

Standards of Business Conduct



CardinalHealth

A message *from* Kerry Clark



As we continue on our journey to become a more integrated healthcare solutions company, we learn more and more about the values, behaviors and principles that unite us. Wherever you go throughout Cardinal Health, our core values are not just something we talk about, but something we must live by. Having integrity, being honest and doing the right thing sometimes means choosing the hard right versus the easy wrong. For us, it also means embracing a culture of compliance, which is integral to helping us grow our business.

In an industry as dynamic and complex as healthcare, building a solid reputation based on integrity and responsible business conduct is essential for success. Our steadfast commitment to conducting business in a manner that is beyond reproach is not something we will compromise or negotiate.

This booklet, our *Standards of Business Conduct*, provides a broad description of our values and obligations, as well as standards for what to do and where to turn when the path is not clear. These standards are important reading for any Cardinal Health employee and a reference tool we should all keep close at hand.

One of the best ways to ensure you are acting with integrity is simply to ask questions and seek guidance about any situation that concerns you. There are a number of resources available for you, beginning with your manager. A complete resource list is located at the end of the booklet.

On behalf of the Cardinal Health leadership team and Board of Directors, thank you for abiding by the letter and spirit of our *Standards of Business Conduct*.

A handwritten signature in black ink, appearing to read 'Kerry Clark', with a long horizontal flourish extending to the right.

Kerry Clark
President and Chief Executive Officer



“Having integrity, being honest and doing the right thing sometimes means choosing the hard right versus the easy wrong.”

– Kerry Clark

President and Chief Executive Officer

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Purpose

As the leading provider of products, services and technologies supporting the healthcare industry, Cardinal Health and our employees worldwide not only have an important responsibility to comply with all applicable legal requirements, but also to conduct business responsibly and with integrity. Our customers, shareholders and suppliers count on it, and our company's continued success depends on it.

The *Standards of Business Conduct* outlines the standards of integrity and responsible conduct that everyone working for Cardinal Health, Inc., including its divisions and majority-owned or controlled subsidiaries ("Cardinal Health") needs to follow to protect the trust our customers, suppliers and shareholders have in us. The *Standards of Business Conduct* is the foundation of the program of how we work responsibly and with integrity and is fully authorized and

supported by the Board of Directors and senior leadership of Cardinal Health. Overall responsibility for the program rests with the Executive Vice President and Chief Ethics and Compliance Officer and the Corporate Responsibility Committee, with oversight from the Chief Executive Officer and the Audit Committee of the Cardinal Health Board of Directors.

It is important that everyone adheres to both the spirit and the letter of these standards. Although the *Standards of Business Conduct* covers a number of ethical and business issues you may encounter, a single document or guide can not provide all of the answers, so you may find additional guidance in specific corporate and business unit policies and procedures.

To ensure you are acting responsibly and in the best interest of the company, be sure to examine each situation and consider the following:

- ***Am I acting responsibly and with integrity?***
- ***Would my decision be viewed positively by co-workers, the community and the government?***
- ***Would I be comfortable if my decision were on the front page of a newspaper?***
- ***Would my decision ensure compliance with the Standards of Business Conduct, Cardinal Health policies and applicable law?***

If you can not answer all of these questions by saying “yes,” talk to your manager or consult the other resources listed at the back of this booklet about your decision before you proceed.

The *Standards of Business Conduct* is available in numerous languages and is accessible via our internal employee and external websites. It applies to all Cardinal Health directors, officers and employees worldwide who, throughout the document, are collectively referred to as “employees.” You should familiarize yourself with this booklet and comply with its provisions. You can find supplemental corporate policies and related procedures that govern appropriate business behavior on the employee website <http://my.cardinalhealth.net> or through your manager. If the standards outlined here or in the policies appear to conflict with local law, please let your manager, the Ethics and Compliance or Legal departments know.

Any waiver of a provision contained in this document requires the written approval of the Chief Ethics and Compliance Officer. In addition, any waiver requested for an executive officer or director requires the approval of the Audit Committee of the Board of Directors and prompt disclosure to shareholders. Waivers may be granted only as permitted by applicable law and in extraordinary circumstances.

Questions or concerns

If you have a concern about a legal or business conduct issue, or if you receive information or have reason to believe that a violation of the *Standards of Business Conduct*, any Cardinal Health policy or the law has occurred, **the most important thing you can do is ask questions, seek guidance or raise the concern.** Any employee, who lawfully and truthfully asks questions, seeks guidance or raises a concern is following these standards and doing the right thing. For further information, see the “Where to get help or raise concerns” section on page 25.

Working together to foster integrity

As employees, we must all work together, according to the same standards and values, to foster an environment where integrity and responsible business conduct are the cornerstones of who we are and how we do business. By understanding and following the Standards of Business Conduct, Cardinal Health policies and applicable law, and by seeking guidance when the best decision is not clear, you make Cardinal Health a place where employees want to work, customers and suppliers want to do business, and investors want to place their confidence and trust.

Responsibilities as an employee

As an employee of Cardinal Health, you are expected to comply with the *Standards of Business Conduct* and all applicable laws, policies and procedures. Cardinal Health takes this responsibility seriously and expressly prohibits violations. In the event an employee fails to conduct him- or herself accordingly, he or she will be considered to be acting outside of the scope of employment and, as a result, will be subject to discipline, up to and including dismissal.

In addition, as we have and will continue to emphasize, the most important thing you can do is ask questions, seek guidance or raise concerns whenever you face a business conduct issue or situation.

