

# "To do what is right"

The Merck Code of Conduct



Merck KGaA · Germany  
Corporate Communications and  
Corporate Compliance Office  
64271 Darmstadt

[www.merck.de](http://www.merck.de)

MISSION VALUES STRATEGY	The Merck Code of Conduct
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## We at Merck do what we say ...

**We**, the management and employees, are striving for entrepreneurial success. Entrepreneurial success starts with people.

Our goal is to operate a worldwide business that produces meaningful benefits for consumers, our market partners and our community.

Through efficient research and development, production and marketing of pharmaceutical and chemical specialties, we want to extend opportunities to our customers. To achieve this, we focus our endeavors on business areas where we can achieve a competitive advantage through the excellent quality of our products, systems and services. Our objective is to establish permanent business relationships and not merely short-term success.

On the basis of these principles, we operate as an independent and profit-oriented enterprise. We expect a high level of performance from each other, and reward this accordingly. We wish to secure an acceptable return on capital for our investors.

**We** respect the cultural distinctions and national interests of all countries in which we operate. We strive to achieve positive recognition for our company within the community.

Merck attaches particular importance to its responsibility for safety. We have an obligation to respect the environment.

We will deal honestly and constructively with one another. We regard open communication, both internal and external, as a fundamental prerequisite for reaching an understanding of our common goals and for giving meaning to what we do. We shall not be constrained by borders between business areas or countries. All employees, male or female, have equal opportunities to develop their careers.

All of us make a personal contribution to the company's entrepreneurial success through our mutual initiative, creativity and sense of responsibility.

**... and then measure ourselves on this basis.**

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INTRODUCTORY MESSAGE FROM  
THE CHAIRMAN OF THE EXECUTIVE BOARD

Dear Colleagues,

With this Code of Conduct we have precisely defined a set of rules to guide us in acting responsibly and to help us in making decisions in our daily work.

First and foremost, acting responsibly means acting legally: the company, the Executive Board and the employees must ensure that serious legal violations are ruled out. That's why it's so important that we always remind ourselves of the risks associated with violating the law. We are supported in this by the Corporate Compliance function, which provides the corresponding training programs.

For a global company, acting responsibly is also measured by the principles to which we commit ourselves, as expressed by Merck in its Mission Statement and Values. We want to do "good" business, that is, we want to operate profitably and successfully, while acting responsibly. Both aspects are connected and both – success and responsibility – shape the image of our company as a business partner or employer. That's why it's important for us to live up to the commitment we have made and follow these guidelines for compliant behavior.

We're all asked to act in an ethically correct manner in dealing with one another, but also in how we present ourselves to the outside world. Accordingly, the principles of how we should behave toward business partners, shareholders, colleagues, employees and the social environment are explained in the four main chapters of this brochure. As our business activities become more and more global, our Code of Conduct reaches beyond country borders, and applies to all subsidiaries and employees worldwide.

All employees may confidentially obtain help and advice on deciding about ethical or legal issues, or if they notice any ethically or legally doubtful behavior in their working environment. The names of the relevant contacts are given at the end of this brochure.

Sincerely,

A handwritten signature in black ink, which appears to read 'Karl-Ludwig Kley'.

Karl-Ludwig Kley



## The Merck Code of Conduct

When working in a multinational company, each of our employees and officers has to deal with a wide array of issues and many different cultures. It is our goal that the Merck way of doing things in all its activities will be seen by our stakeholders as the unique Merck Culture or the world-wide Merck Standard.

It is through the relationship to our stakeholders that we give life to our standard. Through our actions, we show how important Merck's values are for us, and ultimately, how we value our stakeholders. Through our commitment to the ethical standards defined by the UN Global Compact initiative and Merck's own Social Charter (which can be found in the A-Z section of the Intranet) we have given examples of how Merck as a company applies this standard globally.

Our key stakeholders are business partners, shareholders, employees, and the community

This Code of Conduct is designed to help understand how our basic ethical principles and values apply to any day-to-day activities of our employees and officers and how they impact on our dealings with each of our four key stakeholders – our business partners, shareholders, employees, and the community.

