

## A. Business Code of Conduct

### 1. Introduction

At Farla Medical Ltd, we believe that business should be conducted honestly, fairly and with respect for people, their dignity and their rights. This Code is intended to make clear what this means in terms of practical behaviour.

We expect and require that all Employees of Farla Medical Ltd apply the same standards in their dealings with other people and organisations.

#### a. What are we in Business for?

We are in business to create shareholder value by developing and marketing products of quality, reputation, performance, style and value and by selling them on fair terms to our Customers.

To build long-term sustainable shareholder value our vision is to develop a category leading brand, honestly, fairly and with respect for people and the natural environment. We are committed to continual improvement in our business and business practices, setting measurable targets, monitored via our Quality Management system.

To continue to grow and prosper we build partnerships with our Customers and Suppliers by earning their mutual trust, operating according to our principles.

#### b. Stakeholders

Our Employees, our Customers, our Suppliers, other business partners (such as licensees, distributors and joint venture partners) and the wider community are affected by our actions as well as our shareholders and owners to whom we have the responsibility to protect their investment.

#### c. Status of this Code

In running our business, Farla Medical Ltd is required to observe the standards of conduct set out below.

### 2. Standards of Behaviour Towards Employees

Our Employees are our greatest asset.

#### We will:

- Respect the Human Rights of all Employees (see our Employment Standards Policy document).
- Provide good, safe and healthy conditions in which to work.
- Provide competitive earnings and other employment benefits.
- Offer fair terms of employment through contracts of employment mutually beneficial to both parties.
- Promote the development and best use of people's talents managing people with consideration and respect.
- Select, train and promote Employees fairly.
- Not discriminate among Employees or potential Employees on the grounds of race, colour, religion, nationality, ethnic origin, political opinion, sexual orientation, marital status, gender, age, disability or part time or fixed term status.
- Ensure a working environment that is free from harassment and bullying.
- Not ask any Employee to do anything that is illegal or immoral or that fails to comply with the standards of any recognised professional body.
- Encourage Employees to speak up about any instances of wrongdoing or breaches of this Code with the guarantee of complete confidentiality and anonymity.
- Respect Employees' rights to join whatever lawful representative organisations they choose.
- Respect Employees' rights to take part in civic activity, practice their religions in accordance with their own beliefs, subject to their compliance with their contracts of employment.

### 3. Standards of Behaviour Towards Customers

To continue to succeed, we need to build partnership, with all our customers.

#### We will:

- Supply products and services that offer Customers good value in terms of price, quality, performance, style, safety and environmental impact.
- Ensure that any quality or performance problems that occur in our products are dealt with expeditiously with the minimum inconvenience.
- Not seek to obtain sales or other business advantages by giving bribes or other dubious inducements and not make any payments to any Employees of Customers, Government Departments or agencies in order to obtain commercial advantage.

### 4. Standards of Behaviour Towards Suppliers

An efficient and reliable supply chain is an increasingly key factor in business success. This requires close interdependent partnerships with our Suppliers.

#### We will:

- Seek to develop mutually beneficial partnerships with Suppliers.
- Comply with the spirit as well as the letter of contracts with Suppliers.
- Seek clarity in all our agreements, about what we undertake to do and what we expect from our Suppliers.
- Develop business with Suppliers on the basis of complying with our Code of Business Conduct, especially our Employment Standards, Health and Safety and Environmental policies.
- Insist on honesty and integrity in all aspects of our business with Suppliers and not tolerate any attempts to obtain business from us by payments or gifts to our Employees or agents or members of their families.
- Not establish business relationships with people or organisations we have reason to believe may be involved in unlawful or unethical business practices.

### 5. Standards of Behaviour Towards the Wider Community

We believe that business organisations have an obligation to be good corporate citizens.

#### We will:

- Comply fully with the requirements of all laws and regulations of each country in which we operate.
- Try to minimize any adverse effects of our activities on the environment and the earth's natural resources.
- Support worthwhile relevant charity and community organisations and activities.