Responsibilities as a leader

Leading by example, demonstrating integrity, and encouraging discussion of the ethical and legal implications of business decisions is a responsibility of leaders at all levels within our organization. To help create and sustain a work environment where integrity and responsible behavior is expected, encouraged and required, we look to our leaders to be a trusted resource for employees and to help provide adequate information and training regarding the *Standards of Business Conduct* and applicable policies, procedures and laws.

One of the best ways leaders can help prevent and detect compliance risks is to be aware of what is happening around them. Leaders need to maintain an “open door” environment where employees feel comfortable enough to ask questions and raise issues. Once an issue is raised, leaders need to respond to or seek guidance regarding the employee’s concern promptly and appropriately.

Audits, investigations and oversight

Occasionally, Cardinal Health needs to undertake an audit or investigation to obtain information regarding a particular activity and/or incident. This may include monitoring the workplace-related activities of employees as appropriate and in accordance with applicable law. Employees need to provide their cooperation and assistance during an audit or investigation so that information can be gathered accurately and completely. An employee that does not do so is subject to discipline, up to and including dismissal.

Post-employment responsibilities

When your employment with Cardinal Health ends, you may have certain responsibilities in accordance with applicable law. Among others, these responsibilities include an obligation to:

- Return all company assets in your possession;
- Maintain the confidentiality of company information;
- Refrain from trading stock or securities based on material, nonpublic information obtained in the course of employment by Cardinal Health; and,
- Assist Cardinal Health with investigations, litigation, and the transfer and protection of intellectual property relating to your employment with Cardinal Health, if requested.

Employees at all levels have a responsibility to:

- *Understand the Standards of Business Conduct, policies and applicable law.*
- *Foster a culture of integrity and responsibility.*
- *Ask questions, seek guidance and raise concerns.*

Working together to maintain a safe and productive workplace

Treating each other with dignity and respect is the foundation of good business conduct and helps maintain a safe and productive workplace that sets Cardinal Health apart from our competition. At Cardinal Health, acting with integrity means valuing and respecting the unique character and contribution each employee makes to create value and contribute to the success of the company.

Fair treatment and diversity

We recognize that by working together we gain clear value from diversity and inclusion. Valuing diversity and inclusion leads to better results for employees, customers and shareholders.

Cardinal Health provides equal opportunity to all employees and applicants in all steps of the employment process (e.g., recruiting, hiring, promotion, compensation and access to training)

in compliance with applicable law. We are committed to building a diverse, inclusive workplace that is representative of the marketplace and the communities in which Cardinal Health operates and is also free from discrimination. In addition, we are dedicated to fostering a work environment where employees are respected and valued for their differences.

Harassment and bullying

Harassment and bullying are unacceptable behaviors that can lead to an unproductive workplace. Harassment consists of 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 and that affects an individual's employment or creates an intimidating, hostile or offensive working environment. It includes unwelcome sexual advances, requests for sexual favors and other unwelcome verbal or physical conduct of a sexual nature. Bullying or intimidation is the persistent demeaning and downgrading of employees through words, actions and communications which erode self-confidence and undermine self-esteem.

Cardinal Health will not tolerate harassment, intimidation or bullying of employees by co-workers, managers or any other individuals with whom employees come into contact while conducting business (e.g., consultants, contractors, temporary workers, customers and suppliers). Employees are encouraged to help each other by speaking out when another individual's conduct makes them uncomfortable. If you experience or observe any of these behaviors, please advise your manager, the Global Security or Human Resources departments, or call the Business Conduct Line.

Health and safety

Cardinal Health strives to provide a safe and healthy workplace. To that end, each facility has a safety program that includes appropriate safety training and is in compliance with applicable laws and regulations as well as Cardinal Health policies.

Each employee is responsible for observing the laws, regulations and policies that relate to on-the-job health and safety. If you see or experience an accident, injury, or unsafe practices or conditions, please notify your manager so that the situation can be appropriately remedied. Employees must also take appropriate and timely action to correct known unsafe conditions.

In accordance with applicable law and to promote a safe and healthy work environment, Cardinal Health reserves the right to inspect personal possessions of employees, visitors and work areas. Employees are expected to cooperate with any such requests.

Workplace violence prevention

Cardinal Health is committed to a safe working environment that is free from threats, intimidation and physical harm. We all share in the responsibility for ensuring each other's safety. Cardinal Health will not tolerate workplace violence and will investigate and take appropriate action against any threat to a safe workplace.

Q: *A co-worker has repeatedly refused to provide me with information that is essential for my job, has called me derogatory names and has told other employees that I am not qualified to do my job. How should I handle the situation?*

A: Harassment and intimidation can occur in many forms. In this situation, it appears that an employee is intentionally and persistently bullying another employee. Any employee in this situation should contact his or her manager. Bullying undermines the respect and trust that is central to the way that Cardinal Health conducts business and is not permitted.

Q: *I am new to Cardinal Health and don't understand all of the safety rules. I feel awkward asking questions; what should I do?*

A: Cardinal Health encourages employees to ask questions, especially when the safety of our employees is involved. If you don't feel comfortable talking with your manager, talk with another member of management or call the Business Conduct Line.

Unacceptable behavior includes, but is not limited to, physical assaults, fights, threats, intimidation, and the intentional or reckless destruction of company, employee or customer property. A threat is any comment or behavior that reasonably could be interpreted as an intention to harm people or property. In compliance with applicable law, Cardinal Health prohibits the possession and/or use of weapons by any employee while at work, on company property or while on company business.

