TOK Group
Compliance Standards of Conduct
3rd Edition

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A modified version of the TOK Group Compliance Standards of Conduct 3rd Edition for
Tokyo Ohka Kogyo America, Inc.
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Concerning Revisions to the TOK Group Compliance Standards of Conduct
~To Continue to be the Trusted TOK Group throughout the World~

Ever since Tokyo Ohka Kogyo was founded we have constantly endeavored to develop superior new technologies and products. Guided by our management philosophies of “continue efforts to enhance technology,” “raise the quality levels of products,” “contribute to society” and “create a frank and open-minded business culture”, we actively engage in research and development based on an proper understanding of market needs and provide high-performance products in an effort to fulfill our mission to contribute to the progress and development of the whole society.

This approach to our business will remain unchanged. However, the expectations and demands of stakeholders for the TOK Group will change and evolve over the times. Needless to say, it is imperative that we comply with laws and regulations pertaining to all the processes of our business activities. We must bear in mind that the effort to obtain a high degree of stakeholder satisfaction and fulfill our corporate social responsibility is not limited to comply with laws and regulations but involves every other aspect of our business disciplines including proper management of chemical substances, activities to protect the global environment, product safety assurance, respect for human rights and maintenance of optimal working environments, and activities undertaken as a corporate citizen of society.

The TOK Group Compliance Standards of Conduct were established in 2005 with the objectives of raising the awareness of all people of the TOK Group in regard to compliance and clarifying the values and standards of conduct that should be shared by all. This is the third edition of the Compliance Standards of Conduct, which has been recently reviewed and revised in consideration of the globalization of our business activities and changes in social environments, etc.

The revised third edition of the Compliance Standards of Conduct is aimed to extend the scope of application to all overseas subsidiaries of the TOK Group. As we move forward with globalization of our business activities in recent years the TOK Group has grown and now consists of people from many countries or regions around the world. Naturally, the culture and values of each country or region differ; that we must pay attention to and have respect of. At the same time, in order for the TOK Group to unite in sustaining the growth and development of our business, it is important for each person to be conscious of his or her role as a vital constituent of the TOK Group and for all people to be mutually dedicated to proper business conduct and to have equally decent attitudes and disciplines toward business activities.

It is my strong wish that all TOK people will gain a good understanding of this Compliance Standards of Conduct and make a sincere effort to observe and put into practice the spirit of the standards with a full awareness of what our stakeholders and society expect the TOK Group to behave as we strive to continue to be an existence that is trusted throughout the world.

July 2, 2014
Ikuo Akutsu
President & Chief Executive Officer
Tokyo Ohka Kogyo Co., Ltd.
Objective, Status, Scope of Application, Revision and Termination, and Penalty of the TOK Group Compliance Standards of Conduct

(1) Objective
The TOK Group Compliance Standards of Conduct (hereinafter referred to as the “TOK Standards”) were established to set the guidelines for compliance with corporate ethics beyond the rules in laws and regulations, in addition to the laws and regulations themselves (what conduct is prohibited and what conduct is required) with the objective of earning the respect and trust of society and sustaining our existence and growth into the future.

(2) Status
(i) Relation to management philosophies
The TOK Standards are placed below the management philosophies because the TOK Standards are established to realize our management philosophies of “continue efforts to enhance technology,” “raise the quality levels of products,” “contribute to society” and “create a frank and open-minded business culture”.

(ii) Relation to company rules and regulations, general manuals, procedure manuals, standard operation procedures, etc. (hereinafter referred to as the “Company Rules”)
The TOK Standards are placed above the Company Rules which are to be established in compliance with the TOK Standards.

(3) Scope of Application
(i) The TOK Standards apply to all directors, corporate auditors, officers, and full-time and part-time employees of the companies listed below (hereinafter respectively referred to as the “TOK Group Company” or collectively referred to as the “TOK Group Companies”) and also Hakenshain (if applicable) of the TOK Group Companies (however, persons associated with contractors are not included) (hereinafter, collectively referred to as “Employees”).
- Tokyo Ohka Kogyo Co., Ltd.
- Subsidiaries of Tokyo Ohka Kogyo Co., Ltd. (*) excluding Chang Chun TOK (Changshu) Co., Ltd.

