

Compliance Handbook

English Edition

2013

Mega Objective

...is to create value by

Marketing and Selling

Medicines in Developing

Countries

....while observing legal and

ethical standards in business

Dear Colleagues and Owners,

At Mega Lifesciences, we are all aware of the important legal and ethical issues. We believe and practice our core values of *Truth*, *Trust*, *Respect* and *Freedom*. These values reflect who we are as company and as individuals.

The strength of our belief has given us the success so far and will continue to open roads of growth in the future. Please know that Mega's Head Coaches and Chief Coach is available should you have any concerns relating to Mega Lifesciences' policies or practices. Seeking advice or highlighting any concerns will not have any retaliation or any adverse consequences as per the company's non-retaliation practices.

Mega Lifesciences is committed to creating an organization which will Live and Grow beyond us by doing things right not only in letter but also spirit. Compliance is a responsibility which lies with all of us i.e. You and Me.

Vivek Dhawan

CEO & Chief Coach

Contents

About Mega Lifesciences' Compliance Handbook	6
Business Ethics and Code of Conduct	7
1. Introduction	7
2. Responsibilities as Employees	7
3. Responsibility as Leaders	7
4. Business with transparency and Integrity	8
<i>Dealing with Suppliers</i>	<i>8</i>
<i>Dealing with Customers</i>	<i>8</i>
<i>Government Agencies and compliance with laws</i>	<i>9</i>
<i>Dealing with Customer's customers</i>	<i>9</i>
5. Employment Policies.....	9
6. Equal Employment opportunity	9
7. Employee's relationship with employer.....	9
8. Employee's relationship with peer group	10
9. Employee's relationship with subordinates and superiors	10
10. Harassment	10
11. Sustainability of health, safety and environment	10
12. Insider Trading	10
13. Legal and other Compliances	11
14. Intellectual Property, Proprietary information & Trade Secrets.....	11
15. Labor practices.....	12
16. Responsibilities towards Shareholders.....	12
17. Human Rights.....	12
18. Information technology policy	13
19. Conflict of Interest	13
20. Compliance with this code	13
Control Manuals.....	13
Legal Compliance	14
Disclosure of Accurate Financial Statements	14
Tax Payments	15

Supporting philanthropic activities..... 15

Protecting Mega Lifesciences’ Assets 15

Fair Trade and Competition Practices 15

Anti-Corruption policy..... 15

Manufacturing Activities 16

Violations to be reported..... 16

About Mega Lifesciences' Compliance Handbook

A) What is Compliance in Mega Lifesciences?

Compliance in Mega Lifesciences i.e. Mega Lifesciences Public Company Limited and its direct as well as indirect subsidiaries means complying with Laws, regulations, rules, policies, procedures and ethical standards ('Compliance'), not just compliance with Laws and regulations. Laws shall include national laws, trans-national laws and the requirements of the Stock Exchange of Thailand, Securities Exchange Commission of Thailand and their affiliated bodies like the Capital Markets Supervisory Board.

B) Who is this Handbook for?

This handbook is for all the Directors, Management Board, employees and statutory auditors of the Company. Employees shall include those deputed outside the company for company's employment purpose and those employees who have been accepted for employment on deputation by 3rd parties associated with Mega Lifesciences.

C) What is the Objective of this Handbook?

The Handbook provides information to employees and facilitates judgment in situations of doubt. The Directors, Management and Employees may refer this book in situations of doubt and in an event of ambiguity or doubt all can refer to Headcoaches/ Chief Coach or other resources like Human Capital or Legal/ Compliance. The Handbook needs to be practiced not only in office but also in situations when Directors, Management and Employees represent the Company such as speaking sessions, entertainment, attending exhibitions, conferences, etc.

Business Ethics and Code of Conduct

1. Introduction

We are all privileged to work for one of the finest companies. It is our utmost responsibility and duty to preserve and strengthen our Company's worldwide reputation built by people over many years. We have built our successes on the strong foundation of transparent & Ethical business practices and quality products. Our quest for growth and excellence goes hand in hand with unflinching commitment to integrity in all our relationships with employees, customers, suppliers, government, local communities and our collaborators and shareholders.

The Mega Code of Conduct is described in the following sections, which contain guidelines for adherence by all the employees of Mega Lifesciences Limited and its subsidiaries. Adherence to this Code of Conduct ensures and reinforces our commitment to conduct our business with integrity and to uphold highest ethical standards. We encourage employees to share relevant information with their respective Coaches or Supervisors about actions that may either violate or have the potential to violate the Code.

