

Code of Conduct

applying to
**Dipharma Francis S.r.l. and
its subsidiaries**



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Ethics: the true North

Ethics is a fundamental part of the way we intend to run our business.

What is ethics?

Ethics is the good management of long-term relationships with the stakeholders of the business, including customers, employees and shareholders.

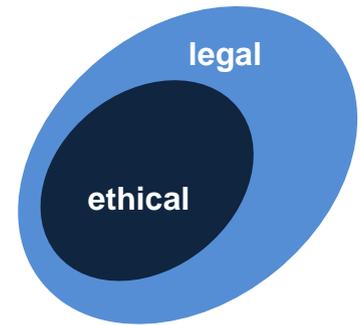
Ethics is more than merely respecting the law, because what is legal is not always ethical, but what is ethical is always legal.

Why ethics?

There are many factors which contribute to our company's success. In addition to our employees' knowledge and skills, these include their value-based, responsible, lawful conduct, in other words: their ethical conduct.

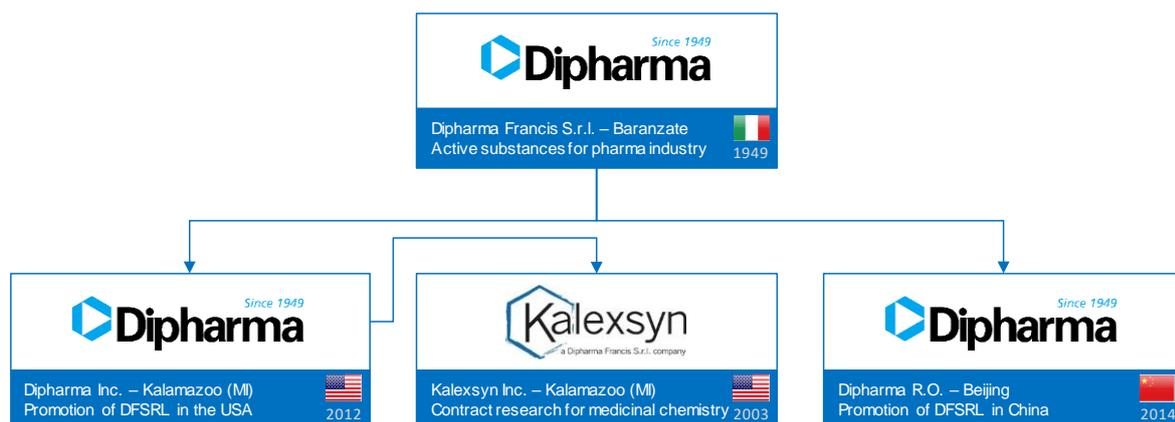
It is impossible to detail everything that is ethical. And it is also likely that certain behaviors might be considered acceptable in some parts of the world, while the same behaviors would not be considered ethical in other parts of the world.

As a company with businesses and operations in several countries, we have a global responsibility to ensure proper conduct, and for that reason we have decided to adopt a common Code of Conduct, which indicates the minimum rules that shall be observed by all our employees.



Compliance

We understand compliance to mean observing all legal provisions which apply to Dipharma Francis S.r.l., all its subsidiaries and all its employees (including members of the Board of Directors), as well as observing Dipharma's internal policies and Standard Operating Procedures (SOPs). In addition, we comply with internationally recognized principles governing entrepreneurial activity. These include the principles of the ILO labour standards and the principles of the UN Global Compact, which aim in particular to protect basic human rights, ensure compliance with labour standards, promote environmental protection and combat corruption.



Dipharma desires to promote compliance along its entire value chain and therefore also expects its business partners to comply with the legal provisions and international standards referenced above.

Dipharma and its employees may face serious consequences if legal requirements are not complied with. In addition to fines and claims for compensatory damages, Dipharma may also suffer damage to its reputation in the case of compliance violations. Moreover, our employees may be held personally liable for such violations.