If you believe you may be the target of workplace violence or threats of violence, immediately notify your manager. Likewise, notify your manager of potentially violent or threatening conduct directed at any other employee.

Substance abuse

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

Working together

to protect Cardinal Health and its shareholders

As an employee of Cardinal Health, you have certain responsibilities you are entrusted to carry out in a manner that protects the interests of the company and the investments of our shareholders. By following the Standards of Business Conduct, each employee is helping to build our reputation of trust and accountability.

Business records and communications

Employees make decisions every day based on the information that is recorded by other employees at all levels of the company. It is critical that employees who create or maintain reports, records or any other information ensure the integrity and accuracy of that information and never create a false or misleading report. This includes, but is not limited to:

- Financial statements and related accounting entries and adjustments;
- Expense reporting;
- Time reporting;
- Production and quality records; and,
- Documents filed with or submitted to governments or regulatory agencies.

All public communications and disclosures in reports and documents Cardinal Health files with or submits to regulatory agencies, including but not limited to the New York Stock Exchange and the U.S. Securities and Exchange Commission, must be made in a full, fair, accurate, timely and understandable manner.

Business documents and communications may become public through litigation, government investigations and the media. In every document or communication, you should always accurately record the facts and take care to avoid false or derogatory remarks or characterizations of people, the company or other companies, as well as avoid the use of exaggeration, guesswork or legal conclusions. This applies to documents and communications of all kinds, including but not limited to e-mail and “informal” notes or memoranda.

Q: *Our department is under pressure to meet the quarterly earnings projections. I think my manager reported numbers last quarter to meet the projections thinking we could make it up this quarter. What should I do?*

A: It is never acceptable to report earnings that are not accurate. The company requires accuracy of all of our books and records. You should report questionable entries immediately to the Ethics and Compliance or Legal departments or through the Business Conduct Line.

Q: *I have \$25,000 in financial approval authority. I need to have a \$75,000 invoice from a major, long-time supplier paid immediately. My manager has approved these invoices in the past, but she is out of town. Is it all right for me to split the invoice into three separate invoices?*

A: No, employees may not split invoices or expenses to avoid exceeding approval limitations. You must wait until your manager or someone else with sufficient approval authority is able to approve the invoices.

In addition, you may not:

- Enter into any transaction or agreement that improperly accelerates, postpones or otherwise manipulates the accurate and timely recording of business revenue or expenses.
- Make a payment or establish an account on behalf of Cardinal Health with the understanding that any part of the payment or account is to be used for a purpose other than as described by the supporting documents.
- Participate in any transaction where you have a reason to believe the other party intends to engage in improper accounting.

Records management

In the ordinary course of business, employees produce and receive large numbers of documents. Numerous laws require certain documents to be kept for various periods of time. Cardinal Health is committed to comply with all applicable laws and regulations relating to the preservation of records. You should identify, maintain, safeguard and dispose of records in the normal course of business in compliance with the current retention schedule to ensure compliance with applicable law and Cardinal Health business needs. Under no circumstances may you or anyone under your direction selectively edit or discard records.

If you learn of a subpoena or a pending, imminent or contemplated litigation or government investigation, immediately contact the Legal department. Retain and preserve **all** records that may be responsive to the subpoena, are relevant to the litigation or that may pertain to the investigation until the Legal department advises you how to proceed.

You may not destroy any such records in your possession or control. You must also take steps to preserve from destruction all relevant records (such as electronic and voice-mail messages) that without intervention would automatically be disposed of (destroyed or erased) pursuant to the records retention schedule.

Authority to act on behalf of Cardinal Health

Our customers and suppliers trust that the person they are dealing with is authorized to act on behalf of the company. You must adhere to the limits of your authority to act on behalf of Cardinal Health and not take any action to exceed or circumvent those limits. Unless authorized to do so, you may not sign any document on behalf of Cardinal Health or in any other way represent or exercise authority on behalf of Cardinal Health.

Company assets

Employees are expected to take reasonable precautions to safeguard Cardinal Health assets and ensure their proper and efficient use.

Cardinal Health assets include but are not limited to financial assets, such as cash and securities; physical assets, such as furnishings, equipment, inventory and supplies; and customer relationships and intellectual property, including but not limited to information about products, services, customers, systems and people.

All assets created, obtained or compiled by or on behalf of Cardinal Health belong to the company, including but not limited to customer lists, directories, files, reference materials and reports, computer software, data processing systems, computer programs and databases. When you leave the employment of Cardinal Health, all company assets and data must be returned to the company.

You are generally permitted to occasionally use the company's e-mail and telephone systems for personal purposes that are consistent with the *Standards of Business Conduct* and not otherwise contrary to the interests of Cardinal Health. Keep in mind that such use must be nominal in terms of time. Under no circumstances may you use company assets in any manner that is connected with offensive, sexually explicit or inappropriate material, including but not limited to using your company provided computer to view or send such material during or after normal working hours. In compliance with applicable law, personal messages on Cardinal Health computer and telephone systems may be monitored.

Shareholders, analysts and the media

When providing information to shareholders, analysts and the news media, Cardinal Health has an obligation to accurately and completely report all relevant material facts. To ensure that Cardinal Health complies with its obligations, you should direct requests from shareholders or analysts to the Investor Relations department and media requests to the Public Relations department.

