



MERCK LIMITED

# Code of Conduct

GUIDELINES FOR LEGITIMATE AND  
RESPONSIBLE OPERATIONS AT MERCK

Regd. Office:  
Shiv Sagar Estate 'A', Dr. Annie Besant Road, Worli,  
Mumbai 400018 | India

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**Object:**

The aim of the Code of Conduct presented below is to provide information concerning important areas of responsibility and thus to ensure that employees of the Company act legitimately and responsibly in their respective working environment at all times. The employees can rightfully expect the Company to protect them only when they act in accordance with the Code of Conduct.

**Application:**

The Code applies to all Directors and employees in the cadre of Supervisors, Executives, Assistant Managers, Managers and General Managers of Merck Ltd-India. Following are the tenets of the Code of Conduct.

**1. Compliance of Law:**

Employees must comply with the relevant Indian laws and regulations which govern Merck operations. Employees having any doubt should contact in-house Legal Department to ascertain the legal position.

**2. Honest & Ethical Conduct:**

The employees shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct not only on Company's premises and off site but also at Company sponsored business, social events as well as any places. They shall act and conduct free from fraud and deception. Their conduct shall conform to the generally accepted professional standards of conduct.

**3. Industrial Safety – Everyone's Responsibility:**

Each and every employee is co-responsible for the industrial safety in his/her working environment. Environmental protection, industrial protection and industrial safety regulations must be applied under all circumstances. Each and every employee acts not only in his/her own interest, but also in the interest of their colleagues and the company as a whole, must constantly remind himself /herself to apply the safety regulations consistently at all times. The conduct and attitude of one's superiors play an important role in this regard.

**4. Safe Use of Hazardous Substances:**

The purchase, manufacture, testing, storage, import and export, and the marketing of pharmaceutical drugs are all subject to regulations requiring complete documentation. Narcotic drugs must be exactly accounted for and all stocks and inventories of such drugs must be kept under lock and key to reliably prevent any illegal access by third parties – including unauthorized employees of the Company.



5. Protection of Environment, Health and Safety:

Employees shall take actions necessary in the course of their work to protect the environment – air, water and soils and the health and safety of themselves, fellow employees, customers and society at large. They must comply with all environmental, health and safety laws and regulations, enacted from time to time.

6. Fairness and Respect to Colleagues:

Each and every employee must know that his/her personal (as well as of course official) conduct is attributed to the Company and that such conduct may affect the Company's reputation. The Company thus expects each and every employee to be friendly, objective, and fair in his/her dealings with the colleagues and third parties.

Each and every employee has the right to be protected from harassment conducted through words, gestures or in writing and shall be able to trust that other employees do not interfere with his/her natural sense of shame or impose contacts; the other employee does not wish to have. In this regard, it is not decisive whether the harassing employee or the harassed employee considers his/her own conduct to be usual or acceptable or whether the person affected by the harassment has the opportunity to seek refuge elsewhere. Decency and respect in the relations among employees have to be strictly observed. The Company has constituted the Sexual Harassment Committee to which any person affected on account of sexual harassment can approach.

7. Conflict of Interest:

Each and every employee must keep his/her private interests separate from those of the Company. Potential conflicts of interests must be divulged immediately. In the event of any kind of irregularity, in all cases the respective superior must immediately notify the concerned Directors/Managing Director of the Company.

8. Customer, Vendor and Supplier Relationships:

As a rule, suppliers are selected only according to certain criteria viz. quality, reliability, technological standards, product suitability, demonstrable long term and conflict-free business relations etc. No employee shall demand, accept, offer, or grant a **personal favour or benefit** of any kind, either directly or indirectly, in connection with his/her official activities, and also in particular in connection with the preparation, execution or handling of a contract, no matter whether with a private person, a company or a public-law institution.



**9. Adherence to Anti-trust, Monopolies and Restrictive Trade Practices:**

Merck undertakes to adhere to all guidelines, practices, market norms and laws governing anti-trust monopolies and restrictive trade practices set forth by the Government. All employees are expected to comply with all applicable laws, decrees, orders and undertakings in this regard affecting Merck and its employees.

**10. Protection of Company Property and Trade Secrets:**

Employees shall keep business information and trade secrets confidential except to the extent they are required to disclose such information in the course of their duties. Employees must not make or keep copies of reports or documents for their personal use. They must protect Company property and return it as and when they leave the Company. Further, no employee shall make use of Company facilities (e.g. equipment, stocks, vehicles, office materials, documents, files, data media) or personnel for his/her own private purposes without the express permission of the responsible executive of the Company. The Company property shall not be removed from the premises of the Company without the written permission of the superior. Also, no data, inventories, programs or documents shall be copied and removed from or brought into the Company premises without express permission.

**11. Insider Trading:**

No employee shall exploit internal knowledge concerning plans of the Company – for example an intended divestiture of the Company's divisions or departments, the acquisition of other companies, the establishment of joint ventures or any other facts of relevance to stock exchange prices (legally referred to as 'insider information') for the purpose of personal financial gain, irrespective of whether he/she does so directly or through a third party. No employee shall pass on corresponding knowledge to persons not involved in the project in question or to third parties.

Employees who have insider information about the Company shall not trade in stock or other securities of the Company nor shall they disclose such information to any other person except in connection with legitimate conduct of Merck's business. Security Exchange Board of India has framed rules in this regard and every one is expected to comply with those rules. Employees should adhere to the Merck's Insider Trading Code.

**12. Reputation of the Company:**

Merck employees in all their external and internal communication should project a positive image of the Company. No employee will degrade the image and malign the reputation of the Company.



**13. Duties of Merck employees:**

Employees are duty bound to comply with this Code and to take appropriate measures to effectively discourage violations by others. If they fail to succeed, they have to report the violations to Compliance Officer of the Company. No retaliation against employees who raise issues under this Code will be tolerated.

Any question or interpretation under this Code of Conduct will be handled by the Board or any person/committee authorized by the Board of the Company in this behalf.

The Code must always be a part of the corporate culture. Upholding this Code depends on each employee having necessary appreciation for the legal boundaries of his/her own actions and his readiness to let these actions be measured in terms of legal standards. The Company shall not tolerate any violation of laws and will not indemnify the employee responsible for the action in question against government sanction. Needless to add, such breach of law or other legally binding regulations may result in far reaching job-related consequences and also in criminal charges being brought against such delinquent employees committing breach trust or law or other regulations.

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