

Global Compliance Policy on Due Diligence and Interactions with Third Party Representatives



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Purpose

This Policy on Due Diligence and Interaction with Third Party Representatives is intended to ensure that Teva and its Third Party Representatives (TPRs) conduct their activities ethically and in compliance with all Applicable Laws and Codes. Teva cannot take actions indirectly through a third party that we may not take directly. Teva may be held responsible for the actions of Third Party Representatives and expects them to abide by all Applicable Laws and Codes.

This Policy elaborates on section "**Third Party Representatives**" of Teva's Prevention of Corruption Policy, applicable local compliance policies and SOPs, and sets the minimum standards for onboarding, engaging and interacting with Third Party Representatives.

The Policy is supported by Teva's Global Compliance Due Diligence SOP, which defines the Due Diligence processes that are required to be conducted prior to the engagement of new TPRs and prior to the renewal of TPRs' engagements.

Terms used in this Policy are defined in [Appendix A](#).

Scope

This Policy covers the standards for onboarding, engagement and interactions with Third Party Representatives.

Application

This Policy applies to all Teva organizations worldwide, all directors, officers, and employees of Teva, and to Teva's Third Party Representatives.

Directors, officers, and employees are personally responsible for compliance with this Policy. Teva personnel are also responsible for ensuring that any third party acting on behalf of Teva complies with this Policy.

All Third Party Due Diligence (TPDD) policies and procedures must reflect the minimum standards set forth in this Policy.



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Teva is committed to doing business the right way, the ethical way... Our Way.

Third Party Representatives

While Teva engages and interacts with many Third Parties, this Policy applies only to Third Party Representatives (TPRs) which are defined as follows:

- A Third Party to whom Teva provides or sells Goods, and who further provides or sells these Goods, directly or by an intermediary, to Government Officials, Governmental Entities or Healthcare Organizations; and/or
- A Third Party engaged and/or paid by Teva that may, with reasonable foreseeability, act on behalf of or represent Teva, directly or by an intermediary, in front of Government Officials, Governmental Entities, Healthcare Organizations or Healthcare Professionals.

For the purpose of this definition:

- **Healthcare Organization (“HCO”):** An entity providing healthcare services including, without limitation, hospitals, clinics, pharmacies, and group medical practices.
- **Healthcare Professional (“HCP”):** Members of the medical, dental, pharmacy, and nursing professions and any other persons who, in the course of their professional activity, are qualified or permitted to prescribe, supply, administer, purchase, recommend, reimburse, pay for or acquire a medicine, or influence or authorize any of the foregoing. The term also includes health service managers and administrative or clinical support staff who provide support to HCPs, as well as any employees of any entity that is owned by or comprised of HCPs. Examples of Healthcare Professionals are physicians, nurses, medical assistants, pharmacists, paramedics, product formulary committee members, clinical investigators, and public and private hospital employees.
- **Government Official:** Any (i) Official (elected, appointed, or career) or employee of a federal, national, state, provincial, local, or municipal government or any department, agency, or subdivision thereof; (ii) Officer or employee of a government-owned or -controlled enterprise or organization (e.g., a Healthcare Professional practicing at a government-owned or -controlled hospital or clinic); (iii) Officer or employee of a public international organization (e.g., UN, World Bank, EU, WTO, NATO); (iv) Individual acting for or representing a government or any of the organizations referred to above, even if he/she may not be an employee of such government or organization; (v) Individual who is considered to be a government official under applicable local law; (vi) Candidate for political office; (vii) Official of a political party; and (viii) Family member of any of the Government Officials described in this definition.
- **Government Entities:** (i) Any federal, national, state, provincial, local, or municipal body or any department, agency, or subdivision thereof a; (ii) Any government-owned or -controlled enterprise or organization (iii) Any public international organization (e.g., UN, World Bank, EU, WTO, NATO); (iv) Any political organization or office; (vii) Any entity which is considered to be a government body under applicable local law.

Teva's Standards

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- Teva does not tolerate any form of bribery or corruption in the course of its business. Teva nor TPRs must never - directly or indirectly - give, offer, or promise Anything of Value for the purpose of improperly obtaining or retaining business, securing a business advantage, or influencing any other decision or action by the recipient. Teva does not tolerate corruption regardless of local customs or traditions.
- Teva cannot take actions indirectly through a third party that we may not take directly. Teva may be held responsible for the actions of Third Party Representatives and expect them to abide by all Applicable Laws and Codes.
- Teva expects that its third parties abide by all Applicable Laws and Codes, and conduct their activities in accordance with Teva's Code of Conduct and Ethical Business Standards.
- Teva conducts due diligence on the background and reputation of its prospective Third Party Representatives, to evaluate if the Third Party Representatives conduct themselves in an ethical manner, and can be reasonably expected to refrain from corrupt misconduct. Such evaluation is performed by due diligence processes which are a core element of Teva's compliance program.
- Third Party Representatives may only be engaged if they have been approved under the Global Compliance Due Diligence Procedure.
- Teva engages Third Party Representatives through Written Agreements or Purchase Orders which include Teva's Ethical Business Standards.
- No payments should be made to TPRs prior to the completion of the Global Compliance Due Diligence Procedure and executed Written Agreements, which includes an executed Purchase Order as per the PO Requirements & Payment Match Procedure.
- At Teva's discretion, Teva may provide applicable training related to Teva's standards for ethical business conduct to TPR's key stakeholders and/or employees.
- At Teva's discretion, Third Party Representatives' books and records may be required to be audited (directly by Teva or by external party) to ensure that Third Party Representatives are complying with the requirements of this Policy and their contractual obligations under the Written Agreements or Purchase Order.