Conflicts of interest

To make business decisions with integrity and honesty, employees must avoid any activity or personal interest that creates or appears to create a conflict of interest. A “conflict of interest” arises when your personal, social, financial or political activities have the potential of making it difficult for you to perform your work for Cardinal Health objectively and effectively. You must always avoid actual conflicts, but even the appearance of a conflict of interest can be harmful and should also be avoided. This allows you to act based on sound business judgment, not personal interest or gain. With that in mind, employees may not:

- *Take personally for themselves opportunities that were discovered through the use of company property or information or their position with the company;*
- *Use company property, information or their position for personal gain;*
- *Compete with Cardinal Health; or,*
- *Serve on the governing body of a customer.*

As with many issues, the best way for you to avoid a conflict of interest is to ask questions about and address any situation that may have the potential to be misinterpreted by others, including other employees, customers, suppliers and the public. Although conflicts of interest may arise in any situation, the following are examples of potential conflicts of interest:

Outside employment — participating or working in a business that is similar to your responsibilities at Cardinal Health, that may conflict with you performing your job responsibilities with Cardinal Health, or that does business with, seeks to do business with or is in competition with Cardinal Health.

Family and other close relationships — doing business with or competing with a business in which a family member or someone else close to you has an ownership or employment interest.

Gifts — accepting gifts, meals or entertainment from someone that does business with or seeks to do business with Cardinal Health.

Investment or ownership — acquiring an interest in real estate, patent rights or businesses that Cardinal Health may have an interest in purchasing.

Payment for services — accepting cash, significant goods or services for activities such as authoring or editing publications, serving on advisory panels, making presentations or participating in work-related professional or technical associations.

Charitable contributions — providing monetary support from corporate funds to charitable organizations of or that are supported by those with whom we do business or accepting donations from those with whom we do business to support charities that you may personally support.

Restrictions on buying and selling stock and securities

While employed with Cardinal Health, you may become aware of information that has not been released to the public and may be material to an investor's decision to buy or sell the stock or other securities of Cardinal Health or another company. Information is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision to buy, hold or sell a security. Therefore, any information that could reasonably be expected to affect the price of the security is potentially material (e.g., earnings information; acquisitions or divestitures; significant new contracts; the gain or loss of a major customer or vendor; and important information on litigation or regulatory actions).

It is a violation of Cardinal Health policy to trade in the securities of a company, including Cardinal Health, while in possession of material nonpublic information about that company. Engaging in any such activities is commonly referred to as "insider trading." Likewise, you may not disclose such information to anyone else (including but not limited to your relatives, friends, co-workers or stockbrokers) until the information has been released publicly and the public has had time to react.

Q: *I know that the company is acquiring a large company in Australia. This deal will be very good for both companies. Can I buy shares of the Australian company so long as I do not buy shares of Cardinal Health?*

A: No. You have material, nonpublic information and it is illegal for you to buy or sell the shares of either Cardinal Health or the Australian company until the transaction has been publicly announced and the public has had time to react. Until the information is public, you must not share this confidential information with anyone who does not have a business need to know, including but not limited to other employees, family and friends.

Working together in the marketplace

Our success depends on strong relationships with customers, suppliers and other business partners. It is critical for the sustainability of the company that employees know with whom they are doing business. The company intends to do business only with those customers, suppliers and other business partners who comply with the law and demonstrate high standards of responsible business behavior.

Marketing practices

Cardinal Health believes in competing for business diligently, openly and honestly. You may not misrepresent Cardinal Health products, services or prices; make false or misleading claims about company products or services; or make false or misleading statements about the products and services of our competitors. Unless there is sufficient research to substantiate a comparison between a Cardinal Health product and a competing product, you may not use comparative advertising of any sort, whether by written advertisement, demonstration, comments or innuendo.

Purchasing practices

Cardinal Health bases all purchasing decisions on achieving optimal value for the company and alignment to our business standards and goals. We treat fairly and do not discriminate against suppliers; however, it is appropriate to differentiate among suppliers based upon appropriate business considerations. Cardinal Health expects suppliers to comply with applicable law and to conduct business with integrity and honesty.

Consultants, agents and joint-venture partners

You must take special care to ensure that conflicts of interest do not exist between you and any person or firm that you retain on behalf of Cardinal Health to consult with or represent the company. The consultants and agents that you select must be reputable and qualified in the services to be performed. You may not do anything indirectly or through a consultant, agent or joint-venture partner that would otherwise be prohibited. When conducting business for Cardinal Health, consultants, agents and joint-venture partners are required to observe the same level of responsible conduct and compliance with the law as Cardinal Health employees. Employees should provide such third parties with a copy of the *Standards of Business Conduct*.

In addition, prior to hiring an individual or firm, employees should take measures to verify that such individuals or firms are not prohibited from doing business with governmental agencies (i.e. do not appear on any government debarment list). Before entering into any agreement with agents, consultants or joint-venture partners, employees should consult the Legal department.

For additional information on the use of agents, consultants and joint-venture partners, please see the “Bribery and corruption” section on page 20.

Customer relationships

Working with our customers, Cardinal Health helps make healthcare better, safer and more effective. When we interact with our customers, we should focus on informing customers about Cardinal Health products and services, providing scientific and educational information, and supporting medical research and education. The term “customer” includes any person in a position to purchase or to influence a decision to purchase Cardinal Health products or services.

