



CMIC Group Code of Conduct

CMIC HOLDINGS Co., Ltd.

Revised November 1, 2016

General Provisions

(Purpose)

The purpose of this CMIC Group Code of Conduct (hereinafter referred to as “Code of Conduct”) is to stipulate the basic principles of action to be observed by the Executives and Employees of the CMIC Group so that CMIC Group operates its business complying with laws and regulations and acting in accordance with social ethics.

(Definitions)

The following terms used in this Code of Conduct shall have the meanings set forth in each item below:

- i. “CMIC Group” and “Company” mean CMIC HOLDINGS Co., Ltd., its consolidated subsidiaries and any company in which CMIC HOLDINGS Co., Ltd. substantially owns management right.
- ii. “Related Company” means any subsidiary and any company specifically designated from among the companies in which Company substantially holds 20% or more of outstanding shares and with which Company has factual business partnership or close personnel relationship, such as long-term loan of considerable amount, guarantee of debt, dispatch of Executives and Employees, etc.
- iii. “Listed Related Company” means any Related Company that lists its shares on a stock exchange, etc.
- iv. “Directors” mean the all representative/managing directors of each company of the CMIC Group.
- v. “Executives and Employees” mean the Directors, auditors, corporate officers, senior directors, employees, temporary workers and any other personnel engaging in the business of each company of the CMIC Group.

(Basics of Action)

- i. When engaging in business operation, Executives and Employees of the CMIC Group shall comply with this Code of Conduct.
- ii. Notwithstanding the preceding Paragraph, Listed Related Companies or foreign subsidiaries of the CMIC Group may establish their own code of conduct to the extent that such code of conduct respects this Code of Conduct and does not violate the purpose hereof.

Code of Conduct

(Compliance with Ethics, Laws and Regulations and Internal Regulations)

1. To comply with relevant laws, regulations and internal regulations in letter and spirit and to adhere at all times, both inside and outside the Company, to high ethical standards in fulfilling corporate social responsibilities.
2. To act with particular attention to compliance with the laws and regulations that regulate the business of the CMIC Group, such as the Pharmaceutical and Medical Device Act (formerly known as Pharmaceutical Affairs Law).

(Provision of High-Quality Products and Services)

1. With the mission to protect and improve the healthy life of humanity, to operate business aiming to create added value within the medical and health care industries.
2. To provide high-quality products and services based on leading technology and earn customer satisfaction and trust in order to contribute to the establishment of EBM to the maximum extent possible.
3. To continuously strive to improve the expertise and technology with regard to medical care and pharmaceuticals, and to contribute to the development of life science including facilitation of drug seeds discovery and drug fostering.
4. To recognize the importance of personal/customer information, and to ensure proper protection and management of this information in accordance with laws, regulations, and internal regulations.
5. To diligently listen to inquiry, opinion, and claim, and to make faithful responses so that the quality of products and services improves continuously.

(Fair, Transparent, and Free Competition and Fair Transaction)

1. To maintain fair and legal relationship with customers, medical organizations, competitors and business partners, and to conduct every business activity in a fair and transparent manner.
2. When conducting any transaction, to respect principles of free competition in the market and never to limit competition through acts such as bid-rigging.
3. Never to provide any business entertainment and business gift beyond the commonly accepted and reasonable level.
4. When making any donation to any medical organization, academic organization, etc., to confirm that such donation is a pure contribution and does not fall into the category of illegal payoff or unjust disbursement, and never to request any payoff or kickback from the donee organization.

(Sound and Normal Relationships with Political Groups/Governments)

1. To comply with all laws and regulations on bribery, including the US Foreign Corrupt Practices Act and the UK Bribery Act 2010, and never to conduct any illegal act or fraud such as bribe, unreasonable payoff, or provision of benefits or any act similar to the above, no matter what such act is called, in order to maintain sound and normal relationships with domestic and/or foreign political groups/governments.

(Avoidance of Conflict of Interest and Restriction on Competitive Transaction and Business)

1. In case of any transaction that is feared to cause conflict of interest between the benefit of the Company and benefit of individual, to prioritize the benefit of the Company.
2. Never to conduct any business operation causing Directors indirect conflict of interest within the Company, without approval of the Company.
3. To clearly separate the position as Company's personnel from the position as a private individual, not to bring private interest in the Company and not to bring the position as Company's personnel outside the working place.

