



ANTI-BRIBERY ANTI-CORRUPTION POLICY

PURPOSE

The purpose of this document (the "Policy") is to set forth guidance regarding the appropriate manner of conducting business with business partners and government entities in order to be in full compliance with the Foreign Corrupt Practices Act (the "FCPA") and other similar anti-corruption laws worldwide.

It is the policy of Aceto Corporation ("Aceto" or the "Company") to maintain the highest level of professional and ethical standards in the conduct of our business affairs. The Company places the highest importance on our relationships with each other and with our customers, suppliers, stockholders and others. As such, this Policy is intended to preserve the reputation and integrity of Aceto as well as that of all persons affiliated with it.

SCOPE

The Policy applies to all employees, officers, directors and contractors of Aceto and its subsidiaries in all locations. This Policy also extends to all of Aceto's financial record-keeping activities and is supplemental to, and should be read with, any other policies and laws, including federal and state securities laws, to which Aceto is already subject.

It is Aceto's policy to fully comply with the letter and spirit of the FCPA as well as other anti-corruption laws. Because Aceto has significant activity beyond the US borders and continues to expand into developing international markets, it is imperative that all employees understand the activities prohibited by, and ensure Aceto's compliance with, anti-bribery and anti-corruption laws in the countries in which the Company does business. Each employee, officer, director or agent has the responsibility for compliance with the FCPA within their area of authority and to report any violations to their immediate supervisor, Human Resources Representative or to the Company's Compliance Officer, Natasha Giordano, a non-employee member of the Company's Board of Directors, at (973) 219-1840 or at natashagiordano@mac.com. In addition, the Company has established a procedure by which confidential complaints involving the matters described above may be raised anonymously within the Company. Employees within North America can call the Lighthouse-Services Hotline at 1-800-398-1496. Employees outside of North America can call 1-800-603-2869. Employees may also submit a complaint via Aceto's website under the Corporate Governance section, or via the Lighthouse-Services site at <http://www.lighthouse-services.com/aceto>.

DEFINITIONS

Foreign Official

Under many anti-bribery and anti-corruption laws, what constitutes a “foreign official” is interpreted broadly and includes officials from all branches of government, as well as public international organizations, regardless of whether the official is a paid or unpaid employee. The term also includes political parties, party officials, and candidates for public office. A “public international organization” includes, for example, the International Committee of the Red Cross, the International Monetary Fund, the United Nations, the World Health Organization and the World Trade Organization. The term “foreign official” includes employees or agents of state-owned or state-controlled enterprises. It also means any person acting in an official capacity on behalf of any government department, agency, instrumentality, or corporation, family members of the official, as well as a political party official or any candidate for political office.

Government

For purposes of this Policy, the term “government” includes any agency, instrumentality or subdivision or other body of any national, state or local government, including hospitals, health facilities which are owned or operated by a government, regulatory agencies and government-controlled businesses, corporations, companies or societies.

Sensitive Payments

The term “sensitive payments” is commonly used to describe a broad range of corporate dealings that are generally considered to be illegal, unethical, immoral, or to reflect on the integrity of management. Such payments are usually in the nature of kickbacks, bribes, or payoffs to favorably influence a decision affecting a company’s business or for the personal gain of an officer or employee.

Bribery is not only an offering or payment of cash. Employees and others putting the Company at risk must be aware that bribery can take many forms (jobs, discounts, free products, travel, entertainment, gifts, contributions, etc.) and troublesome practices can vary by region and industry. Even the nomenclature for bribes will vary from region to region. Some commonly heard terms for bribes can include “grease,” or “good-will money” and countless other local names, all meaning some form of corrupt payment.

RELATED DOCUMENTS

- Foreign Corrupt Practices Act Compliance Acknowledgement Of Receipt
- Contract and Project Review and Approval Policy
- Code of Business Conduct and Ethics

Procedures

General

All Aceto employees shall conduct business in a legal and ethical manner in compliance with the laws of each country in which the Company does business. The use of Aceto's funds or assets for any unlawful, improper or unethical purpose is prohibited. Aceto prohibits offering, paying or accepting bribes of any kind for any purpose in any location in the world.