Meals, gifts and entertainment

Cardinal Health is committed to conducting business free from any favorable treatment resulting from the personal interest of employees. Providing or accepting meals, gifts, entertainment or other incentives can be viewed as affecting a person’s judgment or making the person feel obligated to provide corporate business in return. Therefore, you may offer or accept meals, gifts or entertainment only in compliance with applicable law and Cardinal Health policy. As a general rule, meals may be occasionally provided to or accepted from customers only if the meal is provided in connection with a business meeting or presentation and occurs in a place and manner which supports informational exchange. The cost of the meal must be modest as judged by local standards. Entertainment or recreational events are strictly limited in accordance with our policies.

Adult entertainment in connection with Cardinal Health business is strictly prohibited under all circumstances. If you need additional guidance, you should contact the Ethics and Compliance or Legal departments.

Interactions with customers should focus on informing customers about Cardinal Health products and services, providing scientific and educational information and supporting medical research and education.

Third-party educational or professional meetings

Generally, Cardinal Health may provide financial support for continuing medical education or other third-party scientific and educational conferences or professional meetings so long as the payment is made directly to the conference sponsor and is used to reduce the overall conference registration fee for all attendees or to provide meals or receptions for all attendees. You should consult the Ethics and Compliance or Legal departments before providing any such financial support.

Independence of decision making

Cardinal Health employees may not provide or offer any donations, grants, scholarships, subsidies, support, consulting contracts or gifts to a customer in exchange for purchasing, recommending or arranging for the purchase of products or for a commitment to continue to purchase products. Nothing may be offered or provided irrespective of its value, in a manner that would serve as an improper inducement to purchase products or services. If properly structured, discounts and rebates provided to a healthcare provider on purchases of products or services, whether given in the form of a discount, rebate check or credit memo, are generally permitted. You should consult with the Legal department to ensure that contracts providing for discounts and rebates are properly structured.

Product training

Cardinal Health may offer training and education programs on products so long as the programs are held in compliance with Cardinal Health policies and applicable law. You should contact the Legal department for additional guidance.

Competitive information

In the ordinary course of business, you may come in contact with information about other companies, including customers, suppliers and competitors. Obtaining this type of information is an ordinary part of operating in the marketplace. However, you may not acquire this information through improper or illegal means, such as industrial espionage. If you are offered information about a competitor that you reasonably believe is confidential or is offered in a suspicious manner, you should ask how the information was obtained and whether the information is confidential. We will not hire an employee of a competitor to get confidential information from that employee nor will we ask an employee of a competitor to disclose confidential information about his or her employer.

Confidential information

Cardinal Health trusts employees with valuable information. We all share a responsibility for keeping this information confidential. You may not disclose, permit or assist in the disclosure of information confidential to Cardinal Health to anyone outside the company unless: (1) a proper confidential disclosure agreement has been entered into with the person or entity in question, or (2) the disclosure has been properly authorized by Cardinal Health management and the Legal department. Confidential information is any information that has not been disclosed to the public, including but not limited to financial data, intellectual property, information contained on an internal website, in a memorandum, etc. If you are concerned about the appropriateness of responding to requests for information, please ask your manager for guidance. You also are obligated to hold in confidence information that Cardinal Health has agreed to receive on a confidential basis from other companies or individuals. To protect confidential information, the use of audio and visual recording devices on company property, including cellular telephone cameras, is not permitted without prior approval of management. For additional restrictions on the use of confidential information, please see the "Restrictions on buying and selling securities" section on page 12.

Personal information

As a global healthcare company, Cardinal Health collects, uses and manages personal information in many contexts. These contexts include the personal information of employees and sometimes their families, patients, and representatives of Cardinal Health suppliers and customers. Cardinal Health is committed to comply with the laws that govern the collection, use and management of personal information in of all the countries where we do business.

In general, these laws dictate the way that employees collect, use, maintain or share all types of personal information. Specific laws in many countries govern how employees handle prescription information or other patient-identifiable healthcare information ("Protected Health Information"). For example, employees in the United States must ensure that any use or disclosure of Protected Health Information is in

Q: *My manager allows me to work from my home office. I could be much more productive if I could download software from my work computer to my home computer. Do I need approval to do this?*

A: Yes. Works of authorship such as computer software, books, articles, drawings and other such materials are covered by copyright laws. Cardinal Health licenses the use of much of its computer software from other companies. Employees may not make, acquire or use unauthorized copies of computer software.

Q: *Are the Cardinal Health name and logo protected trademarks?*

A: Yes. The name Cardinal Health and our logo are examples of trademarks. The strongest protection we can give our logo is to use it consistently and correctly.

compliance with the U.S. Health Insurance Portability and Accountability Act and its implementing regulations as well as applicable state laws. Employees in countries outside of the United States have similar obligations under other similar laws.

Intellectual property

Intellectual property is innovations, inventions, discoveries, improvements, ideas, processes, know-how, designs, plans, works of authorship (including computer software, related manuals and documentation) and all derivative works, as well as other information relating to the current and potential business activities of Cardinal Health. Intellectual property is critical to the continuing success and operation of the company and must be protected as confidential and proprietary information of Cardinal Health. In addition, it may be eligible for protection according to applicable law. The unauthorized disclosure of intellectual property may jeopardize these valuable protections. Employee contributions to intellectual property are the property of Cardinal Health and subject to the proprietary rights of the company.

You must promptly disclose to the Legal department any intellectual property you create through your employment so that the Legal department can consider any patentability options and infringement concerns.

