**Global Standards of Business Conduct**

**Message from Maurice Murphy, Executive Chairman**

These are exciting times at Pharmachem Innovations. We are well on the way to fulfilling our objective to be a major Nutraceutical specialty company. At the same time, we have continued to make processes and procedures more efficient, driving unnecessary costs out of our business.

As we continue to move forward, there is one fundamental aspect of Pharmachem Innovations that will never change: we must always maintain the highest standard for business responsibilities, for integrity, honesty, and ethics. Acting with integrity and honesty will need be the number one responsibility of every Pharmachem Innovations employee.

On the following pages, you will read about situations in which it is essential to make the correct decision when faced with an ethical or compliance issue. Some of the answers are common sense, and others involve more complicated legal obligations. If at any time you are not sure what to do, let this document be your guide.

Thank you for helping to keep Pharmachem Innovations, a well-respected and ethical member of the Nutraceutical marketplace.

Regards,

Maurice Murphy

Executive Chairman

**PS: You may share this booklet with anyone, inside or outside the company. Extra copies may be obtained from the Human Resources department or via our website at www.pharmachem.com**

**Introduction**

Pharmachem Innovations Inc. is passionately committed to conducting business in accordance with the highest ethical rules and principles. The Standards of Business Conduct are the cornerstone of this commitment and set the standards for our actions. You should embrace it in both letter and spirit. Where the letter of guidance is not specific, the spirit must prevail. This responsibility is shared by all employees, executives and directors.

**Application**

While many laws have international application, we are mindful of observing diverse local customs and the laws of the countries in which we operate. If compliance appears to conflict with local law or regulation, employees should discuss their concerns with Human Resources.

Specific policies and procedures support and supplement the Standards of Business Conduct and govern appropriate business behavior. Any exceptions to the provisions contained in this booklet or any related policy requires advance approval by the CEO and the Board.

**Responsibility and accountability**

We are faced with challenges and complex decisions every day, therefore each of us is responsible for making good decisions and helping our company live up to its commitment to act with integrity and honesty.

We are all expected to understand and comply with the provisions contained in this booklet, our policies, procedures, and the law, and always conduct company business with the highest legal and ethical standards.

Violations are expressly prohibited and are always contrary to our best interest. If you commit a violation, this may have serious consequences for the company and for you personally. Personal consequences may include disciplinary action, employment termination and damage claims.

Furthermore, some violations may also give rise to criminal prosecution of the employee, the company and/or officers and directors of the company.

If you receive information or have reason to believe that our company, another employee or any person acting on our behalf, has violated or is violating the Standards of Business Conduct, any company policy or the law, you must promptly report it to your Executive leader and Human Resources.

You may report any suspected violations in confidence and without fear of retaliation. We will not tolerate any reprisal, harassment, or retaliation against anyone who, in good faith, reports a known or suspected violation.

**Compliance program**

The Standards of Business Conduct is the foundation of our comprehensive compliance program, underscoring our commitment to the law and high ethical standards. The program requires training and education for employees, completion of compliance assessments and audits, and driving personal accountability through communication and awareness initiatives.

**Responsible care process**

This process is an integral part of our operating principles. We integrate environmental, health, safety and security activities and awareness into business planning and operating practices, while establishing accountability at all levels of the organization.

Pharmachem Innovations strives for excellence in health, safety, and security performance. Everyone is expected to act with integrity and honesty, create and maintain safe work environments, protect human health, comply with the law, and reduce our environmental footprint.

**Responsibility to each other**

We believe in treating people with dignity and respect, including people outside the company. As employees, we are expected to always hold ourselves accountable to high professional standards, with mutual respect being the basis of all professional relationships.

**Respect for others**

All applicants and employees are judged by their qualifications, demonstrated skills and achievements without regard to age, disability, gender, national origin, race, color, religion, sexual orientation, veteran status, or any other personal characteristics that are protected by law. We are committed to maintaining a professional and safe work environment free from violence, intimidation, discrimination, and harassment.

**Diversity**

We strive to build a diverse workforce of employees with diverse backgrounds, experiences, and perspectives. Because the markets in which we compete are increasingly diverse, we must have a diverse workforce and fully utilize the talents and ideas of all employees. Therefore, we will recruit, develop, and retain talented people and respect and value the diversity of their contributions.

**Harassment**

Harassment is unwelcome conduct, whether verbal, nonverbal or physical, that is based on a person’s age, disability, gender, national origin, race, color, religion, sexual orientation, veteran status, or other protected group status. It includes unwelcome sexual advances, requests for sexual favors, and other unwelcome verbal or physical conduct of a sexual nature.