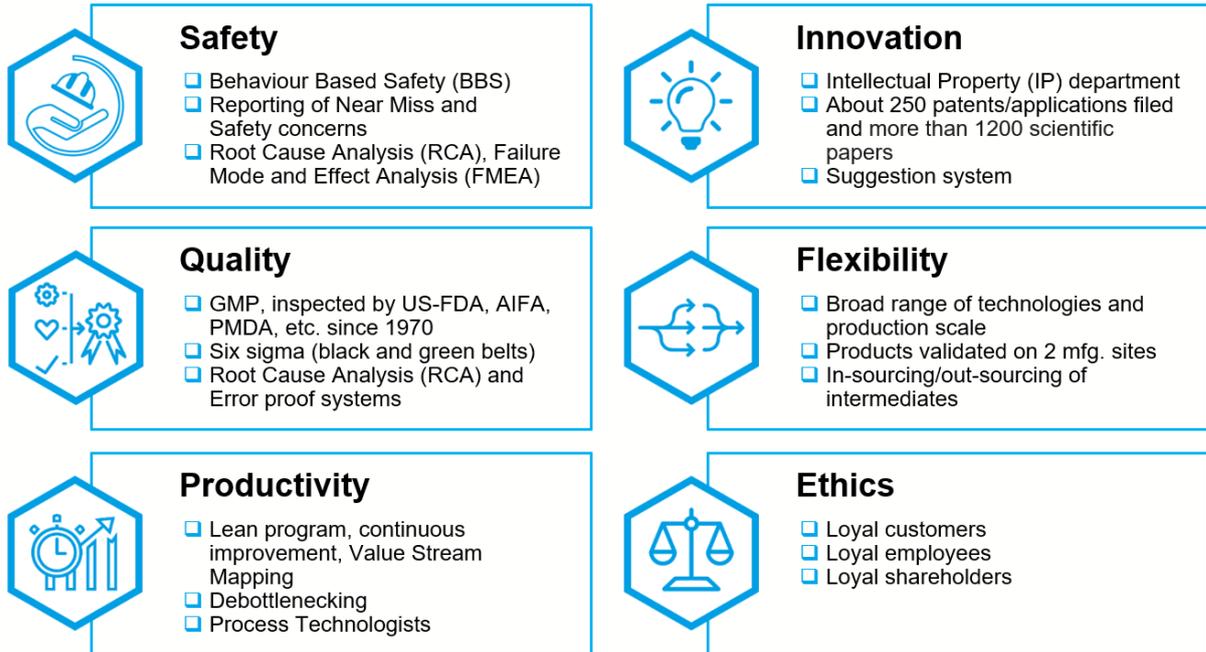
This Code of Conduct sets out internationally applicable principles governing the conduct of all our employees and establishes a framework for significant compliance areas, which is supplemented by additional internal rules, with the aim of shielding Dipharma and its employees.

Compliance to the Code of Conduct is mandatory for all our business activities

This Code of Conduct is intended to serve merely as a guideline; it makes no claim to exhaustively address all issues or circumstances which our employees may encounter in their day-to-day work. We therefore request that our employees contact their superiors if they have questions about this Code of Conduct or any other compliance-related issue.

Our core values

We at Dipharma firmly believe that our commercial success can only be guaranteed over the long term if our conduct is based on a value system accepted and practiced across the entire Group. Our core values – safety, quality, productivity, innovation, flexibility and ethics – form the foundation of our corporate culture, which underpins and serves as the framework for responsible, lawful conduct on the part of Dipharma and its employees.



Implementing the Code of Conduct

Companies act through their employees. When it comes to compliance with the law, a company's interests are aligned with those of its employees.

Every employee is therefore subject to general obligations relating to compliance.

Dipharma expects its employees to always comply fully with applicable laws, internal policies and Standard Operating Procedures (SOPs). The principles laid down in this Code of Conduct shall supersede any conflicting instruction issued by a superior.

We comply with applicable laws, internal policies and SOPs

We ask that our employees familiarize themselves with the aspect of the business relevant to their position as well as with any applicable internal Policy or Procedure, and external laws and regulations. Dipharma will assist its employees with this process. In cases of doubt, employees should seek the advice of a superior or a specialist department (e.g. legal, HSE, QA, etc.). Employees are expected to be familiar with the provisions of this Code of Conduct, which is provided to them together with their employment contracts.

When in doubt, we ask questions

In order to prevent Dipharma and its employees from suffering damage, all employees who become aware of any indications of a violation of this Code of Conduct must file a report without undue delay. Employees may report these matters to their superiors, the legal department, Human Resources or using Navex tools with dedicated Telephone line (China (844) 950-0558, US (844) 950-0557), or website at following web address <http://www.dipharma.ethicspoint.com>, both the tools allow anonymous reporting. Dipharma ensures that employees who, in good faith, report suspected misconduct will not suffer any adverse actions.

Employees who violate any such rules or regulations may face serious consequences. These may range from disciplinary action, denunciation to the authorities, and enforcement of claims for compensatory damages against the employee in question.