Employees agree that any and all rights to intellectual property (whether or not protected by patent, copyright, trademark or trade secret) are assigned to Cardinal Health. Employees must execute and process any applications, assignments or other documents that Cardinal Health deems necessary or advisable to obtain intellectual property protection and to protect our interests therein.

Fair competition and antitrust

Cardinal Health is committed to compliance with the antitrust laws of the United States, competition laws of the European Union and similar laws of other countries where Cardinal Health does business. The laws are complex and employees should always seek guidance from the Legal department if they are unsure. Generally speaking, antitrust and competition laws may constrain or prohibit, among other things:

- *Discussions among competitors about any topics of competitive significance, such as past, present or future prices, pricing policies, lease rates, bids, discounts, promotions, profits, costs, terms or conditions of sale, royalties, warranties, choice of customers, territorial markets, production capacities or plans, and inventories;*
- *Any understanding or agreement between a distributor or dealer and its supplier regarding the prices the dealer or distributor may charge for products or limits on a distributor's geographic territory, classes of customers, or ability to purchase or sell competitive products;*
- *Any arrangement where the parties agree to only do business with each other. This is often times referred to as an "exclusive dealing arrangement"; or,*
- *Conditioning a customer's ability to purchase one product or service on the purchase of another product or service or conditioning discounts upon a customer's commitment to purchase multiple product or service lines.*

In addition, it is against Cardinal Health policy to condition purchases of goods from a supplier on the supplier's agreement to purchase goods or services from Cardinal Health.

Participation in a trade association poses substantial antitrust and competition law risk simply because employees from competing businesses are brought together to participate in the trade association's legitimate business activities. You must exercise extreme caution when attending trade association functions to ensure that all interactions with competitors comply with antitrust and competition laws and Cardinal Health policy.

If you have any contact from a competitor or if any competitor attempts to discuss improper subjects with you, you should immediately object to the subject and end the discussion. In a group situation, such as a trade association meeting, this may require you to leave the room if the improper discussion continues after you object. Even after stating an objection, failure to

Q: *A sales manager from one of my business unit's main competitors approached me with a proposal. She said that despite years of brutal competition, our companies have done little more than trade a few customers and reduce prices unnecessarily. She suggested that both sides ease off the practice of calling on each other's customers so each company can keep our current customers, maintain our market share, and reduce sales forces and the costs of promotions marketing. What should I do?*

A: This is an offer to engage in prohibited customer allocation, which is always illegal and most often criminal. The proper response is to reject it immediately and contact the Legal department about any additional steps to take.

withdraw from the group could be used to support an argument that an agreement existed if the improper discussion is continued. In many group situations, such as a trade association, a record of the meeting is maintained. You should ask that your objection (and if necessary, departure) be noted for the record and request a copy of the record. Any improper discussions should be promptly reported to the Legal department regardless of the steps taken by you to object and document the objection.

Money laundering and terrorist financing

Employees, especially those employees who handle cash, must actively guard against the use of our products and services for purposes of money laundering, financing of terrorism or other criminal activity. Money laundering is the process by which individuals or organizations try to make the source of funds look legitimate by concealing the criminal origin of the funds. Terrorist financing tries to conceal the destination and use of funds which may have legitimate or criminal origin. Employees need to look out for irregularities in the way payments are made including but not limited to:

- *Payments made in currencies other than the currency specified in the documents;*
- *Requests to make payments in cash or cash equivalents, such as travelers checks or money orders;*
- *Payments made by someone who is not a party to the contract; and*
- *Requests to make a payment greater than the amount owed.*

Bribery and corruption

Wherever we do business, we comply with all anticorruption laws. These laws prohibit the payment of money, gifts or other items of value to influence government officials. In addition, most of these laws also make it a crime to bribe “foreign governmental officials.” This term is broadly defined to include, among others, public or quasi-government hospitals, clinics and pharmacies in other countries, as well as their management teams and employees. These laws also require that our books, records and accounts accurately and fairly reflect all of our financial transactions.

Because Cardinal Health is based in the United States, employees must comply not only with the applicable anticorruption laws where they are doing business, but also the U.S. Foreign Corrupt Practices Act. The actions of consultants, agents, distributors and others (e.g., joint-venture partners, franchisees, key sourcing partners) who violate anticorruption laws may be attributed to the company. Therefore, if you intend to engage a consultant, agent, distributor or other partner to perform services for Cardinal Health, you must follow Cardinal Health procedures for contracting, due diligence and training.

The best way to fight corruption is to always know with whom you are doing business. In today's world, it is not enough to assume you are doing business with a legitimate company. Ask the company questions and document the answers. Use available resources to verify information you receive.

Hospitals, doctors and patients rely on Cardinal Health to provide quality healthcare products and services around the world. Counterfeiting, diversion or tampering jeopardizes the ability of Cardinal Health to perform. Employees need to follow processes and procedures to ensure the integrity and security of the supply chain.

Supply chain

The security and integrity of the supply chain has increasingly become a concern for trade regulatory bodies around the world. Cardinal Health is particularly concerned because of our unique position in the distribution and provision of healthcare products and services. We are committed to supporting initiatives and policies to help ensure a safer and more secure worldwide supply chain. It is the responsibility of every employee involved in the supply chain to maintain an awareness of, and commitment to, enhancing the safety and security of the Cardinal Health international supply chain.