We do not tolerate harassment of our employees by co-workers, supervisors, or any other individuals with whom employees come into contact while conducting business. Employees are encouraged to help each other by speaking out when another individual’s conduct makes them uncomfortable and are expected to immediately report any behavior that they believe is inconsistent with our policies prohibiting harassment.

**Environment, health, safety, and security**

As part of our commitment to the responsible care process and continuous improvement in our performance, we are committed to providing a safe and secure workplace. To that end, each of us must live a culture in which negative environmental, health, safety and security incidents are prevented.

One of our values is the belief in a zero-incident culture. A zero-incident culture does not just happen; it is a positive result of a culture that actively seeks a world-class safety standard. Our employees take responsibility for their actions around safety because they are empowered to make informed decisions. Success depends on genuine commitment, basic operating principles, well-communicated visions and, most importantly, a business atmosphere where all employees care for each other.

Safety is approached proactively. Positive safety behaviors, as well as potential risks and hazards, are identified. Coaching or being coached for safety is accepted without fear of retribution. If an incident does occur, follow-up on the event is recognized as being important for determining the root cause so that preventive actions can be taken to minimize the potential for a similar incident happening again.

In this environment, zero incidents become the norm and is the product of a culture and value system. Accordingly, each company location will be required to implement the zero-incident culture process. Everyone is responsible for observing the rules and practices that relate to on-the-job health and safety. This includes immediately reporting incidents, injuries and unsafe practices or conditions as well as taking appropriate and timely action to correct known unsafe conditions.

**Substance abuse**

The health and safety of all employees, and the quality and productivity demanded by consumers and shareholders, require us to report to work free from the influence of any substance that could prevent us from conducting work activities safely and effectively. The unauthorized use, possession or distribution of drugs or alcohol while on our business or at any of our workplaces is prohibited.

Anyone who suffers from a substance abuse problem is urged to seek assistance by contacting the Human Resources department. If you are working in the United States, you may also contact the Employee Assistance Program.

Records associated with substance abuse counseling, the Employee Assistance Program are kept confidential, except to the extent disclosure is required by our policy, applicable law or to protect the life or safety of others. Enrollment in a treatment program will not excuse you from the consequences of a violation of this policy.

**Safety and security**

For our safety and security, the possession of firearms and other weapons is prohibited on any of our premises or while engaged in our business. In addition, we strictly prohibit violence or even the threat of violence in the workplace. If you feel threatened or that you are at risk of engaging in threatening or violent conduct, contact your Executive leader and Human Resources immediately.

Where permitted by law, the vehicles and personal possessions (such as handbags, lunch boxes, baggage, parcels and computers) of employees and other people entering an Pharmachem Innovations workplace are subject to inspection and Pharmachem Innovations also reserves the right to inspect all employee work areas (such as desks, cabinets, files and lockers). In addition, Pharmachem Innovations may conduct a full background investigation of each prospective employee prior to or during employment and may require drug screening as a condition of employment or continued employment.

**Responsibility to Pharmachem Innovations**

**Business records and communication**

Employees who create or maintain reports, records or any other information are responsible for the integrity and accuracy of that information. Questionable entries or reports should be reported to an appropriate supervisor or manager. No one should allow himself or herself to become part of a chain of incorrect information. All disclosures in reports and documents we file with, or submitted to regulatory entities or other public communications, must be made in a full, fair, accurate, timely and understandable manner and in compliance with our disclosure policy.

Always construct memoranda, voice mail and e-mails to report information in a manner that is factually accurate and would not cause damage to our reputation if made public in the news or in court. Maintenance of such records may be outside the normal retention period.

**Financial integrity**

We seek to create shareholder value by achieving superior financial results. In pursuit of this goal, we must always produce honest, accurate and complete financial information, follow strict accounting principles and standards, and have appropriate internal controls and processes to ensure that all accounting and financial reporting complies with the law. Everyone must ensure that no false or intentionally misleading entries are made in the company’s accounting records.

Intentional misclassification of transactions regarding accounts, departments or accounting periods violates the law and our policies. All business records must fairly reflect the transactions, be supported by accurate documentation in reasonable detail and comply with treasury and finance policies, accounting procedures and internal controls. All of us have the responsibility to uphold our financial integrity standards. You are expected to cooperate fully with internal and external auditors, and information must not be falsified or concealed under any circumstances.

**Protecting confidential information**

Protecting confidential information is the obligation of everyone and continues even if you leave the company. For example, employees should avoid discussing confidential information in public places or with anyone who has no need to know the information. All computers, especially laptops, should be secured and used in compliance with our policies.

We require confidentiality agreements with parties to whom our confidential information is disclosed. Questions about the confidentiality of information or the need for a confidentiality agreement should be directed to your Executive Leader and the Board.