Although the FCPA focuses upon improper payments to foreign officials, certain U.S. laws as well as many foreign anti-corruption laws prohibit all forms of bribery regardless of the status of the intended recipient. Accordingly, it is the Company's policy to ensure that nothing of value is provided to any person for the purpose of improperly obtaining or retaining business or gaining a business advantage.

The FCPA

The FCPA has two components: the anti-bribery provisions and the accounting provisions.

2.1 The Anti-Bribery Prohibitions

The anti-bribery provisions of the FCPA prohibit making, offering, promising or authorizing payments or anything of value to a foreign government official for the purpose of obtaining, retaining or furthering business activities. The corrupt giving, offering, promising or authorizing of money or anything of value to third parties while knowing or having reason to know that all or a portion of the money or item of value will be used for prohibited activities is also forbidden. Accordingly, it is a violation of this Policy and the FCPA to offer or to pay any money or gift to any person while knowing that the money or gift will be offered or given, directly or indirectly to a foreign government official for the purpose of:

- Influencing any decision of the foreign government official, including a decision to fail to perform his lawful duty, or
- Inducing the foreign government official to use his influence with the government or any of its instrumentalities to influence any decision of the government or its instrumentality, or to obtain any improper advantage, or
- Assisting in obtaining or retaining business.

The scope of the FCPA is very broad and prohibits the giving of anything of value, not just money. As a practical matter this means that the FCPA applies to gifts, charitable donations, travel expenses, goods or services, loans, excessive entertainment, stock, discounts on products and services not readily available to the public, assumption or forgiveness of a debt or other personal or financial favors for the foreign official or any member of his or her family.

In addition to prohibiting improper payments made directly by companies and their employees, the FCPA also applies to improper payments made indirectly through persons (e.g., agents, international representatives, consultants and business partners) who act on behalf of the

Company. Therefore, it is a violation of this Policy to attempt to bribe a foreign official and/or to “funnel” a payment indirectly to a foreign official by using an unrelated third party as a conduit.

2.2 The Accounting Provisions

The accounting provisions of the FCPA require that (i) Aceto’s books, records, and accounts accurately reflect the Company’s transactions; (ii) the Company devises and maintains a system of internal accounting controls sufficient to provide reasonable assurances that financial statements and other public disclosures are accurate; (iii) access to assets is limited to management’s authorization; and (iv) recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken regarding any discrepancies. These provisions impose criminal liability on individuals who knowingly circumvent or fail to implement a system of internal controls, or knowingly falsify any books, records or accounts.

Accordingly, all business transactions must be properly authorized, as well as completely and accurately recorded on the Company’s books, records and accounts. It is a violation of this Policy, to make any false or misleading entries in the Company’s books (*e.g.*, entries that are falsified to disguise improper transactions and/or entries that fail to reflect improper transactions, including kickbacks and bribes).

It is a violation of this Policy to falsely record or misrepresent a transaction or expense on any of the Company’s books and records, including expense reports, to circumvent the Company’s internal controls, to access the Company’s assets without obtaining proper authorization, to pay or receive kickbacks and/or to establish or maintain any “slush funds.”

Additionally, the Company’s books and records must be maintained with sufficient detail to accurately and fairly reflect transactions and the dispositions of assets. All officers, directors, employees and contract workers must take all steps necessary to assist Company in fulfilling these responsibilities, consistent with each person's role in the Company.

3.0 Permissible Payments: Limited Exceptions and Affirmative Defenses

There are three exceptions or affirmative defenses to the FCPA’s ban on payments to foreign government officials. Parties are entitled (i) to make “facilitating payments” for “routine governmental actions;” (ii) to make payments which are lawful under the written laws of the foreign country; and (iii) to pay legitimate and reasonable business expenses directly related to the promotion, demonstration, or explanation of products or services or the execution or performance of a contract are permitted.

Notably, the absence of an express written law that renders a payment illegal in the foreign country is not a defense for making a payment that otherwise violates the FCPA.

“Facilitating Payments” are limited to those payments for actions that are ordinarily and commonly performed by a foreign official. These actions include obtaining permits, licenses or

other official documents; processing papers such as visas and work orders; providing police protection, mail pick-up and delivery, telephone service or power and water supply; scheduling inspections associated with contract performance or transit of goods; or loading and unloading cargo. To qualify as a "facilitating payment," the amount transferred must be nominal and given to an individual with no authority or discretion in awarding business or a competitive advantage to the Company. Facilitating payments must be strictly controlled and every effort must be made to eliminate or minimize such payments. It is not always clear whether a payment falls within the definition of facilitating payments or is otherwise permitted by local law. Therefore, any person seeking to make a facilitating payment relating to the Company's business must obtain prior written approval, in accordance with Aceto's "Contract and Project Review and Approval Policy". The approval process of facilitating payments must be well documented and accurate bookkeeping of the payments must be ensured.