Third Party Representatives Standards

- Third Party Representatives must never pay or offer to pay a bribe, kickback or other improper payment, or allow providing Anything of Value that is intended to improperly influence a decision, or gain an unfair business advantage for Teva.
- Third Party Representatives must abide by all Applicable Laws and Codes, and conduct their activities in accordance with Teva's Code of Conduct and Ethical Business Standards.
- Third Party Representatives must ensure that any fourth parties, (including but not limited to subcontractors and intermediaries) engaged by the Third Party Representatives to provide services and/or sell Goods related to Teva, adhere to the same Ethical Business Standards which apply to the Third Party Representatives.
- Third Party Representatives may only be engaged by Teva after they have been vetted and approved by Teva in accordance with Teva's Global Compliance Due Diligence Procedure.
- Third Party Representatives must be engaged through Written Agreements or Purchase Orders and comply with Teva's Ethical Business Standards.
- Third Party Representatives will not be entitled to receive any payments prior to the completion of these processes.
- At Teva's discretion, Third Party Representatives' key stakeholders and/or employees will be trained to ensure that they comply with Teva's ethical standards.
- At Teva's discretion, Third Party Representatives' books and records may be required to be audited (directly by Teva or by external party) to ensure that Third Party Representatives are complying with the requirements of this Policy and their contractual obligations under the Written Agreements or Purchase Order.

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Exceptions

Any exceptions to this Policy may only be granted, in writing, by Teva's Global Chief Compliance Officer/Teva's Head of Third Party Due Diligence. No exception will be granted that would violate any applicable laws or regulations.

Breach

Any breach of this Policy, including failure to report actual or potential violations of this Policy or applicable laws, may result in disciplinary measures, up to and including termination of employment. Teva personnel are required to promptly report any known or suspected improper activity in violation of this Policy, Teva's Code of Conduct, or Applicable Laws and Codes. Such reports can be made to a manager, Compliance, Legal, or HR, or through Teva's Office of Business Integrity. Teva will not tolerate any form of retaliation against anyone for making a good faith report of a potential violation.

Audit, Monitoring, and Evaluation

Teva's Compliance Department will manage a monitoring and auditing program to ensure that Teva Organizations and Third Party Representatives' are in compliance with the standards of this Policy and adequately fulfill the requirements of this Policy.

Training

Teva's Compliance Department must ensure appropriate training for Teva Organizations, and Third Parties Representatives (as applicable) on this Policy.

References

- Teva's Code of Conduct
- Teva's Compliance Principles
- Global Policy on the Prevention of Corruption
- Teva's Global Compliance Due Diligence SOP
- PO Requirements & Payment Match Procedure



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Revision History

Version	Date	Change	Explanation
1.0	15 April 2018	N/A	New Policy
2	December 5, 2018	Teva's and TPR's Standards, References and Glossary of Terms	PO requirement

General Overview: This policy provides guidance on interaction and engagement of Third Party Representatives and the required Due Diligence processes related to their onboarding and management.

The Policy applies to Teva employees worldwide, and to Third Party Representatives

Domain:	Compliance	Effective Date:	December 5, 2018
Subject Matter Expert:	VP, Global R&D and Third Party Due Diligence	Version Date:	December 5, 2018

Owner: Signature:  <hr/> Name: Tali Guy Title: VP, Global R&D and Third Party Due Diligence	Approved by: Signature:  <hr/> Name: Lori Queisser Title: Senior Vice President, Global Chief Compliance Officer
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Corporate Policies are subject to all applicable laws, rules and regulations in any applicable territory. In the event of any doubt or if questions should arise, the advice of the local legal department should be sought.

Appendix: Glossary Of Terms

The following definitions are used in this Policy:

Anything Of Value: Anything that has monetary value or would constitute an advantage, financial or otherwise, to the recipient, such as, but not limited to: cash or a cash equivalent, services, offers of employment, fee-for-service contracts, charitable donations, political contributions, travel and/or entertainment expenses, meals, drug samples, gifts, conference and registration fees, and discounts not readily available to the public.

Applicable Laws and Codes: The international, regional, national, and local laws, regulations, competent authorities' decisions and guidelines, and industry codes governing the activity or interaction, which may include, without limitation, those of the country where the Teva entity responsible for the activity is located, where the activity or interaction takes place, and/or where the Healthcare Professional practices his/her profession.

Ethical Business Standards: Standards which were approved by Teva's Legal Department which refer to TPR's contractual obligation to be included in Written Agreements, as defined below.

Goods: Services and products (including but not limited to marketed or to be marketed drugs, molecules under development, active pharmaceutical ingredients (APIs), and finished dosage drugs).

Teva: Teva Pharmaceutical Industries Ltd. and its subsidiaries and affiliates in which Teva holds, directly or indirectly, 50% or more of any of the following: (i) outstanding equity interest; (ii) voting power, or (iii) rights to appoint directors and managers.

Teva's Compliance Department: The Global and Regional Compliance functions reporting to the Global Chief Compliance Officer.

Third Party/Third Parties: Any individual who isn't a Teva employee and any entity which isn't a Teva affiliate. Third Party can be either a vendor or a customer or any other party that interacts with Teva.

Third Party Representative:

- A Third Party to whom Teva provides or sells Goods, and who further provides or sells these Goods, directly or by an intermediary, to Government Officials, Governmental Entities or Healthcare Organizations; and/or
- A Third Party engaged and/or paid by Teva that may, with reasonable foreseeability, act on behalf of or represent Teva, directly or by an intermediary, in front of Government Officials, Governmental Entities, Healthcare Organizations or Healthcare Professionals.

Written Agreement: A document that was approved by Teva's Legal Department such as a contract, an appendix, a signed statement, or an amendment to a contract.