Managers and the Code of Conduct

Our company's managers are subject to additional obligations. They are expected to lead by personal example.

Our culture of compliance is built upon the responsible, compliant conduct of our management; our aim is to foster this culture so that it grows continuously and sustainably.

We expect our managers to take measures in their areas of responsibility to ensure that knowledge about legal requirements and compliance with them is imparted in company training and professional development opportunities. Managers are responsible for making sure that they always receive reports of rule violations and can be actively approached about irregularities. All managers must also ensure and monitor employee compliance with applicable law and internal policies and procedures.

As a manager, I set a good example for my employees

Health, safety, and environment

Dipharma takes responsibility for its actions along the entire value chain – from procurement, production and warehousing to transport, use and disposal.

Safety is our #1 value. For that reason, we adopt safety standards which may well exceed the legal requirements, and this to ensure the protection of our workers, physical assets, as well as the community.

Dipharma expects its employees, both in their own interest and in that of all employees and the community, to strictly adhere to occupational health and safety requirements, and to promote a culture of safe behaviors. Management plays a key role by setting a personal example in this context.

Occupational health and safety is everyone's job

Plants must be carefully designed and regularly monitored and serviced. Employees must be thoroughly briefed, trained and supervised. Moreover, our plants and locations must be secured to prevent access by unauthorized persons.

Air, water and soil may be used for commercial purposes only in accordance with applicable law. As a rule, permits must be obtained in order to construct and operate chemical production facilities. The unauthorized release of any substances into the environment must be avoided.

Notwithstanding the foregoing, if a substance is unintentionally released into the environment or a similar accident occurs, all responsible departments at Dipharma must be notified without undue delay, and in any case on the same day. Employees will not face adverse action for reporting any such incident.

No corruption

Dipharma stands for integrity in conducting business affairs. This also means that we intend to ensure our success with the quality and competitiveness of our products and not by means of bribery.

No civil servant or any other public official, whether locally or abroad, may be provided personal benefits of any kind whatsoever. This applies to all types of inducements. In this context, it should be noted that Dipharma does not provide financial support to any political groups or parties. When engaging service providers who communicate with public officials on behalf of Dipharma, it must be ensured that these service providers observe the ban on corruption set out above.

Furthermore, it is prohibited to offer employees of other companies personal benefits, whether directly or in the context of work activities, in particular during the pre-negotiation stage, or award of a contract.

Employees of Dipharma are prohibited from accepting or themselves soliciting personal benefits.

We do not offer, accept, nor solicit personal benefits

In this context, gifts of a certain and demonstrable value not exceeding €25 (US\$ 30) are not considered personal benefits, and gifts of a value not exceeding €50 (US\$ 60) are not considered personal benefits provided they are duly registered in the registrar of gifts within 48 hours of reception or return from a business trip.

Personal benefits include invitations to paid-for events or any other type of service (such as for example travel expenses, recreational activities, etc.) which go beyond the normal commercial needs and whose value can be believed to exceed €50 (US\$ 60).

For more information, please refer to our policy on gift and site donations.

Conflicts of interest

All employees must separate their personal interests from those of the company.

In connection with their business activities, our employees may not attempt to gain personal benefits or pursue their own interests. In this context, benefits for close friends and relatives are considered personal benefits. Existing conflicts of interest must be disclosed to the relevant employee's superior.

All employees must notify the Human Resources department and their supervisors without delay of their intention to commence an outside employment relationship – including as an independent contractor – or their intention to commence active work as an entrepreneur.

The foregoing shall apply in particular to positions taken on at companies with which Dipharma maintains a business relationship or which may be deemed competitors.

We are fully transparent and proactive about conflicts of interests

All employees may use the assets and property of Dipharma for business purposes only. Employees are expected to exercise due care when using the assets of Dipharma and to avoid incurring unnecessary costs which do not result in added value for the Group.

In the absence of a policy allowing such use, personal use of equipment (e.g., devices, inventory, vehicles, office supplies, documents, files, data storage devices), work products and other resources belonging to the company is prohibited.

However, employees may print personal documents on company printers, with a limit set to 50 pages per month.

Antitrust law

Violations of antitrust law may carry grave consequences for Dipharma and the employees involved. In the case of Dipharma, these may entail significant fines; protracted, costly antitrust proceedings; the assertion of claims for compensatory damages under civil law; and massive reputational damage. For affected employees, the consequences can range from disciplinary action to criminal consequences, which may carry a prison sentence.