In addition, Cardinal Health is committed to developing and maintaining processes to prevent and detect the diversion of products bought and sold by Cardinal Health. Diversion occurs when a customer purchases products at contract pricing and, rather than use the products for its own use, resells the products to a third party. Diversion is also a key focus of export control regulations because it poses the risk of products or technologies being used by unauthorized users or for purposes that were not intended.

Trade regulations

The continued growth of Cardinal Health in the healthcare industry has resulted in an increasing presence throughout the world. We must comply with all applicable import and export control laws as products are moved across country boundaries. "Product" is defined very broadly to include such things as samples, machine parts and technical information (e.g., software and manufacturing processes). In the United States, such simple acts as sending a facsimile or allowing a foreign national to tour and observe some manufacturing processes could form the basis for a violation of U.S. export control laws.

You need to be aware that export control laws place restrictions on how Cardinal Health can move products across country boundaries based on, among other things, the classification of the product, the identity of the end user or the intended end use of the product. Export control laws also may prohibit Cardinal Health from doing business with certain countries. You should contact the Global Trade group to confirm the legal trade status of any country before doing business with or in that country.

Imports everywhere are subject to detailed customs entry procedures, marking and labeling regulations, documentation and record-keeping requirements, duties and taxes. In addition, employees may jeopardize preferential duty programs that result in significant savings for the company if these laws are not followed.

As a company based in the United States, all employees, agents and subsidiaries must comply with U.S. and local trade laws. Failure to do so may result in delays, fines, product seizures or criminal prosecution. Because of the complexity and frequent revision of international trade laws and regulations, you may not be involved in export or import activities unless you have been trained on Cardinal Health policies and applicable laws and regulations.

Boycotts

A boycott means to abstain from using, buying or dealing with another person, organization or country as an expression of protest or as a means of coercion. In a business context, a boycott request occurs when a third party agrees to do business with Cardinal Health only if Cardinal Health agrees not to do business with another party or country. Employees and Cardinal Health agents worldwide must comply with the U.S. laws and actions of the United Nations (U.N.) pertaining to boycotted activities and countries, except to the extent these U.S. laws and U.N. actions conflict with local laws. You must contact the Global Trade group if you receive a boycott request to ensure that the request is properly reported.

Working together with communities and governments

Legal standards of conduct provide only the minimum acceptable level of business conduct. Cardinal Health employees strive for a higher standard by working together with the communities and governments where we do business.

Environment

Part of Cardinal Health's commitment to the environment depends on employees to act in support of our environmental practices and initiatives. While business segments have designated employees who coordinate and manage environmental affairs for the company, all employees are responsible for environmental performance. Employees must try to minimize, to the extent practical, the adverse impact Cardinal Health products, processes and services have on the environment.

Cardinal Health facilities must comply with environmental laws and may not operate without the required environmental permits, approvals and controls. In addition, each facility and business segment must have an environmental plan in place that it follows and updates each year.

Political activities and contributions

When Cardinal Health promotes a point of view to government authorities or makes political contributions, we must strictly adhere to the laws of the United States and, as applicable, the laws of other countries in which we do business. Contributions to political candidates may be prohibited or

regulated under the election laws of the United States or other countries. Without the prior written approval of the Chief Legal Officer or head of the Government Relations function, you may not use corporate funds to contribute to any candidate campaigning for a political office or to any political party, committee or organization.

You are, of course, encouraged to participate in the political process. In the conduct of your personal, civic and political affairs, however, you should always make clear that your views, actions, gifts and contributions are your own and not those of Cardinal Health. In addition, you may not use Cardinal Health resources to support your choice of political parties, causes or candidates. If you are seeking elective office or wanting to accept an appointive office, notify your manager and explain how the duties of the office may affect your job performance.

Government-related entities

Employees involved in sales to government organizations must be aware of the special rules, laws and regulations that apply to these markets. If you have questions about selling to government organizations, institutions funded by a government agency and/or individuals who work for a government entity or organization, be sure to contact the Legal department. For additional information regarding restrictions on doing business with government officials, please see the “Bribery and corruption” section on page 20.

Government inquiries

As a public healthcare company, Cardinal Health is regulated by various governmental agencies. This means that from time to time employees may come in contact with government officials responsible for enforcing the law. When asked by a government official to provide information, you are required to provide that information honestly and truthfully. Cardinal Health, as a legal entity, is entitled to the safeguards provided by law to individuals, including but not limited to representation by legal counsel. Accordingly, you must contact the Legal department immediately upon receiving a request for information from a government agency beyond what is normally provided on a routine basis.

Q: *A customer asked me if Cardinal Health would make a contribution to support the political campaign of a candidate for public office in Mexico. Any concerns?*

A: Yes. In every country where we do business, there are strict and complicated laws regulating political contributions. Any request for contributions requires prior written approval of the Chief Legal Officer or the head of the Government Relations function.

Where to get help or raise concerns

In applying the *Standards of Business Conduct* to your work life, you may have questions, or you may need to raise concerns about conduct that you suspect lacks integrity or is in violation of the *Standards of Business Conduct*, the company's policies or applicable laws. When such situations arise, you should ask questions, seek guidance or otherwise raise concerns. You are encouraged to speak to your manager. If your manager does not adequately respond or the issue is of a particularly unique or sensitive nature that you are not comfortable discussing it with your manager, you may contact any one of the resources listed here and on page 27, including the Business Conduct Line.