(*) Subsidiaries are companies whose majority of the issued shares with voting rights or equity stakes is directly or indirectly held by Tokyo Ohka Kogyo Co., Ltd.
(ii) Any TOK Group Company outside of Japan may modify the TOK Standards or prescribe matters not covered by the TOK Standards, taking into considerations the principles of the TOK Standards and complying with the laws and regulations, business practices, and value concepts of each country or region with the prior consent of the compliance committee of Tokyo Ohka Kogyo Co., Ltd. (hereinafter referred to as the “Compliance Committee”). However, these modifications must be in compliance with the provisions of the TOK Standards.

(4) Revision and Termination
(i) Revision and termination of the TOK Standards can be only made by the resolution of the Board of Directors of Tokyo Ohka Kogyo Co., Ltd.
(ii) The TOK Standards (or provisions modified or prescribed by the TOK Group Company outside of Japan) are to be enacted, revised and terminated by resolution of the board of directors or the body equivalent to the board of directors in Japan of each TOK Group Company.

(5) Penalty
(i) When a TOK Group Company determines that it is appropriate to impose a penalty on a person who commits violations of the TOK Standards or causes damage (or is likely to cause damage) on the TOK Group Companies or the Employees (hereinafter referred to as the “TOK Group”) or third parties, the penalty will be imposed in accordance with the rules of employment or other Company Rules and agreements in place at the TOK Group Company the person is employed with.
(ii) In addition to penalties imposed according to (i) above, violators may also be subject to sanctions and/or disciplinary actions of laws and regulations.
(iii) A TOK Group Company will deal with acts committed by Hakenshain that are tantamount to those described in (i) above after consultation with the employment agency concerned.
Chapter 1: General Provisions

(1) Compliance with Laws and Regulations, etc.
We must be conscientious and responsible in complying with all the laws and regulations in the countries or regions where we operate, the Company Rules, and social norms. Also we must value and practice corporate ethics.

(2) Reporting Violation of Laws and Regulations, etc.
When an act in violation or likely to be in violation of laws and regulations, etc. or the TOK Standards or the Company Rules is discovered or committed, or when we are in doubt about the best course of action in a particular situation, we must immediately report the incident to the point of contact defined by the Company Rules of the TOK Group Company we are employed with.
Chapter 2: Companies and Individuals

(1) Respect for Human Rights
   (i) TOK Group Companies respect basic human rights, diverse values, individuality, and individual privacy. The TOK Group Companies are prohibited from engaging in discriminatory treatment based on birth, nationality, race, ethnic group, religion, gender, sexual preference, marital status, pregnancy, medical condition, age, disabilities, or any other legally protected factor, and will endeavor to provide equal employment opportunities.
   (ii) Regardless of any type of employment, the TOK Group Companies will never make use of child labor or forced labor. Violence and threatening behavior are not permitted.
   (iii) We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind.

(2) Human Resource Development, Fair and Equitable Treatment of Employees
   TOK Group Companies will endeavor to develop human resources with expertise, creativity, leadership, and willingness to take on challenges, and also practice fair and equitable treatment of employees according to individual ability and performance.

(3) Maintenance of a Wholesome Workplace Environment
   (i) TOK Group Companies will comply with all relevant labor laws and regulations and endeavor to maintain a pleasant workplace environment in light of both physical and mental health. We should report to work in a condition to perform our duties, free from the influence of illegal drugs or alcohol.
   (ii) TOK Group Companies will endeavor to create workplaces that enable Employees to achieve work-life balance, and perform work in a productive and satisfying manner.
   (iii) In line with one of our management philosophies “create a frank and open-minded business culture,” we will endeavor to practice good communication among all in TOK Group Companies without regard to the positions, and share all information necessary for the execution of business. Also, TOK Group Companies will endeavor to maintain an atmosphere that enables frank and open-minded communication among Employees.

