



TOSOH SMD, INC.

TOSOH

Tosoh SMD, Inc. (the “Company” or “we”) expects our supply chain to adhere to ethical and legal standards and requirements in its hiring practices and its treatment of workers. We also expect our supply chain to comply with anti-bribery laws. In that regard we have adopted the following Supplier Code of Conduct which we expect our supply chain to observe and implement. We also expect our suppliers to implement our Supplier Code of Conduct, or a substantially similar set of standards and requirements, with their contractors.

TOSOH SMD, INC.’S SUPPLIER CODE OF CONDUCT

As our suppliers, you must uphold the human rights of workers and treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. You also must comply with applicable anti-bribery requirements. In particular, you and your suppliers are expected to adhere to the following standards and requirements.

Freely Chosen Employment -- Forced, bonded or indentured labor, involuntary prison labor, or trafficking of persons will not be used. This includes transporting, harboring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation. All work must be on a voluntary basis, and workers must be free to leave upon reasonable notice. You may not require your workers to hand over government-issued identification, passports or work permits as a condition of employment.

No Child Labor – You may not under any circumstance use child labor. The guiding principles for child labor will be per the local laws and regulations. Therefore, the term “child” will refer to any person under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment, in the locality/country, whichever is greatest. In addition, you will not use workers under the age of 18 to perform work that is likely to jeopardize their health or safety. We do support legitimate workplace apprenticeship programs, provided those programs strictly comply with applicable laws and regulations.

Working Hours -- Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness. Workweeks are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers must be allowed at least one day off for every seven-day week.

Wages and Benefits – You must pay your workers in accordance with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. You must also pay workers for overtime at pay rates greater than regular hourly rates, in accordance with applicable laws. You will not make deductions from wages as a disciplinary measure. You will also provide your workers with pay stub or similar documentation to inform them of the basis on which they are being paid.

Humane Treatment – You will have in place clearly defined disciplinary policies and procedures for your workers and will timely communicate those policies and procedures to them. There is to be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers. Nor can there be any threat of any such treatment.



Non-Discrimination – You must be committed to maintain a work environment that is free of harassment and unlawful discrimination. You will not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in your hiring or employment (including promotions, rewards, and access to training) practices. In addition, workers and candidates for jobs are not to be subjected to medical tests that could be used in a discriminatory way.

Freedom of Association -- Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Workers shall be able to communicate openly with management. You are to respect the rights of workers to associate freely, join or not join labor unions, seek representation, and join workers' councils in accordance with local laws.

Student & Dispatch Workers in PRC Facilities – Supplier facilities located in the People's Republic of China must additionally observe certain requirements when using student workers or dispatch workers. Student workers are students at an educational institution who seek work to complement their pursued educational degree. Dispatch workers are workers placed at the supplier facility through a labor agency or similar organizations and the workers do not have a direct labor contract with the supplier.

In addition to observing the above principles with regard to student and dispatch workers, you will ensure that student workers do not work more than eight hours per day or 40 hours per week, and will pay student workers at least at the same rate as other workers performing similar tasks.

With respect to dispatch workers, you will comply with applicable legal requirements, including but not limited to the Labor Contract Law of the People's Republic of China. In particular you will use dispatch workers only in circumstances permitted by such Labor Contract Law and will pay the dispatch workers at least at the same rate as your own workers performing similar tasks.

Anti-Bribery – You will not, and will ensure that your agents and subcontractors will not, engage in any activity that constitutes or could be viewed to constitute bribery, kickback or payoff. You will, and will ensure that your agents and subcontractors will, comply with all applicable laws concerning bribery, kickbacks and payoffs, including but not limited to the U.S. Foreign Corrupt Practices Act and Travel Act, the U.K. Bribery Act and the People's Republic of China's Anti Unfair Competition Law and criminal law (to the extent any one or more of such laws apply).

The foregoing requirement prohibits the making of any payment or giving of anything of value, directly or indirectly, to any government official (including any employee or representative of any government or state-owned enterprise) or to any official of an international organization, to influence his, her or its decision, or to gain any other advantage for any person, in connection with your relationship with Tosoh SMD.

The foregoing requirement also prohibits the making of any payment or giving of anything of value to any Tosoh SMD employee or to any other private party to influence his, her or Tosoh SMD's decision, or to gain any other advantage, in connection with your relationship with Tosoh SMD.

Subject to the requirements of applicable law, if you wish to provide Tosoh SMD employees with gifts or personal favors, the item must be of token or nominal value, and must be provided with the understanding that the employee may not give any preferential treatment in return. Also subject to the requirements of applicable law, meals and entertainment provided to Tosoh SMD employees must have a legitimate business purpose and must be reasonable.