4.0 Red Flags

It may be difficult to identify every circumstance that may be a violation of the FCPA or other anti-corruption laws. Accordingly, the following is a list of potential “Red Flags” that should alert you to a potential violation.

- 4.1 A contract requires the use of a third-party consultant where the third party’s principal or owner is a foreign government official. Government officials need not demand a bribe directly in order to create potential FCPA liability. Instead of demanding a bribe outright, a government official may suggest that a particular third party with which he or she is affiliated be hired as a consultant or in some other capacity.
- 4.2 The business lacks qualifications or resources. Corporations doing business abroad should be suspicious if a potential partner does not appear capable of performing the services offered. Numerous enforcement actions have arisen from sham service contracts, under which corrupt payments are disguised using a consulting agreement or other arrangement. Similarly, organizations and individuals doing business in a foreign country should be particularly wary of anyone who provides guarantees of success or claims to have the ability to obtain licenses or other government approval without providing a description of a legitimate manner by which those goals will be accomplished.
- 4.3 There is a history of corruption in the country. Although bribes may be paid or demanded in all countries, no one seriously disputes that certain nations – many in the developing world – see more than their fair share of corruption. When doing business in a country with a reputation for public corruption, corporations must be particularly suspicious of any activity that might suggest that bribes are being paid by their employees or agents.
- 4.4 Unusual Payment Patterns or Financial Arrangements. Commissions have historically been a vehicle through which bribes have been funneled to government officials. Accordingly, a request to pay unusually high commissions is a warning sign of possible corruption. A request to deposit commissions in multiple bank accounts, perhaps in offshore banks, also justifies additional scrutiny.
- 4.5 It becomes clear that the affiliate or one of its key employees is a close relative of a foreign official.
- 4.6 An affiliate refuses to accept an FCPA, anti-bribery or anti-money laundering clause in a contract with the Company.
- 4.7 It becomes clear that the affiliate has a reputation for offering bribes or violating other laws.

- 4.8 An affiliate is receiving a significant share of the project, but invests little or nothing, or the investment is inflated or questionable.
- 4.9 An affiliate has undisclosed principals, associates or subcontractors with whom it splits fees.
- 4.10 An affiliate refuses access to its books and records where required by the contract with the Company.
- 4.11 An affiliate says "you don't want to know how we got that contract."
- 4.12 An affiliate will accept only cash payments or requires that payment be routed through an account located in a third-country or bearing the name of someone other than the affiliate.
- 4.13 An affiliate asks to have a payment made to a third party to complete the sale, as that is "local custom."

Aceto expects its employees to be cautious and otherwise to be alert to potential violations of law. Accordingly, if you learn of any "red flags" or other conduct giving rise to concern you are expected to immediately contact your immediate supervisor, Human Resources Representative, or the Company's Compliance Officer, who is a non-employee member of the Company's Board of Directors. Remember that it is imperative that all employees be vigilant at all times.

5.0 Use of Third Parties

The actions of a third party acting as an agent or representative of the Company can expose the Company to liability under the FCPA. Therefore, great care must be taken in the retention of all agents and representatives. A sufficient investigation must be undertaken to ensure that all representatives and agents will not engage in any improper practice. In determining whether to engage a particular agent or representative, factors such as the agent's or representative's reputation and qualifications, the manner and reasonableness of compensation, the relationship, if any, between the owners and employees of the agent or representative and any foreign official, the presence or absence of any secret partners, the willingness of the representative to fully disclose its relationship with us and the legality of the relationship under local law must be considered.

- 5.1 No oral agreements or arrangements are to be made with any representative. All arrangements with a representative must be in writing.
- 5.2 Commissions or other compensation paid to a representative must be in amounts that are customary and reasonable in relation to the services provided.

Commissions, expenses, and other payments must be properly reflected in the Company's books and records.