2. Responsibilities as Employees

Understand the framework of the Code in general and in greater details of those sections that apply to your job specifically. You should have a good understanding of the issues, the Company's stance and policies.

In accepting employment with Mega Lifesciences, each one of us becomes accountable for compliance with the Code of Conduct as well as the various rules and regulations of the Company.

If there are any questions about interpretation of the Code, please seek assistance from your Superior or Coach.

You must promptly report any concern or breach to your superior..

3. Responsibility as Leaders

It is a responsibility of all Senior Managers to ensure that we bring in a culture of compliance to this code. Leaders share the responsibility to gather feedback and

take remedial actions when employees bring up any concerns to ensure compliance with this code.

4. Business with transparency and Integrity

Mega Lifesciences employees are expected to carry out the Company's business with fairness and using ethical business practices. Employees selling goods, services or while interacting with suppliers, customers, Government agencies will not resort to any unethical means to promote the interest of the business.

Dealing with Suppliers

Mega shall deal with all suppliers in a fair manner and ensure that the business is conducted at most competitive prices and mutually rewarding. It is in Mega's interest to ensure that the suppliers remain make a reasonable profit and drive innovation and sustainability in their businesses to become a long term partner. Parameters such a Price, Quality, Environmental protection, technical and regulatory expertise, reliability and integrity shall be guiding forces for enlisting a supplier. Mega Lifesciences and/ or its employees shall in no way benefit from or pass any benefit to the supplier other than the written terms in the contract.

Any suppliers related to employees or shareholders shall be listed as related parties in the Financial Statements. Arms length basis of dealings with such suppliers shall be ensured.

Dealing with Customers

Mega Lifesciences shall ensure that only good quality products and services shall be provided to customers and Mega shall strive to innovate through constant improvement the products and services.

The employees shall maintain good relationships with customers and make a positive difference in their lives and in the lives of their customers. Mega Lifesciences shall deal with its customers in a fair and dignified manner and encourage the customers and their customers to maintain a healthy life.

Any customers related to employees or shareholders shall be listed as related parties in the Financial Statements. Arms length basis of dealings with such customers shall be ensured.

Government Agencies and compliance with laws

Mega Lifesciences expects its employees to live by the Mega way of fairness and integrity in dealings with government agencies. Our products are sold to Hospitals and other government agencies. Mega shall ensure good quality products and fair transactions. Mega or its employees will not compromise on quality or in compliance with the laws of the land in which the business is situated.

Dealing with Customer's customers

Mega Lifesciences expects its employees to provide the best products and make a positive difference in the lives of our consumers (ultimate customers). The employees shall promote a healthy way of life and loyal customers through a win-win system of dealing.

5. Employment Policies

Mega Lifesciences has ordinary people achieving extraordinary results. The company believes in recruiting and retaining ethically committed and good human beings who have a desire to make a difference in the company and the society. Mega Lifesciences shall ensure that the right education, training and growth opportunities are provided to employees and encourage professional development. Mega Lifesciences provides a fair and transparent environment with clear performance criteria and performance evaluation processes.

6. Equal Employment opportunity

Mega Lifesciences shall provide equal employment opportunity to all within the framework of the law of land in which it is located. People of any gender, race, caste, religion or nationality shall be considered for employment and treated as equals at work. Employment policies shall reflect the fairness and equality. Any behavior in violation of this policy shall be treated as hostile and appropriate management action shall be taken. Mega Lifesciences shall respect the individual differences and respect each other for what they are.

7. Employee's relationship with employer

Employees of Mega Lifesciences must strive to adhere to the companies policies, guidenlines, objectives and values and shall make sincere efforts to drive productivity and performance. They must measure up to the Trust and Freedom entrusted by the company on them.

8. Employee's relationship with peer group

Employees shall share a cordial relationship with each other and encourage each other to achieve company's goals. Employees shall respect each other's differences and shall nurture a climate of trust and respect.

9. Employee's relationship with subordinates and superiors

Employees shall provide an environment of self development and growth to their subordinates and live and practice the Mega way of life. Employees shall be honest and open with their supervisors and cooperate with their senior in implementing the company's policies.

10. Harassment

Mega Lifesciences strictly prohibits sexual or any other kind of harassment of employees by any person in the workplace or while conducting the Company's business.