### Business partners

Every day, Merck strives to provide excellent products and services to our customers. To fulfill our customers' needs is our first concern. However, we are equally committed to earning our customers' trust with honesty and fairness.

Our suppliers are important partners of our business. We are committed to working with our suppliers to achieve our mutual business goals, based on the principles of fairness and respect.

Therefore, we will adhere to all legal and ethical standards applicable to the marketplaces in which we do business.

### Shareholders

We strive to do our best for the prosperity of the company and to provide an excellent return on shareholders' investment. Our shareholders are the Merck family and the public investors. Since the company is the shareholders' property, we shall deal with the company's assets responsibly. Any action that is aimed to deprive the shareholders of what is rightfully theirs is against the basic principles we stand for.

### Employees

The work, ingenuity, and entrepreneurship of our employees are among our greatest assets. Everyone in the company should aim to build a work environment where each of the company's employees is treated in a fair manner, based on the principles of non-discrimination, respect and human dignity.

### Governments, the community and the public

The community and the countries in which Merck does business are affected by what we do. Our concern for the common good is reflected in how we act as socially and ethically responsible individuals. We aim to support community and other programs that are committed to protect the environment, welfare and the social stability of our community and the countries where we are present. We do not tolerate bribery.

## RELATIONSHIPS WITH BUSINESS PARTNERS

### Antitrust and Fair Competition

Merck seeks to be successful through the quality of our products and services, and their competitiveness in the market. Our customers are entitled to a competitive marketplace, which ultimately benefits all of us as consumers. Limiting competition through illegal communication or arrangements with our competitors is unlawful, unacceptable and unprofessional conduct. Our standard of fair competition includes:

- *We do not discuss prices or price related information with our competitors and never enter into any type of understandings with them on such matters.*
- *We do not enter into arrangements with competitors to fix prices, allocate or divide up markets or customers or boycott a customer or any other participant in the market.*
- *We do not use unfair practices or exert pressure on resellers to have our products re-sold at a certain price.*
- *We do not enter into arrangements with competitors to limit production output.*
- *We do not rig a competitive bidding process, including arrangements to submit sham bids.*

No price discussions  
with competitors

Sarah Batchelder  
ROCKLAND | USA



When attending trade association meetings, trade fairs, scientific conferences etc., be careful about the subjects you discuss with our competitors. Any discussion that leads in the direction of the misconduct mentioned above should be terminated immediately. Leave the meeting and be noted as you leave.

Our standards follow the basic legal requirements that have been adopted in almost every country. Violations carry severe penalties such as extremely high fines and even criminal convictions and imprisonment for those involved or those approving such behavior. Speaking up early means better chances in reducing any penalties.

There are agreements that may affect competition and may, therefore, create antitrust issues. Before entering into the following types of agreements, please consult the Legal Department:

- *Joint ventures, purchasing, marketing or similar types of agreements with competitors*
- *Exclusivity arrangements, where another company is required to buy only from Merck.*
- *Tying or bundling arrangements, where the sale of a product is tied to the sale of another product.*

### Abuse of dominant market position

In some countries competition laws make it illegal to monopolize or attempt to monopolize a market, and some other countries' laws regulate the conduct of companies that obtain a "dominant position" in the market. A company having such dominant position must



- *not try to prevent the entry of others into the market.*
- *not eliminate competition.*
- *not use "predatory" below-cost pricing.*

Always consult the Legal Department in this matter to avoid illegal conduct. For example if there is a reason to price below cost, legal review is necessary to ensure that pricing is not predatory or violating any relevant law.



### Gathering information about/from competitors

An essential part of doing business is gathering information about the market, including information about competitors. However, some forms of information gathering do violate the laws. Legitimate sources of market research are

- *talking with customers without soliciting confidential information.*
- *customer's information about a competitor's proposal as long as it is not confidential.*
- *information that is publicly known through newspapers, press accounts and the Internet.*
- *industry surveys and reports from market research companies.*
- *information obtained at trade fairs, as long as the information is not of the nature described in the above mentioned Antitrust Section.*

Please note that

- *gathering information directly from competitors is generally prohibited. So-called benchmark studies involving information exchange with competitors must be reviewed by the Legal Department.*
- *Every employee and officer who is involved in pricing, purchasing, marketing, sales, and any activity that involves contact with competitors must know and understand our standards and the competition laws of the country or region in which he or she operates.*

### Business partners and personal benefits

Merck values its relationships to customers and suppliers. Business relation is about interaction between people. Only social contact between the partners can build trust and establish long lasting business relationships.

