

Heraeus Medical Code of Conduct on Interactions with Health Care Professionals and Government Officials

effective 13th July 2009
Revised April 2012

The Heraeus Medical Code of Conduct is based on the Advamed Code of Ethics and also follows the Joint Guidance for Medical Device and Diagnostics Companies on Ethical Third Party Sales and Marketing Intermediary Relationships of Eucomed and AdvaMed, dated Nov. 11, 2011 and influenced by Codes of e.g. Eucomed and BVMed on interactions with Health Care Professionals and Government Officials, effective July 1, 2009, to avoid any improper conduct or inducement (real or implied) with customers, physicians, hospitals and others. Full compliance with these rules helps to ensure that Health Care Professionals' buying decisions are made in the best interests of patients and or Government Officials' decision e.g. on Market Access, Regulatory Affairs, Import/Export, Reimbursement are based on laws and official guidelines..

This code covers Heraeus daily interactions with Health Care Professionals and Government Officials (GO), additional interaction topics are covered in the Advamed Code of Ethics; it is valid worldwide.

Health Care Professionals (HCP) are doctors, nurses, pharmacists , procurement staff, group purchasing organizations and others working at customer's institutions. Regardless of what their status is or whether they are influencing a buying decision or not, these rules shall apply.

Heraeus Employees have an obligation to follow this code. Employees have an independent obligation to comply with all applicable laws and regulations. Violation of the Heraeus Medical Code on Interactions with Health Care Professionals can result in legal risks for employees and Heraeus Medical and can have work contract related implications for employees.

I. Heraeus-conducted Product Training and Education

Palacademy® is the Heraeus-conducted Product Training and Education institution.

Heraeus has a responsibility to make training and education (e.g. hands on training, lectures and presentations) on our products and Medical Technologies available to HCP. "Trainings" shall focus on the safe and effective use of our products/Medical Technologies. "Education" shall focus on communicating the information directly concerning or associated with the use of Heraeus' Medical Technologies such as disease states, benefit of the technology to certain patient populations.

- 1.) The location and setting shall support the aim of Training and Education. The following settings can be chosen: clinical, educational, conference, or other settings, such as hotels or other commercially available meeting facilities or at HCP's location.
- 2.) "Hands on" trainings should be held at training facilities such as the Palacademy Training Center in Wehrheim, Medical institutions, laboratories or other appropriate facilities. The training staff should have the proper qualification and expertise to conduct such training. Training staff may include qualified field sales employees who have the technical expertise necessary.
- 3.) Heraeus may provide HCP attendees with modest meals and refreshments in connection with the program. Such meals and refreshments should be modest in value and subordinate

in time and focus to the the training and/or educational purpose of the meeting.

- 4.) If necessary Heraeus may pay for reasonable travel and modest lodging of the attending HCP. It is not appropriate to pay for the meals, refreshments, travel or other expenses for guests of HCPs or for any other person who does not have a *bona fide* professional interest in the information being shared at the meeting.

- 5.) Heraeus may provide HCPs at life Palacademy® education with accredited Certified Medical Education (CME) events with modest lodging, modest meals and refreshments but not with travel.
- 6.) Heraeus may provide HCP with online Palacademy® education with and without CME against a registration fee.

II. Supporting Third-Party Educational Conferences

There are *bona fide* independent, educational, scientific, and policymaking conferences (such as AAOS or DKOU), sponsored by national, regional, or specialty medical associations, or Medical/Scientific institutions, promoting scientific knowledge, medical advancement and the delivery of effective health care. Heraeus may support such conferences in various ways.

- 1.) Heraeus may provide a grant to the conference sponsor to reduce the conference costs. The conference sponsor should independently control and be responsible for the selection of attending HCPs, faculty, location, program content, educational methods, and materials.
- 2.) Heraeus may provide funding to the conference sponsor or directly to support the provision of meals and refreshments to conference attendees, if such meals and refreshments are provided to all HCP attendees and in a manner that is consistent with applicable standards established by the conference sponsor.
- 3.) Heraeus may make grants to the conference sponsors for reasonable honoraria, travel, lodging, and modest meals for HCPs who are *bona fide* conference faculty members.
- 4.) Heraeus may purchase advertisements and lease booth space for Heraeus displays at conferences.

Heraeus shall not provide HCPs directly with honoraria, travel, lodging and modest meals, even if HCP is a lecturer/presenter etc. at Conference.

Heraeus may sponsor an off-site sales, promotional or other business meeting that is ancillary to 3rd party educational conference.

III. Heraeus Sales, Promotional and Other Business Meetings with HCP and Government Officials

The main focus of any meeting with a HCP and/or GOs shall be a presentation of scientific, educational, or business information and shall be conducted in a manner that serves this purpose. It is appropriate to pay for reasonable travel costs and / or to provide occasional modest meals and refreshments in connection with such meetings. It is not appropriate to pay for meals, refreshments, travel, or lodging of guests of HCP/GOs or any other person who does not have a *bona fide*

professional interest in the information being shared at the meeting.