### 6. Other Matters

#### Competition

We believe in a free and fair market economy as the most appropriate environment for business. Therefore,

#### We will:

- Compete vigorously but fairly in the markets in which we operate.
- Not try to restrict competition by price fixing or participation in cartels.
- Not seek to obtain confidential information about competitors by fugitive means.
- Respect other people's intellectual property rights.

### 7. Financial Matters

All transactions will be open, fully documented and accurately reflected in the accounts of the company in accordance with established accounting procedures and subject to internal and external audit.

### 8. Confidentiality

We will safeguard the confidentiality of the information we hold and will only make this available to those by whom it is required to undertake their work.

Detailed information about your rights under UK Data Protection legislation can be found on the website of the United Kingdom Information Commissioner, the address of which is (as at the date of this Privacy Policy) <http://www.ico.gov.uk>. The telephone number of the Information Commissioner's Office is 01625 545 700 (or (44) 1625 545 700 if phoning from outside the United Kingdom.)

## B. Farla Medical Ltd Employment Standards Policy

Farla Medical Ltd believes that business should be conducted honestly, fairly and with respect for people, their dignity and their rights.

It is the company's policy to ensure that the selection, recruitment and employment of all staff employed by the company is in accordance with the (ILO) International Labour Standards and in compliance with all applicable UK legislation and guidance. It is the company's policy to assess our Suppliers and subcontractors to ensure that, as far as is applicable, they achieve similar standards.

Compliance procedures and responsibilities are incorporated into the company's accredited quality management system and are subject to internal and external audit.

This policy, and compliance with this policy, will be reviewed every twelve months as part of the annual management review in accordance with our quality management system. Copies of the policy are displayed in the offices and are issued to all Employees.

#### 1. Principle

The Company's policy is built around the following principles:

- a. The Company's legal advisors regularly review contract terms to ensure that they remain in full compliance with UK employment legislation.
- b. This Code confirms the company's policies and procedures ensure equal opportunities for all and prohibition of abuse, harassment and bullying.
- c. Disciplinary procedures are defined in full in the contracts of employment and contracts for services issued to Employees/placed consultants and are fully in accordance with UK employment legislation.

- d. Procedures are in place to ensure compliance with the Working Time Regulations with procedures to monitor hours worked.
- e. Wages/salary levels are discussed and agreed in advance with all Employees/placed consultants and documented in offer letters prior to any appointment. These wage levels always exceed the UK minimum wage.
- f. Children (defined as those under the age of 16 are not employed by the company unless this is part of a temporary work experience activities which have been agreed with the parents/carers of the child and the education provider. Under these circumstances the health, safety and moral well-being of the child is assured in accordance with the company's health and safety policy.
- g. The Company has business continuity/recovery plan in place to cover all forms of potential disasters.
- h. The Company complies with all national environmental laws and has a system to eliminate potential hazards to the environment.

## 2. Policy

### Our Employees

It is Farla Medical Ltd's policy that the people who work for the Company and their health, safety and rights at work, should be respected and protected (See point A/2).

### Our Own Brand Suppliers

Our products which bear our brand name, are manufactured by many different supplier organisations mostly in Europe and Asia.

Our policy is only to do business with Suppliers that adopt and implement our standards or have their own policies that reflect similar standards.

Our Suppliers all have Suppliers of their own. It would be impossible for us to control the working conditions of the vast number of people who contribute to some of our products. We therefore add our policy primarily to our direct Suppliers and encourage them, in turn, to apply it to their own supply chains.

For our business to be and remain competitive in the market place, goods need to be made where they can be produced at the lowest overall cost, consistent with our required quality and technical specifications. This means that many products are made in countries where wages are relatively low.

Nevertheless, we do our best to ensure that those Suppliers should treat their workers properly, in accordance with our, and internationally recognised standards.

The full Code reflects the Base Code of the Ethical Trading Initiative (ETI) and is consistent with the relevant conventions and recommendations of the International Labour Organisation (ILO).

## 3. Implementation

In many of the countries in which our products are made, the history, traditions, culture and in some cases, even the law, make full compliance with our policy difficult for our Suppliers in the short term.

In such circumstances, our approach is to work with Suppliers to improve the conditions of their workers progressively. If a supplier fails to co-operate with us in implementing an improvement programme, will we sever our relationship with them.