Be aware that there are certain rules that apply to business relationships:

The overall principle is that when dealing with partners on business, each employee must remember that he or she is representing our company.

#### *Merck does not tolerate corruption*

Merck values apply to the dealings of our employees with third parties generally, whether they are public or private. As such, any prices offered and payments made must be transparent and well documented. In joining the UN Global Compact initiative Merck has specifically committed to fight corruption on a global and continuous basis. This commitment has also been emphasized in the Social Charter, which Merck has introduced in 2005.

#### *Know your business partner*

When it comes to requests for personal discounts or benefits, or “cultural expectations” to offer such benefits, the Law imposes even stricter penalties if a business arrangement results in a **public official** or any of his or her family members gaining a personal benefit.



Pages 26/28 of this Code address the rules that apply when our employees are in contact with a public office (e.g. in customs matters or when seeking regulatory approval). However, in certain countries you may have to treat a (seemingly) private business partner as a public official, due to the business partner's connections to a state entity, e.g. if your business partner is (partially) publicly owned or if a private distributor has made separate financial arrangements with a public official.

You should contact your supervisor or Compliance Officer, so that further investigations ("due diligence") into the exact status of the business partner can be carried out. This should not only be done before your first dealings with a new business partner, but equally if concerns arise in respect of an existing business partner, e.g. if unusual pricing or payment terms are requested. It may also be appropriate to seek written assurances from the business partner that it follows similar compliance rules.

Before dealing with a public or unfamiliar entity, always learn the rules that apply.

Social dealings with private business partners are also subject to this Code:

#### Receiving benefits



- No employee or member of his or her family may demand or accept from a supplier or customer money or a gift for personal gain that is connected with Merck's business relationship with that customer. Gifts are not only material goods, but also services, commission payments, or rebates and discounts on private purchases of goods and services.

#### Offering benefits



- Offering gratuities and gifts to customers or customer's employees is prohibited, if doing so could reasonably be construed as improperly influencing the customer's business decision.
- So-called "cultural expectations" such as an alleged propensity in a certain country or region to accept gifts and other personal benefits in exchange for business, or otherwise to engage in bribery and kickbacks, are no excuse to violate Merck standards and the laws.

#### Acceptable social interaction



- If regular social interaction between business partners requires invitations or small gifts, then giving or receiving such benefits is permitted, to the extent and as long as the legal requirements are met, and such benefit does not cast any doubt on the employee's or recipient's motives. Discounts and promotional premiums which are offered by transportation companies, hotels, car rental agencies and restaurants are permitted, if they are based upon membership in bonus programs, unless Merck has specified the contrary.

Very often, what is permitted and what not, is not clear. When in doubt discuss the issues with your supervisor, or contact the local Compliance Officer.



## Proper communication including use of e-mail

In modern society, proper communication and accuracy of information are vital. False statements to customers or the public can impair Merck's credibility and may lead to serious legal issues. This is especially true for pharmaceutical products, where the ultimate customer's well-being is involved.

- *All information about Merck and Merck's products and services has to be accurate and has to be presented in an honest and fair manner.*
- *Disparagement of competitors is improper. We do not make statements to customers that unfairly discredit competitors' products.*
- *All company communication has to be written in a way that reflects correctly our company's values.*
- *All advertisements about the company or company products require review by the Legal Department.*

### No informal Language in e-mails

The use of e-mail and the World Wide Web allows easy and convenient communication within the company and to the outside world. The dangers of using this media are obvious: easy communication and the use of informal language may lead to carelessness about how we communicate and, moreover, what we communicate. Always remember:

- *Use good judgment in what you say in your e-mail messages.*
- *Avoid language that contains questionable statements and may be – although unjustified – viewed as evidence of inappropriate or illegal conduct.*
- *Consider whether it is appropriate to send confidential information over e-mail to third parties at all.*
- *To avoid liability and loss of confidential information, use the official e-mail disclaimer for external communications.*

Think before you hit "send". Be careful about what and how you communicate, since with hindsight it may be misconstrued and misinterpreted by others. Be aware that the employee access to e-mail and other electronic media that are being used for company purposes are not private and are subject to the company's review. Please refer to the company's policies and regulations regarding the private use of e-mail, and the safe use of electronic media.

