position in terms of pressure or harassment in any form to subordinate Employees.

Art. 15. When professional or business conflicts between colleagues can not be resolved by themselves, they shall seek assistance from their direct manager.

VI. CONFLICT OF INTEREST

Art. 16. (1) Conflict of interest occurs when personal interests of Employees, their relatives or persons with whom they have close personal or business relationships differ from the interests of the Company.

(2) The Employees of "Sopharma" AD shall strive to avoid all situations that give rise to conflict of interest, and in the occurrence of such shall endeavor to discontinue them and notify their direct manager.

(3) When an assignment of a business task can lead to a conflict between the official duties and the personal interests, Employees shall timely notify their manager.

Art. 17. (1) They can not use their official position to carry out their personal or family interests.

(2) They shall not take part in any transactions that are incompatible with their office, functions and duties.

(3) Employees who have left the Company should not abuse the information that has become known in connection with the position they have held, or the functions they have performed.

VII. INTERNAL INFORMATION AND CONFIDENTIALITY

Art.18. (1) Inside information is any specific information that has not been made public, relating directly or indirectly to "Sopharma" AD or to one or more financial instruments issued by the Company if its public disclosure could have a significant impact on the price of these financial instruments or related derivative financial instruments.

(2) Insiders are all persons who work for the Company under employment or civil contract and have a permanent or occasional access to inside information relating directly or indirectly to the Company.

(3) To prevent the possibility of misuse of inside information about the Company and manipulation of the market for financial instruments, all insiders are required to comply with AMAFI on non-disclosure and storage of such information, on prohibition of manipulation of the market for financial instruments and other manipulative activities and transactions, on the prohibitions on trade with such information.

Art.19. (1) The Employees are required to protect the personal data and privacy of all individuals of whom they have become aware during or in connection with the execution of their duties.

(2) They shall refrain from the dissemination and use for personal interests of the confidential information of "Sopharma" AD.

VIII. EXECUTION

Art. 20. Employees who fail to comply with this Code shall bear disciplinary liability under the Labor Code.

Art. 21. Upon hiring the direct manager is obliged to acquaint the Employee with the provisions of this Code.

The present Ethical Code of Conduct for Employees of "Sopharma" AD is approved by the Board of Directors by Minutes № 6 26.03.2007.