(4) Workplace Safety and Health
   (i) TOK Group Companies will endeavor to comply with all relevant industrial safety and health laws and regulations, and improve and maintain the workplace environment so as to prevent work-related disasters in the recognition that our highest priority is to ensure the safety and health of all Employees in charge at the TOK Group Companies.
   (ii) In the event that a work-related accident or injury occurs, or we become aware of potential health or safety hazards, we should immediately report the incident. TOK Group Companies will take appropriate measures in order to minimize the damages and prevent the reoccurrence of similar disasters.
(5) Protection of Personal Information
We will appropriately manage and protect personal information concerning the Employees in the TOK Group Companies and any others involved with the business of the TOK Group Companies.

(6) Prohibition of Conduct that Produces a Conflict of Interests
We will never during employment or term of office work for a competitor company or a company any of the TOK Group Companies transacts with, or transact with a TOK Group Company with the objective of obtaining personal benefit. Also, we will never engage in any other conduct that is detrimental to or potentially detrimental to the interests of any of the TOK Group Companies.

(7) Prohibition of Political, Religious, or Soliciting Activities
(i) We will comply with Company Rules when engaging in political, religious, or soliciting activities in the TOK Group Companies.
(ii) We will never force religious or other personal beliefs on others in the TOK Group Companies.

(8) Maintenance of Dignity as a Corporate Citizen
(i) We will maintain our dignity as a corporate citizen and always act in good faith. Also, we will never engage in or contribute to any criminal or terrorist activities that harm the image of the TOK Group.
(ii) We will never make use of social media representing the TOK Group without express corporate permission. Also, when using the social media or setting up a Web site in a private capacity, we will be responsible for the content of their transmissions and must behave as a conscientious citizen.
Chapter 3: Business Activities

(1) Compliance with Laws and Regulations concerning our Business
We will always comply with all laws and regulations pertaining to business activities in the countries or regions where we operate and properly carry out procedures for obtaining authorizations or filing applications, etc. as required.

(2) Improvement of the Level of Customer Satisfaction
(i) We will engage in all customer relationship with an attitude of humbleness and gratitude, and ascertain customer needs in the endeavor to provide better products and services that continue to satisfy our customers.
(ii) We will maintain a high level of quality in all of our business activities and endeavor to constantly improve productivity and reduce costs.

(3) Safety of Products and Services
(i) We will comply with all laws and regulations and safety standards relevant to product safety at every stage of business activities including product development, manufacture, sale, and maintenance to achieve a high level of safety of products and services.
(ii) Whenever information is obtained on any accident or other safety incident in regard to products and services, we will quickly investigate the facts of the incident and take appropriate measures to deal with the problems in the incident.

(4) Environmental Conservation
(i) We will produce environmentally friendly products based on evaluations of environmental impact at every stage of the product lifecycle from its development to disposal.
(ii) We will endeavor to conserve the environment through active promotion of measures to prevent global warming, product recycling activities, extension of the product life, proper management of chemical substances, and reduction of wastes.
(iii) We will comply with all environmental laws and regulations pertaining to business activities, and constantly endeavor to reduce the environmental impact of our business activities.

(5) Trade Controls
(i) We will comply with international treaties and laws and regulations relevant to trade, importing and exporting in all of our international transactions and never engage in illegal trade that obstructs maintenance of peace and safety throughout the world.
(ii) We will carry out all procedures prescribed by international treaties and relevant laws and regulations in order to prevent the illegal export of goods and technologies and their use for the development of weapons of mass destruction.
(iii) We will observe international regulations relevant to the use of natural resources and their derivatives in connection with inhumane acts and will not use the natural resources, etc. stipulated by such regulations in our production activities.