## Intellectual Property and Copyrights of others

Merck respects the proprietary and confidential information of others, just as it protects its own. This includes written materials, software, patents and other intellectual property. Our basic standards are:

- *Do respect the patent and trademark rights of others and do not use such rights without authorization.*
- *Do not gain or use anyone else's confidential information except pursuant to an agreement approved by the Legal Department.*
- *Do not load any unlicensed software on your work computer.*
- *Do not copy documents and computer software that is copyrighted, unless there is specific permission to copy.*
- *Do not include copyrighted material in materials you are producing without specific permission from the copyright owner and consult the Legal Department on "fair use" exemptions. Assume anything in writing or on the web is protected by copyright.*

Violations of these standards may cause serious damage. They may ultimately lead to significant compensation claims and search and seizure by government authorities of documents, materials and products involved.

2001		2001		2002	
NAME	DIVISION	NAME	DIVISION	NAME	DIVISION
E. REES (CV)		S. WHITESIDE (Pharm)		R. WHITESIDE (CS)	
R. WHITESIDE (CV)		S. WHITESIDE (Pharm)		L. MELLOR (CS)	
D. THOMAS (CV)		M. MAGUIRE (Pharm)		A. BOGGS (CS)	
E. BOYD (CV)		S. GLENNY (Pharm)		D. DEWISH (CS)	
D. WILSON (CV)		P. WOODS (Pharm)		K. BROWNING (R&M-CS)	
H. GRAY (R&M)		J. RANDELL (Pharm)		A. FITZGERALD (R&M-CS)	
J. HAYES (R&M-CV)		K. DAY (Pharm)		A. HANNAH (R&M-CS)	
		A. JOHNSON (Estrology)			

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## RELATIONSHIPS WITH SHAREHOLDERS

### Company Assets

The shareholders are the owners of the company and of the company's assets. To earn the shareholders' trust, we have to prove every day that we care about the company's resources and assets and that our common goal, the well-being and prosperity of our company, will be achieved. Therefore, the following standards apply:

- Every employee is responsible for taking good care of company property entrusted to him or her and to guard it against misuse, loss and theft.
- Make the best use of your work time and report your working hours accurately.
- Use common sense and good judgment to make sure that the company's assets are not misused and wasted.
- Make sure that all claims, vouchers, bills and invoices are accurate and proper.

### Proprietary information

Every employee must protect the confidentiality of proprietary information. Proprietary information is a valuable business asset. The company owns this asset and, in many cases, it is protected by law. Proprietary information is any information which is not publicly available but of value to the company or its competitors or any information that is exclusively owned.

David Garmon-Jones,  
Bernadette Lang, Lindsay Hipkiss  
MIDDLESEX | UNITED KINGDOM



Proprietary information includes amongst others

- *Financial data*
- *Sales figures for products*
- *Company plans for improving products*
- *Planned advertising programs*
- *Acquisition or divestiture of businesses or products*
- *Customer and supplier lists*
- *Supplier prices for the company*
- *Manufacturing processes*
- *Wage and salary data*
- *Capital investment plans*
- *Projected earnings*
- *Company policy*
- *Information on inventions, research and test data*
- *Employee data*
- *Organizational charts*

In certain instances, sharing proprietary information with company outsiders is necessary, e.g., in cases where the company needs the assistance of external advisers or consultants, or when conducting a due diligence review. Such disclosures, however, are only to be made with management's prior approval and after appropriate protection measures are taken. In case it is not clear what the necessary measures are, please contact the Legal Department.