- 5.3 No payments may be made in cash to third persons or to bank accounts that are not in the representative's name. Payments may be made only in the country where the representative resides or where the services are rendered.
- 5.4 Do not send the potential representatives or agents any corporate literature, not publicly available, until after a written agreement is executed.
- 5.5 The representative must represent to the Company, and the Company must believe, that no portion of the fees paid to the representative will be paid directly or indirectly to any official or employee of the host country government.
- 5.6 The agent must agree to make every reasonable effort to ensure that there is no publicity about the agreement. However, if there is, the agent must agree that the Company will have no liability regarding any such publicity.
- 5.7 The agent must agree that the Company is entitled to disclose the fact of the payment of the fee to any regulatory agency of any government that is lawfully entitled to such information.
- 5.8 The amount of the fee (and/or retainer, and/or costs) paid must not be unreasonable in relation to the services performed and the potential profit to the Company. Any agreement as to the fee is a management decision and will be established in writing before bidding to or negotiating with a prospective client. Retainer amounts and agreement to pay approved costs are also a management decision and will be established before executing the contract with the agent.
- 5.9 The contract will provide that the agent's fee will be paid only when, and to the extent that, the Company receives its payment or fee.

6.0 Policy Governing Corporate Gifts and Entertainment

It is the policy of the Company that any gifts and/or entertainment to anyone be tasteful but of insubstantial value. All gifts must be of modest value (which, in turn, must be determined based on where the payment is being made) and shall not exceed the limits established by law and generally accepted local custom. In no event shall gifts or entertainment be of sufficient value such as to permit an interpretation that the gift or entertainment is a bribe or any other improper form of compensation or payment. Where gifts and entertainment are not specifically authorized by marketing or executive management, it shall be the responsibility of the donor to obtain supervisory and management approval of such gift or entertainment, in accordance with Aceto's "Contract and Project Review and Approval Policy." In most cases, gifts, travel and

entertainment of public officials will not constitute a bribe if made transparently and without expectation or reciprocation provided that they are not prohibited by law. All expenditures for gifts, entertainment, and/or travel must be accurately reported and recorded in the Company's books and records.

7.0 Penalties for Violating the FCPA

The consequences of non-compliance with the FCPA and other anti-corruption laws include criminal and civil fines, disqualification from government contracts, costly government monitoring of future actions, civil litigation, damaged reputation, delayed corporate filings and potential reduced stock price.

The primary enforcement agency for the FCPA is the Fraud Division of the Department of Justice (DOJ), but it also has a books-and-records provision that requires all entities registered under 15 U.S.C. section 781 or who must file reports under 15 U.S.C. section 78 o(d) to keep accurate records of their finances. This means that the Securities and Exchange Commission (SEC) has the enforcement authority to investigate whether, if bribes were made, an accurate record was kept of the bribe. The DOJ and the SEC work closely together to investigate and coordinate prosecutions.

Sanctions for FCPA violations, or even a mere indictment for a potential violation, are severe and could be devastating to Aceto and to the individual employees involved in any wrongdoing. The Company could be fined as much as \$2,000,000 per violation. Statutory criminal penalties for individual employees include fines up to \$250,000 per violation or imprisonment up to five years, or both. Aceto's individual officers and employees of companies may be prosecuted even if the Company is not. Fines assessed against individuals may not be reimbursed by the Company. Additionally, the FCPA's penalties do not supersede penalties or fines levied under the provisions of other laws, such as Racketeer Influenced and Corrupt Organizations Act (RICO) or the laws of another country.

An employee who violates this Policy is subject to suspension without pay during any pending internal or external investigation, and such employee is subject to disciplinary action up to and including termination if a violation is found to have taken place.

8.0 Anti-Retaliation Policy

Aceto strictly prohibits retaliation against any person by another employee or by the Company for using available channels to seek assistance, make complaints or reports, or assisting, or participating in any manner in an internal investigation or other proceeding whether internal, or conducted by or on behalf of a governmental enforcement agency. Employees will not be retaliated against even if their complaints are proven unfounded by an investigation, unless the employee knowingly made a false allegation or otherwise acted in bad faith. Any person who is found to have engaged in retaliation is subject to disciplinary action up to and including discharge from employment.

RESPONSIBILITIES

It is the responsibility of each employee, officer, director, representative, agent and contractor of Aceto to ensure the provisions of this policy are being met.