(6) Fair Competition
(i) We will comply with all laws and regulations to maintain fair competition in the countries or regions we operate.
(ii) We will not hold discussions or form (oral and written) agreements or concerted practices (cartels) with other companies or trade associations that distort competition or are intended to distort competition. Outside the normal course of business we therefore will refrain from discussions pertaining to (elements of) product prices, discounts, product volumes, capacity, market share, sales territories, marketing initiatives, warranties, terms of sales, etc., or participate in bid rigging and other such improper acts.

(iii) We will neither join with other companies or trade associations in refusing or restricting to transact with specific targeted companies or competitors new to the industry, nor unfairly restrict the business activities of companies we transacts with or any other business enterprises.

(iv) We will not obtain or use any confidential information of other companies by illegal means. Also, we will not obtain or use any confidential information of other companies knowing that it has been obtained or is likely to have been obtained by illegal means.

(7) Fair Trade with Suppliers

(i) We will select suppliers of goods and services, and subcontractors to perform outsourced work based on fair evaluations of prices, quality, delivery, and other relevant conditions or considerations.

(ii) We will comply with all applicable laws and regulations relevant to purchasing and outsourcing.

(8) Entertainment and Business Gifts

(i) We will neither offer or give entertainment, gifts, money, or other benefits on business to a degree that exceeds the limits of social norms including the relevant laws and regulations applicable to either civil servants or private citizens, nor offer or give those for the purpose of gaining an unfair benefit or advantage for our business.

(ii) When receiving business entertainment and gifts we will not accept such entertainment or gifts on business to a degree that exceeds the limits of social norms, taking into adequate account the laws and regulations, and business customs in the countries or regions where we operate, as well as the Company Rules.

(iii) We will always inform our immediate superior in writing or other equivalent means when we receive entertainment or gifts on business.

(9) Promotion, Advertising, and Provision of Accurate Information on Products and Services

(i) We will endeavor to conduct appropriate promotion and advertising activities that enhance the presence and good image of the TOK Group at the market places.

(ii) We will not use false or misleading expressions or expressions that may slander or libel third parties in written or any other forms of information we communicate for the purpose of promotion or advertising. Also, we will verify that information used in comparative advertising is factual, complete and accurate, and leaves no room for misunderstanding at the point in time when the comparison is made.

(iii) We will provide accurate information in regard to products and services to companies we transact with.

(10) Accurate Recording and Reporting of Information

We will maintain the accuracy and integrity of our records and reports on all items of business transactions. Also, we will not record and report false information or information that is potentially misleading or can be misunderstood.
Chapter 4: Management of Company Assets

(1) Proper Accounting Practices
(i) We will make accurate entries to accounting records and correctly record various vouchers in compliance with relevant laws and regulations and the Company Rules. Also, we will not gain illegitimate or unjust economic benefits by engaging in false or fictional recording of accounts.
(ii) We will record all transactions on the company books accurately and properly in accordance with generally accepted accounting principles, and will not make any false or artificial entries.
(iii) We will maintain internal control systems to ensure that all transactions are accurately and properly recorded.

(2) Management of Confidential Information
(i) We will strictly manage the confidential information of the TOK Group Companies and companies we transact with in accordance with relevant laws and regulations, the Company Rules and contractual agreements, and not disclose or leak such information to third parties or Employees who do not need to know of such information for work-related purposes. We will not use confidential information for purposes other than work-related purposes.
(ii) When the confidential information of the TOK Group Companies is disclosed to third parties, we will endeavor to prevent leaks by proper means such as entering into non-disclosure agreements with the third parties concerned.
(iii) We will neither (fraudulently) use the confidential information of companies we transact with, nor use the confidential information for any purpose other than the purposes prescribed by the company concerned.
(iv) Upon retirement or resignation from the TOK Group Company, we will return to the TOK Group Company the confidential information of the TOK Group Companies or companies we transact with. Also, we will not disclose or leak such information or use it for any purpose whatsoever after retirement or resignation.