### Conflict of interests

Your relationship with the company as employee or officer includes many responsibilities. One of the responsibilities is a duty of loyalty to the company. There may be some personal interests that affect, or may appear to affect, this duty. Therefore, it is important that our private activities do not interfere with our responsibilities to the company.

### Outside employment

Generally, working for other organizations or setting up a separate business is only permitted with Merck's prior consent. Remember:

- *Such activities must never interfere with an employee's responsibilities to Merck. Those who work at other jobs must be careful that such additional work does not distract from their performance at Merck.*
- *Working for a competitor of Merck is prohibited.*
- *Working for a customer or a supplier raises questions about actual or potential conflicts of interest. The same is true for working for an organization that is seeking to become a competitor, customer or supplier.*
- *In any case, if you intend to seek additional employment, inform and get permission from your supervisor.*



In some local jurisdictions, the requirement for permission to engage in outside employment or business activities may be against the labor law. In such cases local law prevails.

Employees are free to serve the community through activities on their own time that benefit non-profit causes, political parties or other social institutions, as long as and to the extent that these activities do not distract employees from their duties to Merck.

### Investments and Ownership of Interest in other Companies

In the usual course of events, employees are certainly free to pursue their own investment and financial plans, including investment in other companies. However, acquiring ownership interests may create conflicts of interest, if such interests involve competitors, suppliers or customers; such interests might appear to impair the loyalty to our company.

As a general rule,

- §
- *If the employee is directly involved in dealings with a supplier, co-operation partner, competitor or customer that is a privately owned company, or is a publicly traded company in which employee holds more than 1% ownership interest, ownership interest in such company must be disclosed to the supervisor, who will decide whether the business relationship with that company should be handled by that employee or a colleague.*

### Insider Trading

Using non-public information acquired during the course of employees' work for the company when selling or purchasing shares of the company or other companies is legally prohibited. The following rules apply:

*No employee may use internal knowledge concerning*

- *divestitures of company divisions or departments*
- *the acquisition of other companies*
- *the establishment of joint ventures*
- *the outcome of scientific trials*
- *the launch of a new product*



*or any other information that may affect the share price (Insider Information), irrespective of whether the employee does so directly or through a third party. No employee may pass on knowledge to persons not involved in the project in question or to third parties. If the person who receives such information uses it to trade in shares, the employee who provided the information may be guilty of "tipping" in violation of the law.*

No use of  
insider information

Violation of the laws on Insider Trading is a serious offense, subject to company discipline, damage claims and imprisonment.

## RELATIONSHIPS WITH COLLEAGUES AND EMPLOYEES

By joining the UN Global Compact initiative and by issuing the Social Charter, Merck has committed to certain labor standards and environmentally responsible conduct. Merck lives up to this commitment through its officers and employees.

The essential basis for successful and productive work is a good working environment. The way we deal with each other as colleagues and fellow employees reflects our company culture.

### *No harassment or discrimination*

- *We treat each other with respect and fairness, and honor our colleagues' right to privacy and dignity.*
- *We do not tolerate discrimination based on gender, race, color, nationality, age, religion, sexual orientation, disability or on any other basis prohibited by law.*
- *We recruit, hire, train, and promote our employees based on this principle.*
- *Language or conduct that encourages an offensive or hostile working environment and is aimed at harassing fellow employees is not acceptable.*

No discrimination

If you feel you are being discriminated against or harassed, let the offender know that his or her action is inappropriate and offensive. If you feel uncomfortable to confront the person offending you, talk to your Human Resources representative or the local Compliance Officer. You may raise such concerns in good faith without fear of retaliation.

Sangeeta Naik, Sarma Mantha  
MUMBAI | INDIA



## Environment Health and Safety

Environment Health and Safety issues involve a broad range of regulations and company policies.

The concern for a safe and healthy working environment for colleagues and every other individual coming in contact with our operations is of great importance. Security and environmental challenges can also have a deep impact on our wellness and day-to-day living conditions. Our standards are:

### Occupational safety and health



- Follow all safety rules and regulations.
- Report any accident to the responsible person immediately.
- Identify any weaknesses in our safety standards and suggest improvements.
- Report any violation or unsafe working condition to management or the Merck EQ-E organization.