Farla Medical Ltd's Code of Employment Standards for Suppliers provides minimum standards that should be exceeded where possible. In applying it, Suppliers must comply with national and other applicable laws and, where the provisions of the law and this Code address the same subject, apply the provision that gives workers the greater protection.

Farla Medical Ltd shares and requires Suppliers to sign up to and agree all conditions as outlined in the relevant requirements within the LSAS, ETI and ILO as per Supplier Code of Conduct.

## C. Code of Conduct for Suppliers

### 1. Living wages are paid

The wages and benefits paid for a standard working week are required to be at or above national minimum legal levels or industry benchmark levels, whichever are higher. Wages should always be sufficient to meet basic needs.

### 2. Working hours are not excessive

Working hours need to comply with national laws or benchmark industry standards, whichever afford greater protection.

Overtime is voluntary and does not exceed 12 hours per week. Workers allowed at least 1 day off for every 7 day period worked.

### 3. Working conditions are safe and hygienic

A safe and hygienic working environment is provided, and adequate steps are to be taken to prevent accidents and damage to health in the prevailing knowledge of the industry and any specific hazards.

Workers shall receive Health and Safety training on recruitment and subsequently at regular intervals.

Workers are to be provided with access to clean toilet facilities, potable water and hygienic facilities for food storage if appropriate.

If accommodation is provided, it is to be clean and safe and meet the basic needs.

### 4. Child labour is not used

There is to be no recruitment of child labour in accordance of the law of the country. No one under eighteen years old is to be employed at night or in hazardous work or conditions.

In this Code, "child labour" means any work by a child or young person, unless it is considered acceptable under the ILO Minimum Age Convention 1973 (C138).

### 5. Employment is freely chosen

There is to be no use of forced, bonded or involuntary prison labour.

Workers are not required to lodge deposits, identity papers or any other security with their employer and are free to leave their employment after a reasonable notice period.

### 6. No discrimination is practiced

There is to be no discrimination in recruitment, wages, access to training, promotion, termination or retirement, based on race, caste, national origin, religion, age, disability, gender, sexual orientation, marital status, union membership, political affiliation or on any other basis unrelated to the ability to do the job.

### 7. There is no harsh or inhumane treatment

Physical abuse or discipline, verbal abuse, the threat of physical abuse, sexual or other harassment and other forms of intimidation is not permitted.

### 8. Freedom of association and the right to collective bargaining are respected

All workers have the right not to join or to join or form trade unions of their own choosing and to bargain collectively and are not to be discriminated against or denied access to the workplace. The Supplier needs to adopt an open attitude towards the activities of trade unions and their recruitment of members.

### 9. Regular employment is provided

As far as possible, work is performed on the basis of the regular employment relationship established through national law and practice.

The Supplier will not attempt to avoid these normal obligations by replacing the regular employment relationship with arrangements such as labour only contracting, sub-contracting, home working, apprenticeship schemes with no real intent of providing regular employment, or excessive use of fixed-term contracts of employment.

### 10. Business Continuity / Disaster Planning

The Supplier has a business continuity/ recovery plan in place to cover all forms of potential disaster and will supply proving data of this to Farla Medical Ltd when requested.

### 11. Environmental Issues

The Supplier agrees to comply with all the national environmental laws and have an effective system to identify and eliminate potential hazards of their manufacture to the environment with clear goals in place for ongoing elimination.

### 12. Evidence relating to the Ethical risks

Evidence of this is to be provided to Farla Medical Ltd when requested of the supplier to prove that the Supplier does what he says.

### 13. Bribery / Inducements and Improper Payments

The Supplier may not offer services, gifts or benefits to anyone employed by Farla Medical Ltd in order to gain influence.

### 14. Sub-contractors & third party supplier of goods & services

The Supplier shall communicate the principles stated in the Supplier Code of Conduct to its subcontractors and other business partners involved in supplying the product and services described in the main contract. The Supplier shall motivate such parties to adhere to the same standards.

A full version of Code of Conduct can be viewed at

<http://www.farlamedical.co.uk/Information/Code-of-Business-Conduct/>