(Full Protection of and Respect for Intellectual Property)

1. To recognize and respect the importance of intellectual properties and never to infringe on the intellectual property of any third party.
2. To recognize the importance of technical information, trade secrets and confidential information of the Company or other companies acquired through business operation, to properly manage such information and never to divulge such information to any third party without legitimate reason.

(Prohibition of Insider Transaction)

1. In case when an unpublished important fact pertaining to the business of the Company or business partners is obtained through business operation, never to conduct any securities transaction by taking advantage of such unpublished fact.

(Timely and Proper Disclosure of Information)

1. To communicate not only with shareholders but also widely with general society and to actively and fairly disclose corporate information in order to increase the transparency of business management.

(Assurance on Reliability of Financial Report)

1. In order to assure the reliability of financial report, to faithfully perform any and all accounting process, including accounting books and financial records, according to the related laws and regulations and internal rules such as Regulations on Accounting

(Respect of Human Rights and Individuality)

1. To respect human rights both at home and abroad, and to respect the diversity, personality, and individuality of Executives and Employees
2. To maintain a sound working environment where all Executives and Employees can work safely and comfortably.
3. To provide the Executives and Employees with an opportunity for improvement of their abilities and growth and development as members of society.
4. Never to conduct sexual harassment or power harassment.
5. To respect to the maximum extent possible and not to unduly violate the privacy of each individual.
6. To assess the performance of the Executives and Employees based on the predetermined assessment standards and to maintain transparent and fair personnel evaluation.

(Maintenance of Healthy and Safe Working Place)

1. To establish safe and sanitary working places and proper job environment, to prevent labor accident and to maintain the good health of the Executives and Employees.

(Effective and Proper Use of Company Resources)

1. To make efforts for proper control of company funds, goods and other assets of the Company, not to use such assets for purposes other than the business operation, and not to misappropriate such assets for private purpose or for the benefit of any third party.

(Refusal of Anti-Social Forces)

1. To make Group-wide efforts to refuse any relationship with anti-social forces or organizations that threaten the order and safety of civil society, and to stand firmly against such forces or organizations. In addition, never to conduct any act facilitating activities of such forces or organizations.

(Contribution to Society)

1. To actively make contribution to the society as a “good corporate citizen”.

(Contribution to Global Environment)

1. To recognize that tackling environmental issues is an essential prerequisite for the existence and activities of the corporation and to voluntarily and actively take action for the issues. Additionally, as an individual, to seriously accept the environmental issues and to actively take action for such issues.

(Compliance with International Standards and Foreign Laws and Regulations and Contribution to Local Community)

1. When conducting business overseas, to comply with international standards and local laws and regulations, to manage operations with due consideration to local and national culture/custom and stakeholder interests, and to contribute to local and national socio-economic development.

(Fair and Transparent Decision-Making)

1. Directors shall recognize that the realization of the spirit of this Code of Conduct is their responsibility, and shall take the initiative to familiarize the Executives and Employees of the Company and Group companies with the spirit of this Code of Conduct and to promote it among business partners. In addition, Directors shall always gather opinions from both inside and outside the Company, establish an effective internal system, and thoroughly implement a system of corporate ethics.

(Disciplinary Action against Violation of Code of Conduct)

1. In the event where any situation against this Code of Conduct arises, Directors shall show their position to solve the issue by themselves to the inside and outside of the Company and make efforts for the investigation of the cause and prevention of recurrence. Additionally, Directors shall promptly and correctly disclose information to society, fulfill accountability, clarify the power and responsibility, and strictly take disciplinary action including action against Directors themselves.

Supplementary Provisions

1. The control, revision and abolishment of this Code of Conduct shall be in accordance with the Exhibit of the Regulations on Control of Rules and Regulations.
2. This Code of Conduct shall be implemented from October 1, 2007.
 - This Code of Conduct shall be revised as of October 1, 2008.
 - This Code of Conduct shall be revised as of January 4, 2012 due to the change of corporate name.
 - This Code of Conduct shall be revised as of December 14, 2012.
 - This Code of Conduct shall be revised as of March 28, 2013.
 - This Code of Conduct shall be revised as of October 1, 2014.
 - This Code of Conduct shall be revised as of November 1, 2016.