### Security



- Always remember that security is everyone's responsibility and not only applies to our physical property but also our intellectual property and know-how.
- Support the group monitoring systems on substances and products. Report incidents which may affect security promptly.

### Environment

Merck is committed to continuously improve its performance and service with regard to natural resources and the environment.

To reach this goal:



- Environmental protection measures and industrial safety regulations must be enforced.
- Always act on the basis that we are responsible for all of our products in their entire life cycle.
- We must conduct our business in an environmentally sustainable manner.

More detailed rules can be found in supplemental Merck Environment, Health and Safety policies which are available from the Merck EQ-E organization. Merck employees must learn and consistently follow these rules, to the extent that they apply to their work. Merck implements these policies in parallel with the rules entitled "Guiding Principles Responsible Care" that have been agreed by national and international associations of the chemical industry. By joining the UN Global Compact initiative and by issuing the Social Charter, Merck has committed to certain labor standards and environmentally responsible conduct.

## Drug and substance abuse

We all know the devastating consequences abuse of drugs and alcohol has for individuals and those around them. Working under the influence of drugs or alcohol impairs your health and safety and can cause serious harm to you and others. Therefore:



- It is prohibited to possess or abuse illegal substances, or to abuse legal drugs, at the workplace, while working for the company, or at company-sponsored events.
- The use of alcoholic beverages during working hours is generally prohibited. For possible exemptions, please refer to the local company rules and regulations.
- It is essential that you report any case of substance abuse to your local Human Resources representative or supervisor.

If you require help or counsel please contact your supervisor, your Human Resources representative, or someone who can provide you with professional assistance immediately.

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## RELATIONSHIPS WITH GOVERNMENTS, THE COMMUNITY AND THE PUBLIC

### Government inquiries or investigations

As a pharmaceutical and chemical company, Merck has many rules and regulations to follow. Because of this, Merck employees may come into contact with government authorities and public officials responsible for enforcing these regulations. The following standards must be observed:

- §
- *It is important that you deal with government officials honestly.*
  - *At the same time, care must be taken in dealing with any representative of government authorities to ensure that all appropriate steps are taken to protect Merck's legitimate interests.*
  - *Always check with the Legal Department and receive advice before responding to a request for information other than a routine inquiry.*
  - *Make sure that all records relevant to a government inquiry are preserved and not destroyed or deleted.*

### Anti-bribery legislation

No matter which country you operate from, you will be subject to laws that penalise any attempts to influence public officials by offering benefits of any kind to them. Going along with “cultural expectations” and allowing a benefit to be offered to a public official (or a family member) will violate anti-corruption laws and lead to enormous fines and criminal convictions. These strict laws cover a very wide definition of “public official” and tend to include officials (and their family members) of international and national organisations (UN, EU, WHO), members of political parties, candidates for office, state-owned companies or state-owned non-profit organisations (such as research foundations). Speak up if you have any concerns.

Grace Lin Liu, Dr. D. Ramesh  
SAN DIEGO | USA



- §
- No employee may offer gratuities and gifts to public officials.
  - This rule applies to any country or region, no matter what the so-called "cultural expectations" are.
  - This rule in particular applies to healthcare professionals and scientists if employed by publicly-owned hospitals, universities, etc.
  - Donations, sponsorships or educational grants therefore need to be carefully tested for any violations of bribery laws. As always, approval guidelines need to be observed.

### Political parties

Political decisions affect Merck and its business in many ways. As a member of society and a corporate citizen, we consider it as a duty and a right to participate constructively in the political process and to explain our position and perspectives. Merck is doing this especially by engaging in the work of the business associations but also engages in direct dialogue.

Merck does not make financial contributions to holders of or candidates for political office, political parties or related organisations.

### Non-governmental organizations

Merck respects the right of individuals to form non-governmental organizations (NGOs) and to voice their concerns about important issues in a lawful manner. Merck aims to treat such groups fairly and reasonably, just like Merck wishes to be treated by them.