In addition, the property (such as programs and software) and information (such as client lists, price lists, contracts, or documents) owned by others may be used only according to the terms of our license or other agreement to use the property or information. Unauthorized copying of software, tapes, books, and other legally protected work is a violation of law which also has potential financial consequences. Additionally, we should never try to persuade employees of other companies to violate their confidentiality obligations.

Confidential information includes, but is not limited to, proprietary technical information, business plans, status of operations and equipment, and non-public financial data. It further includes other non-public information that would be of use to competitors or harmful to Pharmachem Innovations if made public (such as inventions, trade secrets, formulas, customer lists and legal advice).

**Protecting company assets**

We all have a responsibility to take reasonable precautions to safeguard and make proper and efficient use of company assets. This includes taking prudent steps to protect assets from loss, damage, misuse, theft, embezzlement, or destruction.

Our assets are intended to be used to conduct legitimate company business. Any act that involves theft, fraud, embezzlement, destruction, misuse, or misappropriation of any asset is prohibited. Responding to shareholders, analysts, the media, and other stakeholders. To ensure that we comply with our obligations, employees who have not specifically been trained to respond should refrain from any request for information about Pharmachem Innovations from the media, analysts, shareholders or other third parties.

**Conflicts of interest**

We expect business decisions to be made in the best interests of the company. The ***appearance*** of a conflict often can be as damaging as an ***actual*** conflict. You must act based on sound business judgment, not personal interest or gain, and may not: 1) take for yourself opportunities that are discovered through the use of company assets or information or your position; 2) use company assets or information or your position for personal gain, or 3) compete with the company.

If applicable law does not specifically require otherwise, work done for the company belongs to the company, including, but not limited to, any inventions, patents or copyrights developed while working for the company.

**Disclosure**

As with many issues, the best way to avoid an embarrassing or damaging conflict of interest situation is to disclose any situation that may have the potential to be misinterpreted by others, including other employees, customers, suppliers, and the public. Questions and disclosures about these situations should be addressed with your Executive leader.

**Family members**

Conflicts of interest may arise when we do business with or compete with organizations that employ, or are owned in whole or in part, by an employee or a relative of an employee. Employees should disclose any such relationships to Human Resources to determine the best course of action.

To avoid the appearance of favoritism or conflicts of interest, individuals will not be hired or transferred into positions where they will either be supervised by, or have supervision of, an immediate family member.

**Outside employment**

Employees may not work for or receive payment for services from any business entity that does or seeks to do business with or is in competition with us.

**Responsibility to the Marketplace**

We depend on strong relationships with our customers, suppliers, and other business partners. We intend to do business only with those individuals and businesses that comply with the law and demonstrate high standards of ethical business behavior.

You are expected to identify and report legal or ethical issues (such as those involving environmental, health, safety, security, corrupt payments or practices, or competition or antitrust violations) concerning third parties or customers that may pose a risk to the company. Such issues will be addressed immediately and appropriately.

**Marketing practices**

We will compete for business aggressively and honestly and will not misrepresent our products, prices, or services. We will not make false or misleading claims about our products, prices, or services or about the products, prices, and services of our competitors.

**Purchasing practices**

All purchasing decisions will be based on the best value for the company and in alignment with our business standards and goals. Important components of purchasing include confirming the legal and financial condition of the supplier, complying with our conflicts-of-Interest policy, soliciting competitive quotes, exploring partnering arrangements and incentive-based contracts and verifying quality.

**Competitors**

We will obtain information about competitors, competitors’ products, customers, and suppliers ethically and legally. Theft or misappropriation of third-party proprietary information is prohibited, including obtaining or acting to obtain such information from a competitor’s current or former employees.

**Antitrust and competition**

We are committed to full compliance with the antitrust laws of the United States, competition laws of the European Union. Although it is beyond the scope of this booklet to discuss these laws in detail, anyone who has a question or concern about the potential competition implications of a discussion, decision or action has the responsibility to consult with their immediate Executive leader.

Employees are restricted or prohibited by antitrust and competition laws from:

* communicating with competitors about prices and conditions of sales, bids, levels of production or allocations of products, services, sales, customers, suppliers or territories;
* establishing the resale price of a product or conditioning the sale of products on an agreement to buy other Pharmachem Innovations products, or
* making decisions to price products below cost.

In addition to possible damage to our reputation, violating antitrust or competition laws could subject us to severe monetary penalties or civil or criminal enforcement by one or more governments and/or lawsuits by competitors, customers and other affected parties seeking damages.

**Anti-corruption**

Wherever we do business, we must comply with the terms of our consent decree with the Securities and Exchange Commission and all anti-corruption laws, including the U.S. Foreign Corrupt Practices

Act (FCPA). The FCPA prohibits the payment of money, gifts, or other things of value to influence officials. The United States, like nearly all countries, outlaws bribing its own government officials. The FCPA also makes it a crime to bribe “foreign governmental officials,” a term that is broadly defined. In recent years, many countries have passed similar legislation.