11. Sustainability of health, safety and environment

Mega Lifesciences shall ensure that all business transactions promote sustainability of environment and environmental issues like health and safety, pollution, etc are seriously addressed in all its policies and actions.

The areas of focus are:

- Compliance with environmental laws and those relating to safety and health of employees and society
- Issues concerning product efficacy and product liabilities
- Invest in technologies which promote sustainability of environment
- Safety in handling and disposal of hazardous and toxic materials
- Optimal utilization of natural resources like water and others like electricity
- Working conditions such as lighting, layouts, health signs, etc in the factories

12. Insider Trading

Mega Lifesciences shall prohibit employees from entertaining any insider trading practices. Those with privileged information shall have a responsibility not to divulge any information, including but not limited to, financial results, Information Technology, Business strategies, Business transactions, policy changes, etc. The

company shall strictly follow the insider trading guidelines of the Stock exchange on which its equity shares are listed.

13. Legal and other Compliances

Mega Lifesciences shall follow and abide by all the laws of the country where it is located. The company shall ensure compliance with all commercial, tax and other laws and all the employees shall be encouraged to highlight any compliance issues to their superior..

Upon becoming a publicly listed company on the Stock Exchange of Thailand, the company through its Directors and Executives shall ensure compliance with all the announcements and stipulations of the Stock Exchange of Thailand (SET) and Securities and Exchange Commission (SEC).

14. Intellectual Property, Proprietary information & Trade Secrets

Mega Lifesciences and its employees shall not infringe any Intellectual Property, Patents or any other service marks or any other form of intellectual property belonging to a third party without explicit approval from such party.

Mega Lifesciences' proprietary information shall consist of its Trademarks, Service Marks, Patents, Dossiers, CDs, Contracts, Supplier data, Customer data, Trade terms, Commercial details, Business strategies, etc and such other information which gives any privilege or business advantage to Mega Lifesciences. Employees shall:

- Not Disclose such information to any 3rd party without approval from the company
- Maintain confidentiality even when they are no longer in services with Mega Lifesciences
- Not use any of this information for personal benefits

All such information and any other confidential information remains confidential until the company decides to divulge it in public.

Do's

Be Vigilant in the protection of Mega Lifesciences's own intellectual property and let a supervisor or Compliance resource and Head Coach know if third parties are violating Mega Lifesciences' rights.

Be aware of relevant 3rd party patents and other intellectual property rights.

Obtain permission from the appropriate copyright holders to use their copyrighted works, and comply with the relevant laws and contractual conditions when citing such copyrights.

Don'ts

Disclose Mega Lifesciences' assets including trade secrets, knowhow, etc to 3rd parties.

Obtain from a third party or an employee their ex-employer's trade secrets, knowhow, etc.

15. Labor practices

Mega Lifesciences promotes healthy labour practices. The company and employees shall comply with the relevant labour laws. The company shall strongly discourage exploitation of children, child labour, physical abuse and any other form of services which may be of involuntary in nature. The company shall provide healthy working conditions as per the law and even better. The management shall take strict disciplinary action in the event of violation of this clause.

16. Responsibilities towards Shareholders

We at Mega Lifesciences are aware of our responsibilities to invest the money and do the business as per the stated business objectives and uphold the interest of shareholders and safeguard shareholders assets and interests. Our shareholders are important stake holders and we are accountable to them for a good conduct of business with integrity, transparency and fairness.

17. Human Rights

Mega Lifesciences respects the Human rights and seeks to create an environment of equal opportunity to work and excel in Mega Lifesciences. The company shall strive

to create relationships such suppliers and customers who promote human rights and provide equal opportunity to all employees from different sections of the society.

18. Information technology policy

All employees of Mega Lifesciences are expected to strictly follow the IT policies of the company and ensure data secrecy.

19. Conflict of Interest

All employees of Mega are expected to disclose to the company any situations which result or can result in a conflict of interest. The employees shall disclose to their superiors/ Coaches any suppliers, customers or any 3rd parties with which the company does any business transaction who are related to the employee. Mega Lifesciences strictly prohibits and discourages undisclosed conflict of Interest and expects employees to address such situation by disclosing the name of the party, nature of relationship and the details of the contract with such party.