Therefore, the following standards apply:

- §
- When dealing with NGOs, you must deal with authorized members of such groups fairly and honestly.
  - At the same time, it must be ensured that Merck's legitimate interests are protected.
  - Prior to any communication with members of NGOs, check with the Legal Department and Corporate Communications to receive advice or help.



### Think, Discuss and Speak Up!

If we want to achieve our standards of ethical conduct, it is not enough that we read the Code of Conduct. Think about it. Use it. Use your good judgment and common sense on the various questions of responsibility you encounter during the day. In order to fully understand the legal and ethical responsibilities, you should discuss any question that comes up in the course of your work. Whenever you are not sure about the proper action, you should look for advice.

Furthermore, if you believe that another Merck employee may be doing something that may violate these basic principles or the law, you should speak up. To keep silent might be the more convenient way, but it can also increase the potential damage and may even lead to your own liability. Only if you make the issues known to others in the company, is there a chance for help and the opportunity to prevent harm to employees, the company and those who depend on us.

If you raise an issue, the company can provide you with the necessary assistance. The company provides channels for you to do this without fear of retaliation. Any attempt to retaliate against an employee who raises a question or reports a concern in good faith is a serious violation of this Code, subject to strong disciplinary action including termination of employment.

Use common  
sense and talk



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Merck offers two phonelines that you can use:

If you feel there is a compliance issue that you wish to **report**, Merck has established a **Speak Up Line** which gives you the opportunity to give notice of violations of the Code of Conduct and other incidents. The report can be given in your native language and – if necessary – on an anonymous basis. The Speak Up Line is available 24/7 and can be called anytime. For this purpose we have established a free phone number in each country, which will be communicated locally.

All issues will be handled in a confidential manner, consistent with the company's need to investigate, comply with legal requirements, and cooperate with law enforcement. An employee who, in good faith, seeks advice or reports misconduct, is following the rules of the Code and, therefore, Merck will not tolerate any form of retaliation against such person.

If you have **questions** or wish to discuss topics regarding the Code of Conduct or other related Compliance issues, you can always seek advice from the Corporate Compliance Officer or the Compliance Coordinators in your local organization. On a Corporate Level, we have established a special Helpline under the following number: +49 6151 72-2700 which can be contacted during Darmstadt business hours.

### Further Contacts for Questions

**Supervisor** | Usually, in case of a question regarding the Code, you should first talk to someone who best understands your area of responsibility: your supervisor.

**Human Resources** | If there is an issue involving your supervisor or you are otherwise uncomfortable discussing a matter with your supervisor, you should contact your local Human Resources representative or the next higher person in your reporting line.

**Compliance Officer/Coordinator** | If your local company has a Compliance Officer or Compliance Coordinator, he or she may be asked about any questions involving the Code. It is never necessary to ask for permission or inform anyone before talking to a company Compliance Officer. Since the Compliance Officer is responsible for monitoring the implementation of the Code of Conduct, he or she has a thorough understanding of all of its provisions. Your questions will be treated confidentially, consistent with the company's need to investigate, comply with legal requirements, and cooperate with law enforcement. You may also contact the Compliance Officer anonymously.

**Legal Department** | The Legal Department can best help when questions arise as to whether conduct is legal or consistent with ethical practices. There are lawyers assigned to the different areas of business.

**Controller** | For financial issues, you may contact the controller assigned to your business unit.

**Other experts** | For questions regarding a particular area, you may also contact the various specialists assigned to certain subject matters. For instance, environmental matters are typically handled by the EQ-E department. Please consult your local directory to find out who does what.



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### On a corporate level

**Corporate Compliance Office** | Your supervisor or Human Resources representative is the best place to start with an issue involving the Code of Conduct. However, if you feel uncomfortable talking to them, you may contact the Corporate Compliance Office.

All topics concerning the Code of Conduct can be raised with the Corporate Compliance Officer through our helpline **+ 49 6151 72-2700**. Under our **Speak Up Line** you may report violations of the Code of Conduct in your native language. The call is free of charge. Please refer to the intranet and your local communications for the number which is available in your country.

**Corporate Legal Services** | Corporate Legal Services (CL-L) is responsible for all legal issues of the Merck Group involving corporate matters and provides for legal advice on a global level. CLS has expertise for all of the global legal problems arising within the Company and acts through its legal staff in Darmstadt and the local counsels in the countries where Merck is present.