Business Conduct Line

The Business Conduct Line is one resource employees have to seek guidance or raise a concern. The telephone line, which is operated by an independent, third-party company, has representatives available to take your call confidentially 24 hours-a-day, seven days-a-week. If you prefer, you do not need to reveal your identity when you call. Multi-lingual representatives are available; there may be a brief pause while the appropriate operator is placed on the line. You may also contact the Business Conduct Line through the Internet at www.MySafeWorkplace.com.

After taking your call, the operator will provide you with a case number, so that you may call back to check the status of your call. The information will then be submitted to the appropriate Cardinal Health representative(s) for investigation and resolution, as appropriate. For more information on investigation and resolution, please see the "Investigation and resolution" section on the following page.

Accounting, auditing, internal controls or financial reporting

You may also submit written concerns or reports of possible violations regarding accounting, auditing, internal controls or financial reporting to the chairperson of the Cardinal Health Audit Committee of the Board of Directors, c/o Chief Ethics and Compliance Officer, 7000 Cardinal Place, Dublin, OH, 43017 USA. You may also raise such issues through the previously discussed Business Conduct Line, which has special procedures for handling such concerns.

All reports related to accounting, auditing, internal controls or financial reporting will be investigated under the direction of the Audit Committee by such persons deemed appropriate by the Audit Committee. The Audit Committee will review the outcome of all such investigations, including corrective actions.

Investigation and resolution

When you ask a question, seek guidance or raise a concern about a suspected violation through the Business Conduct Line or one of the other resources, appropriate company officials will promptly respond to the matter. You will receive an answer to your inquiry if you have provided the company a means to do so. If a concern regarding a violation is substantiated, the situation will be resolved through appropriate corrective actions. Corrective actions may include, among other things, clarification of a company policy, additional training, facility or process change, or disciplinary action.

Cardinal Health handles inquiries and investigations confidentially and discloses the substance of your inquiry and/or your identity, if you choose to provide your name, on a strict need-to-know basis, to the extent deemed necessary by Cardinal Health to conduct a thorough investigation and respond appropriately to the issue raised.

No retaliation

Cardinal Health will not discharge, demote, suspend, threaten, harass or, in any manner, retaliate against an employee who truthfully raises a concern about any actual or suspected violation. If you believe you have been retaliated against for providing such information, you should immediately contact the Ethics and Compliance, Human Resources or Legal departments or the Business Conduct Line.

Resource list

Resource	Contact information	Scope
Your manager		Any questions, issues or concerns
Ethics and Compliance department	1.614.757.7504 (telephone) 1.614.757.6948 (fax) 7000 Cardinal Place Dublin, OH 43017 USA	Ask questions, raise issues, seek guidance or raise concerns about any issue, including <i>Standards of Business Conduct</i> and corporate policies
Global Security department	1.614.757.3333	Security issues regarding people, property, products or information
Global Trade department	1.614.757.5033	Import, export and boycott issues
Government Relations department	1.614.757.7769	Political activity and contribution issues
Human Resources department	1.866.HR1STOP 1.866.471.7867	Employment matters (e.g., harassment, workplace violence, substance abuse)
Investor Relations department	1.614.757.7542	Shareholder or analyst inquiries or issues
Legal department	1.614.757.7426	Interpretation of local laws, questions regarding gifts and entertainment, bribery, corruption, fair competition, antitrust, healthcare fraud and abuse, interactions with customers, record management, intellectual property, consultants, agents and any other legal issue, concern or question
Public Relations department	1.614.757.3690	Media inquiries or issues

Business Conduct Line

Contact the Business Conduct Line through the Internet at www.MySafeWorkPlace.com or by telephone at the toll-free numbers listed below.

Country	Telephone number	Country	Telephone number
Argentina	00.800.1777.9999	Mexico	001.866.366.1883
Australia	0011.800.1777.9999	Netherlands	00.800.1777.9999
Belgium	00.800.1777.9999	New Zealand	00.800.1777.9999
Brazil	0021.800.1777.9999	Norway	00.800.1777.9999
Canada	800.926.0834	Poland	00.800.111.3819
Chile	1.230.020.3559	Singapore	001.800.1777.9999
China	00.800.1777.9999	South Africa	09.800.1777.9999
Dominican Republic	888.751.8411	Spain	00.800.1777.9999
France	0.800.90.1753	Sweden	00.800.1777.9999
Germany	0.800.182.6488	Switzerland	00.800.1777.9999
Hungary	00.800.1777.9999	Taiwan	00.800.1777.9999
Ireland	00.800.1777.9999	Thailand	001.800.13.202.5266
Italy	00.800.1777.9999	United Kingdom	0.800.051.7053
Japan	001.800.1777.9999	United States	800.926.0834
Malaysia	00.800.1777.9999	All other countries	Call collect at 720.514.4400

This booklet does not create a contract of employment between Cardinal Health and any Cardinal Health employee, nor does it alter the at-will employment relationship or any employment contract and/or agreement between Cardinal Health and any Cardinal Health employee. In addition, this booklet does not create an implied or express promise for specific treatment in a specific situation. The current edition of the *Standards of Business Conduct* is posted on the internet and intranet. Policies and related procedures described in this booklet are posted on the intranet. *The Standards of Business Conduct* and policies and related procedures may be amended from time to time and all amendments are effective immediately upon posting. It is each employee's responsibility to review the *Standards of Business Conduct* and Cardinal Health policies and related procedures from time to time to ensure that he or she is in compliance.



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Cardinal Health
7000 Cardinal Place
Dublin, Ohio 43017

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