20. Compliance with this code

All employees of Mega Lifesciences are expected to comply with this code of conduct. This document is expected to be a beacon for taking ethical decisions. Employees are encouraged to seek help from their superiors or their Coach to seek more clarity and to highlight any irregularities or non-compliances. The Code of Conduct is not intended to and cannot be expected to provide a solution to all the problems. Mega Lifesciences expects employees to understand this code of Conduct and observe adherence in all situations and keep their superior duly informed about any irregularities. Nothing contained in this document prohibits Mega Lifesciences from taking any disciplinary action on any matters pertaining to employee conduct, whether or not it is specifically mentioned in the document.

Control Manuals

All of us have the responsibility to conduct operations and processes as per the standards and instructions contained in the Internal Control Manuals laid down for key processes and approved by the Board of Directors. The audit of companies' processes shall be conducted by 3rd party Internal auditors or such inhouse resource as may be assigned by the CEO, Management Board, Audit Committee or the Board of Directors.

Legal Compliance

All of us have the responsibility to comply and document the evidence of such compliances with the laws of the countries in which we conduct business, transnational laws and the regulations laid down the Stock Exchange of Thailand, Securities Exchange Commission and the related bodies. We shall maintain copies of any legal returns filed with the government bodies and shall update the legal compliance checklist.

Disclosure of Accurate Financial Statements

Keeping accurate information related to our business activities is important for meeting our obligations of transparency and disclosure towards shareholders. We have an obligation to disclose information related to our key businesses in our Annual reports to ensure understanding of our financial statements. Also, we stand under obligation to provide timely and accurate information reflecting a true and correct view of our operations and business.

Do's

Account for all the incomes and expenses accurately and on time.

Prepare documents supporting each and every expense and ensure due approvals as per company policies.

Share the available documents and information on request by the concerned employees, management and/ or directors, Auditors and Government bodies concerned.

Don'ts

Falsify any information.

Create false documents supporting any incomes/ expenses.

Tax Payments

Mega Lifesciences shall make correct tax payments as per applicable tax laws of the country in which it operates and also comply with transnational taxes/ cross border tax rules. It is important to maintain sufficient documents to prove and support the accuracy of our records and establish criteria for our decisions. Mega Lifesciences prohibits fake vouchers and forged vouchers in support of account settlements, etc.

Supporting philanthropic activities

Mega Lifesciences shall support philanthropic activities or conduct by itself only if it satisfies its Corporate Sustainability Responsibilities (CSR)/ Creating Share Value (CSV) program and if the project is approved by its wellness committees.

Protecting Mega Lifesciences' Assets

Protecting Mega Lifesciences' Assets is essential to maintaining competitive advantage. Assets include all the tangible assets like plant, machinery, office equipment, computers, etc. All of us have an obligation to protect Mega Lifesciences' assets and report any theft or improper use of such assets.

Fair Trade and Competition Practices

Mega Lifesciences has a policy to compete fairly and wishes to comply and respect the competition laws. Accordingly, certain formal and informal agreements with Distributors, Customers and Suppliers may be prohibited under competition laws. We need to consult Legal/ Compliance resources for such matters. In certain cases, even discussion of such matters can be prohibited.

Anti-Corruption policy

The Board of Directors of Mega Lifesciences has framed and implemented the Anti-Bribery policy. The policy includes compliance with certain transnational laws like Bribery Act of United Kingdom and FCPA of United States and Anti-corruption laws of the countries in which we operate.

The policy includes:

- a) Guidelines for interaction with Health Care Professionals

- b) Guidelines for interaction with Government Officials
- c) Accounting records to be maintained
- d) Audits under this policy
- e) Limits for Gifts, Entertainment, Travel reimbursements, Speaker engagements for speaking events, Charitable donations, etc

Manufacturing Activities

Mega Lifesciences shall conduct its manufacturing activities as per the Good Manufacturing Practices (GMP) and shall ensure such standards as may be required by the regulatory bodies of the countries in which the products are shipped or such regulatory bodies which certify the manufacturing sites of Mega Lifesciences's manufacturing sites.

Manufacturing involves safety and environmental issues, including handling and disposal of hazardous materials. Concerned employees and Management board members need to be aware of the laws concerning such activities.

Violations to be reported

Mega Lifesciences does not permit violations of laws or regulations or of Mega Lifesciences Ethical standards, policies, procedures or rules. Any violation is deemed to be contrary to Mega Lifesciences' policy and may result in disciplinary action inside the company and may result in punishment outside the company, including possible criminal penalties.