Although the FCPA permits minor “facilitating” payments to expedite routine governmental action, your Executive leader should be made aware whenever there is a concern that a payment might be viewed as improper. The FCPA also requires that we keep books, records and accounts that accurately and fairly reflect in reasonable detail our foreign and domestic transactions. To assist employees, we maintain strict policies and procedures to assure compliance with the FCPA.

Problems relating to the FCPA can also occur when we hire consultants. Therefore, anyone who intends to hire a consultant who will perform services outside the United States must follow our procedures for due diligence and obtain the prior Board approval. Due diligence is also required before engaging an agent or distributor for the sale of our products outside of the United States.

**International trade regulations**

There are many laws that govern the conduct of international trade. The following sections identify a few of these laws.

**Anti-boycott**

Because we are a U.S. corporation, no employee may cooperate in any way with an unsanctioned foreign boycott of countries as provided under U.S. law. The most well-known prohibited international boycott is the boycott of Israel and the related blocked list of companies doing business with Israel by certain Middle Eastern countries. Any request for information or action that is related to this, or any other illegal boycott should be immediately forwarded to your Executive leader.

**Export control**

The laws of the United States restrict trade with certain countries. We have operations and customers around the world and must comply with all export restrictions as well as applicable export control laws of all countries where we conduct business.

**Gifts, meals, and entertainment**

In many industries, gifts and entertainment are used to strengthen business relationships. One principle is common and clear: no gift, favor or entertainment should be accepted if it will obligate or appear to oblige the person receiving it. We maintain specific policies regarding providing and accepting gifts, meals, or entertainment.

**Providing and expensing**

Gifts, meals, or entertainment may not be provided if they are against applicable law or our or the recipient’s company policy. When provided to third parties, there must be a valid business purpose, and the value must be reasonable and in proportion to the value of the third parties’ business with our company. No form of entertainment should be undertaken which could lead to the embarrassment of the company or have the appearance of impropriety. Entertainment that is degrading or exploitive due to sexual or racial content is strictly prohibited. A gift of anything of value to a government official is prohibited.

**Soliciting or accepting**

Unless specifically permitted by our policies, you may not solicit or accept gifts, meals, or entertainment, including, but not limited to, trips, lodging, event tickets, vacations, and personal gratuities. The policy strictly prohibits receipt of the following:

* a gift or loan of cash, cash equivalents (such as gift certificates) or securities;
* a loan of property, including vacation facilities or equipment for personal use;
* a personal service performed free of charge or for less than market value, or
* a discount on the purchase of goods/services for personal use.

**Responsibility to the Community and the Government**

**Protecting human health and the environment**

Protecting human health and the environment is an important responsibility and is part of our business strategy as a responsible care company. We work to reduce our environmental impact by reducing or preventing waste generation, emissions, and releases, and developing processes to safely use, handle, transport and dispose of all raw materials, products, and waste for which we are responsible. We help others understand their responsibilities to ensure that they use Pharmachem Innovations products in a safe and responsible manner. We strive for continual improvement in our performance, in partnership with governmental agencies, contractors and communities. Each of us has the responsibility to act in a manner that reduces the risk of incidents that may adversely impact human health or the environment and are expected to support this commitment by:

* carrying out our responsibilities in compliance with laws, regulations and our policies;
* consistently implementing all work practices to protect the environment and prevent personal injury or property loss;
* actively encouraging care and regard for the environment among co-workers and in the community;
* identifying opportunities to continuously improve environmental, health and safety performance, and
* immediately reporting any actual or potential environmental, health, safety, or security problems to supervisors.

**Requests from government agencies and authorities**

Pharmachem Innovations cooperates with reasonable requests from government agencies and authorities. Pharmachem Innovations is entitled to all the safeguards provided by law to any person from whom information is requested or who is the subject of an investigation, including representation by legal counsel from the very beginning of the investigation. Therefore, all requests for information beyond what is provided on a routine basis must be immediately reported to your Executive Leader to obtain Board approval.

**Whistle Blower Policy**

If you witness anyone violating the code of conduct, you are requested to inform Human Resources or the Executive Chairman directly. You may make contact anonymously if you are concerned about retaliation. Complaints made to Human Resources, or the Executive Chairman will be fully investigated and appropriately delt with, if proven.

**Non-retaliation**

We will not authorize or permit any form of retaliation against an employee who reports, in good faith, any actual or suspected violation of our Global Standards of Business Conduct, any company policy or the law. Intentional submission of a false report, however, will not be tolerated. If you believe you have been retaliated against for making a report in good faith, you should immediately contact the Human Resources department.

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