(3) Prohibition of Use of Company Assets for Personal Benefit
We will effectively utilize for the benefit of our business the tangible and intangible assets of the TOK Group Companies including equipment, building facilities, machinery and tools as well as data and electronic files, and appropriately manage the assets in accordance with relevant laws and regulations and the Company Rules. Also, we will not use any company assets for personal use (although incidental personal use may be permitted in accordance with relevant laws and regulations and the Company Rules). We will also not use any company assets for personal financial gain.

(4) Proper Use of Information Systems
(i) We will use personal computers and other information systems belonging to and managed by the TOK Group Companies only for work-related purposes and not for personal financial gain or for personal use. Incidental personal use may be permitted in accordance with relevant laws and regulations and the Company Rules.
(ii) We will strictly manage the authorized IDs and passwords, and prevent them from being leaked to third parties.

(iii) We will neither fraudulently use the IDs and passwords, nor access the computer system of other Employees without proper authorization, although any use or access of the TOK Group Companies for any purpose including corporate information security surveillance are permitted.

(iv) We will properly use and manage computer software and use it in compliance with all relevant laws and regulations such as the copyright laws.

(5) Protection of Intellectual Property Rights

(i) We will endeavor to protect the intellectual property rights of the TOK Group Companies, including swift and timely filing of patent applications for inventions related to our product and technology development and manufacturing processes as well as applications for other proprietary rights that must be secured by registration thereof.

(ii) We will respect the intellectual property rights of other companies and shall, where appropriate, enter into relevant agreements in advance for use of intellectual properties with the companies concerned when use of their intellectual properties becomes necessary.
Chapter 5: Shareholders and Investors

(1) Disclosure of Corporate Information
(i) TOK Group Companies will endeavor to enhance management transparency and the credibility of the TOK Group Companies by practicing timely and fair disclosure of corporate information on the state of business and finance to shareholders, investors, and other stakeholders.
(ii) TOK Group Companies will comply with all relevant laws and regulations and the Company Rules regarding financial disclosures and the TOK Standards regarding the disclosure of corporate information to third party investors.

(2) Prohibition of Insider Trading
(i) When significant information, about the TOK Group Companies or any other companies we transact with, that has not been disclosed to the public is learned in the course of work, we will not trade any securities subject to insider trading restrictions imposed by the applicable laws and regulations until such significant information is officially made public.
(ii) We will not disclose significant information, about the TOK Group Companies or any other companies we transact with, that has not been disclosed to the public learned in the course of work, to anyone other than those who need to know for work-related purposes.
(iii) We will comply with all laws and regulations restricting insider trading of securities.
Chapter 6: Communities and the Society

(1) Community Involvement
   (i) In line with one of our management philosophies, “contribute to society,” as a good corporate citizen, we will actively participate in community activities that contribute to the betterment and development of society.
   (ii) We will fulfill our responsibilities as a member of the local community and maintain good relations with the local community by cooperating in the community activities and participating in community events.

(2) Respect for the Culture and Customs of Each Country or Region We Operate
   We will respect the culture and customs of the countries or regions we operate in the appreciation and recognition that they are all different, and act accordingly.

(3) Restrictions on Donations and Political Contributions
   (i) We will comply with all the relevant laws and regulations and follow proper procedures when using TOK Group Companies’ resources for contributions or donations to political campaigns, candidates, or office holders or any other entities.
   (ii) Before making any such donation or contribution, we will sufficiently consider the necessity and appropriateness of the donation or contribution, and follow the procedure for obtaining internal permission.

(4) Prohibition of Relations with Criminal or Terrorist Forces
   (i) We will always act in good conscience with a basic knowledge of the laws and regulations, social norms and a sense of justice, and have no involvement in illegal, criminal, or terrorist activities.
   (ii) We will have no involvement with criminal or terrorist forces (for example, crime syndicates, drug smugglers, terrorists, and other criminal organizations) that threaten social order and safety.
   (iii) We will firmly reject unreasonable or illegal demands by criminal or terrorist forces with the guidance and supports of the police and other law enforcement agencies.