**Corporate Auditing** | Corporate Auditing and Risk Management (CA) may also be the right group to assist you. Corporate Auditing personnel are especially trained to examine issues involving accounting practices.

**Corporate EQ-E** | Corporate Environment, Health and Safety Audits & Counselling (EQ-E) coordinates and advises on all questions regarding EQ-E issues in the Merck Group which may arise anywhere in the company, from research & development processes to recycling, and from acquisition to shut-down of sites.

### Compliance Program

The Code is an integral part of a company-wide Compliance Program, which is designed to help implement the basic rules of law and the Code of Conduct. This program, which reflects our commitment to following the law and doing the right thing, also helps to protect the company and each employee from making harmful and costly mistakes.

The Compliance Program is created and administered by the Corporate Compliance Office and supported by the Executive Board.

It includes the following actions and measures:

- *Building and maintaining a network of Compliance Officers.*
- *Overseeing compliance training and communications.*
- *Overseeing compliance auditing, monitoring and evaluation.*
- *Establishing and maintaining a helpline for questions concerning the Code.*
- *Participating in the internal investigation process.*
- *Review of disciplinary procedures for Code violations.*
- *Reporting to the Executive Board on the implementation and effectiveness of the program.*

### Training

Your Compliance officer may contact you regarding training sessions arranged by Merck on issues addressed in this Code. By offering training sessions online, Merck aims to allow you to combine attending training sessions with your day-to-day responsibilities.

EVERYBODY IS  
RESPONSIBLE

The Merck Code of Conduct

## Accountability

The Code of Conduct is more than just another set of rules. The Code is the essential framework for how we do our daily work.

### The Code is binding

Every employee and officer, as well as the members of the Executive Board, have to comply with the provisions and standards of the Code of Conduct. Violations of the Code will have consequences and, in serious cases, may result in termination of employment. Merck may, if Code violations lead to company liability, hold the individual personally accountable and seek recovery of such damages.

## OUR VALUES



## The Merck Code of Conduct

### What ties today and tomorrow together.

**INTEGRITY** ensures our credibility.

- Integrity is the cornerstone of what makes us credible to everyone.
- Integrity enables us to do what we say.
- Integrity obliges us to keep our promises.
- Integrity also means being able to say no.
- Integrity permits only those transactions and dealings that conform to our values.

**RESPECT** is the foundation of any partnership.

- Respect is based on the concept of humanity and human dignity.
- Respect generates an atmosphere of esteem, fairness and recognition.
- Respect requires open and honest communication.
- Respect enables us to work successfully in different cultures and with different people.
- Respect means valuing achievement – yesterday, today and tomorrow.

**TRANSPARENCY** makes mutual trust possible.

- Transparency is the involvement of all stakeholders through information.
- Transparency makes our actions understandable.
- Transparency supports goal-oriented behavior throughout the company.
- Transparency creates reliability.
- Transparency promotes the participation of everyone in the company prepared to accept responsibility.

**COURAGE** opens the door to the future.

- Courage requires trust in one's own abilities.
- Courage leads to a healthy self-perception.
- Courage supports the competence needed to execute decisions in change processes.
- Courage means: We challenge ourselves.
- Courage opens us to new ideas.

**ACHIEVEMENT** makes our entrepreneurial success possible.

- Achievement shapes individual and entrepreneurial ability.
- Achievement challenges and promotes our people.
- Achievement supports the personal development of our people.
- Achievement can be measured by the results obtained.
- Achievement ensures entrepreneurial independence.

**RESPONSIBILITY** determines our entrepreneurial actions.

- Responsibility characterizes our behavior towards customers, employees, investors and service providers.
- Responsibility means treating our natural resources with care and vigilantly protecting our environment.
- Responsibility determines our business decisions, which we jointly endorse.
- Responsibility means setting a good example.
- Responsibility leads to recognition and acceptance of our business activities.

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The following languages are available: English, German, French, Spanish, Portuguese, Japanese, Chinese and Bahasa Indonesia.