IV. Heraeus Consulting Arrangements with HCPs and/or GOs

Heraeus engage HCP/GOs to provide *bona fide* consulting services, such as contracts for research, product development, Clinical Trials, publications and Palacademy® experts meetings.

Consulting agreements should be written and describe all services to be provided. When Heraeus contracts with a consultant to conduct clinical research services, there should also be a written research protocol.

Consulting arrangements should be entered into only where a legitimate need for the services is identified in advance and documented.

Selection of a consultant should be made on the basis of the consultant's qualifications and expertise to meet the defined need.

Heraeus's sales personnel may provide input about the suitability of a proposed consultant, but sales personnel should not control or unduly influence the decision to engage a particular HCP/GO as a consultant. Compensation paid to a consultant should be consistent with fair market value in an arm's length transaction for the services provided and should not be based on the volume or value of the consultant's past, present or anticipated business. Prior to performance and service parties shall agree on a maximum time frame.

Heraeus may pay for documented, reasonable and actual expenses incurred by a consultant that are necessary to carry out the consulting arrangement, such as costs for travel, modest meals, and lodging. Heraeus shall not provide recreation or entertainment in conjunction with these meetings. Any consultant agreement needs to be reviewed and approved by the Compliance Officer.

V. Prohibition on Entertainment and Recreation

Heraeus shall not pay or provide for any kind of entertainment and recreational event or item for any non-employee Health Care Professional, regardless to:

- 1.) Their value
- 2.) Whether Heraeus engages the HCPs/GOs a speaker or consultant
- 3.) Whether the entertainment or recreation is secondary to an educational purpose

Such activities include for example: theater, sporting events, golf, skiing, hunting, sporting equipment and leisure or vacation trips.

Heraeus shall not support for a HCP/GO-sponsored social event, such as an office party.

VI. Educational Items; Prohibition on Gifts

All items given to HCPs by Heraeus need to have a benefit to the patients or need to have a genuine educational function to the HCP. In case these items are not a medical textbook or an anatomical model, these items should have a fair market value less than 100\$.

Heraeus may not give any type of non-educational branded promotional items to the HCP that are not for patient's benefit or related to the HCP's work. Such items include pens, mugs, notepads and other items that are branded with the Heraeus or product brand logo or all other kinds of brands and logos associated with Heraeus.

Heraeus may also not provide HCPs with gifts such as cookies, wine, flowers, chocolates, gift baskets, holiday gifts or cash or cash equivalents.

Other gifts that are capable for the use of the HCP (or his or her family, office staff and friends) that

are not for the patients benefit or for the use of work of the Health Care Professional, such as DVD-players and MP3-players, are prohibited.

VII. Research and Educational Grants and Charitable Donations

Heraeus should not pay or provide any grants or donations as an unlawful inducement. In case Heraeus pays or provide grants or donations, Heraeus should:

- 1.) Adopt objective criteria for providing such grants and donations.
- 2.) Implement appropriate procedures to ensure that the grants and donations given by Heraeus are not used as an unlawful inducement.
- 3.) Ensure an appropriate documentation of all provided grants and donations.
- 4.) All donations need written permission of the Compliance Officer.

Educational Grants:

Heraeus may not provide educational grants to any individual Health Care Professional.

Heraeus may make grants to support the advancement of "Medical Education" (medical education of students, residents and fellows participating in fellowship programs that are charitable) or for the purpose of supporting "Public Education" (education of patients or the public on important medical topics).

VIII. Evaluation and Demonstration Products

Under certain circumstances described below, Heraeus may provide reasonable quantities of products to HCPs/GOs at no charge for evaluation and demonstration purposes.

- 1.) Single Use Products: The number of single use products provided at no charge should not exceed the amount reasonably necessary for the adequate evaluation of the products under the circumstances.
- 2.) Demonstration Products: Heraeus demonstration products are typically unsterilized single use products used for Health Care Professionals and patient awareness, education, and training. Demonstration Products also are typically identified as not intended for patient use by use of such designations as "Sample", "Not for Human Use", or other suitable designations on the product.

IX. Summary

	Travel	Modest Meals	Accommodation	Entertainment	Gifts
Palacademy CME For surgeons – Participants (Advamed Code: IV: Supporting Third-Party Educational Conferences)	NO	YES	YES	NO	NO
Palacademy Experts (Faculty)	YES	YES	YES	NO	NO
Palacademy For nurses (Advamed Code: III: Company-conducted Product Training & Education)	YES	YES	YES	NO	NO
Sales Training & Product Trainings (Advamed Code: III: Company-conducted Product Training & Education)	YES	YES	YES	NO	NO
Third Party events such as congresses / DGOOC and AAOS etc. (Advamed Code: IV: Supporting Third-Party Educational Conferences)	NO	YES	NO	NO	NO
Consulting Arrangements (Advamed Code: VI: Consulting Arrangements with Health Care Professionals)	YES	YES	YES	NO	NO