We do not adopt anti-competitive practices

Even if a business is threatened by a crisis through no fault of the company, making antitrust deals cannot be justified and is prohibited.

The most critical bans under antitrust law are as follows:

- Price-fixing
- Deals regarding market share, capacity fixing
- Division of regional markets or customers

Concerted actions, informal conversations or formless gentlemen's agreements which aim to or may limit competition are expressly prohibited. Creating even the mere appearance of such conspiratorial behavior must be avoided under all circumstances.

No information whatsoever may be shared with competitors which relates to customer relationships, prices, impending price changes, cost structures or comparably sensitive information. This also applies to market strategies, capacity planning and other similar information. Such information may not be disclosed to competitors.

We exercise caution when sharing information with competitors

It is prohibited to treat customers differently in the absence of an objective reason (ban on discrimination).

Other proposals which may have the effect of limiting competition must be cleared with the legal department in advance. In case of doubt, such proposals should not be pursued.

Imports and exports

As a company with international operations, we are subject to export controls as well as applicable foreign trade and payments law.

In international trade, exports are subject to product-specific and person-specific restrictions intended to protect the security-related interests of a given country and ensure a peaceful coexistence. Export controls are used to enforce these regulations.

We comply with export control law when conducting business internationally

Of particular note are product-specific requirements under the EU Dual-Use Regulation and the Chemical Weapons Convention. Furthermore, existing financial sanctions imposed on persons, companies and organizations must be observed.

Handling of information

Personal data may be collected, processed and used only pursuant to the legal provisions regarding data privacy and protection. In this context, it must be ensured that personal data is stored safely and cannot be accessed by unauthorized persons.

We protect the personal data of our employees, customers and suppliers

All employees must ensure that no trade or business secrets are disclosed to unauthorized third parties prior to or after the termination of their employment relationship with Dipharma. Even in informal conversations among employees, it must be ensured that no information is disclosed to unauthorized Dipharma employees. Particular attention must be paid to solicitation by external firms to participate in market surveys or give expert advice on a topic: it is not allowed to accept any such invitation, and only executives may complete very generic market surveys.

We protect our business secrets, that is the foundations our success is built on

The highest level of diligence must be exercised to obtain legal protection for new findings or inventions; the patent department should be involved in this process. Unless they are in the public domain, procedures, substances and techniques must in all cases be kept confidential.

In order to protect our know-how, all agreements with third parties whose subject matter is the award of a license or the transfer of knowledge must be reviewed by the responsible department prior to their execution.

Legally enforceable intellectual property rights attributable to third parties must be respected and may not be used without authorization.

In order to prevent an unintended loss of know-how at workstations, it must be ensured that documents and data storage devices cannot be accessed by unauthorized persons. This includes using information systems responsibly, and in particular paying attention to suspicious SMS, emails, weblinks and email attachments. It must be ensured that no unauthorized third party can access data, even in cases where an employee is not at his or her workstation. Employees may reproduce or copy business documents or files belonging to the company for business purposes only.

The IP and ICT departments are available to answer any questions on protecting know-how.

Interactions with employees

Treating other employees with respect and fairness is one of the pillars of our corporate culture and is reflected in the conduct of everyone, and in particular managers who lead by personal example when interacting with its employees.

Furthermore, we value and respect differences of gender, race, religion, physical abilities or sexual preferences. For example, we do expect that people will not be judged for their background or life choices, nor shall they overemphasize their own differences.

We respect and treat each other fairly

Harassment in any form is prohibited at Dipharma. All employees have the right to be protected from harassment at their place of work. When conflicts arise, the case should be reported without delay to the relevant superior, to the Human Resources department or using Navex tools with dedicated Telephone line (China: (844) 950-0558– US: (844) 950-0557), or website at following web address <http://www.dipharma.ethicspoint.com>, both the tools allow anonymous reporting. In addition to the above, Dipharma is also committed to the labor-related principles set out in the UN Global Compact. As such, we uphold the freedom of association and the right to collective bargaining as well as the abolition of child labor and the elimination of forced and compulsory labor.

Communication to the public

When publicly stating a personal opinion, employees should not refer to their position at the company. This rule also applies to social media.

Employees are not allowed to communicate with the press. If requested for interview or comment, employees must refer to their superior. Final content must be reviewed by the communication manager, the CEO, or the chairman of the company.

We do not communicate to the public, unless formally entitled to do so
