

“Our reputation for honesty and integrity with our customers, associates and the communities we serve is our most important asset.”

Kazuaki Kitabatake, CEO
Terumo Americas

Compliance Guide

for Terumo Associates on Interactions with Health Care Professionals

The Advanced Medical Technology Association (AdvaMed) revised its *Code of Ethics on Interactions with Health Care Professionals*, effective July 1, 2009. The code provides a guide for ethical business practices and socially responsible industry conduct. It is designed to address the unique relationships the medical technology industry has with health care professionals who are partners in development, users of advanced technology, and educators on innovative systems.

Accordingly, Terumo revised its own Code of Ethics which meets or exceeds the requirements in the AdvaMed *Code of Ethics on Interactions with Health Care Professionals*. All Terumo companies operating in the U.S. join other reputable medical device manufacturers in voluntary compliance with AdvaMed’s Code of Ethics. *Terumo is a member of the Advanced Medical Technology Association.*

The complete AdvaMed Code of Ethics can be found at www.advamed.org.



ADVAMED SUPPORTS ETHICAL INTERACTIONS

The Advanced Medical Technology Association (AdvaMed) approved a new *Code of Ethics on Interactions with Health Care Professionals*, effective July 1, 2009.

The revised Code further clarifies and distinguishes between appropriate and inappropriate activity between health care professionals and all medical device companies.

AdvaMed's revised Code expands into important new areas including:

- An explicit prohibition on providing entertainment or recreation to health care professionals.
- Prohibiting all branded promotional items, regardless of value.

TERUMO IS COMMITTED TO INTEGRITY

Terumo believes that conducting business in an ethical and professional manner will increase respect for our company, our sales team and our customers in the eyes of the public. Terumo's goal is in line with AdvaMed's, which is to make marketing practices transparent to assure customers and the general public that these activities do not inappropriately influence purchasing decisions.

TERUMO UPHOLDS ITS CODE OF ETHICS

Terumo's Code of Ethics governs interactions between its employees and health care professionals in a broad range of activities:

Promotional Activities

In accordance with Terumo and AdvaMed codes, Terumo will continue to pay for :

- Modest meals while discussing products and their safe effective use with health care professionals preferably at or near their place of business. *(Individual state laws supercede the new AdvaMed guidelines.)*
- Reasonable travel costs for health care professionals, when necessary, for training, plant tours or demonstrations of non-portable equipment.

Terumo cannot pay for:

- Travel and/or meals for spouses or guests of health care professionals.

Entertainment, Recreation and Gifts

To avoid the appearance of impropriety, Terumo can no longer pay for any entertainment or recreational events for health care professionals.

AdvaMed prohibits companies from providing promotional items, regardless of value. Terumo companies may provide modest items that:

- Benefit patients and serve a genuine educational function, such as medical text books or anatomical models.
- Have a fair market value less than \$100.

Consulting Arrangements

Terumo may enter into consulting arrangements with health care professionals as long as the arrangement:

- Has fair market value.
- Fulfills a legitimate business need.
- Does not constitute an unlawful inducement.
- Is written with all services described.

Terumo may pay for travel and meals for consultants in conjunction with consulting services, but cannot pay for entertainment or recreation.

Training and Product-Related Education

Terumo will continue to provide training on the safe and effective use of its medical devices:

- Locations will be conducive to effective transmission of information, such as a hospital or conference room.
- Terumo may provide modest meals or refreshments in connection with training programs.
- Terumo may pay for out of town travel if necessary.
- Terumo may not pay for the meals or travel expenses for spouses or guests.

Evaluation and Demonstration Products

A reasonable quantity of single-use disposables or a piece of capital equipment can be furnished at no charge for an appropriate time period sufficient for an evaluation.

Research and Education

Educational Conferences:

Terumo may provide grants to the conference sponsor or training institution to:

- Reduce conference costs.
- Reduce faculty travel expenses — but Terumo may not select faculty.
- Allow medical students, residents and fellows to attend.

Terumo may also:

- Provide modest meals at conferences for attendees that are related to the conference.
- Purchase advertisements and lease booth space.

Grants:

Terumo may provide research and educational grants:

- Research grants must have scientific merit with written objectives and milestones.
- Educational grants must be to institutions that have a charitable or academic affiliation to support medical education of medical students, residents and fellows and must be approved through the Terumo grants and donations committee.
- Charitable donations must be for a charitable purpose and must be approved through the Terumo grants and donations committee.
- Terumo sales representatives can direct customers to the appropriate location for grant and donation requests.

“The way to gain a good reputation is to endeavor to be what you desire to appear.”

- Socrates

AdvaMed Code of Ethics on Interactions with Health Care Professionals

Questions and Answers

Q. What do the terms “modest” and “occasional” mean?

“Modest” means moderate value, but may differ depending on location.

“Occasional” means infrequent.

Q. May a Terumo associate or agent pay for meals or refreshments for a health care professional that a company could not provide under the Code, if the company neither pays for the meals or refreshments nor reimburses the employee or agent?

No. The Code should be viewed as applying to a company’s employees and agents even if they pay for benefits themselves. It may be appropriate for an employee or agent of a company to engage in certain activities with a health care professional if each pays his or her own way.

Q. May a company provide support for a health care professional sponsored social event, such as an office holiday party?

No, such support would be inappropriate under the Code.

Q. How are Clinical Study Agreements treated under the Code?

Arrangements that involve clinical research services by a health care professional in return for compensation are considered a consulting arrangement and are subject to the same principles as other consulting arrangements under the Code. They should be governed by a written agreement, and compensation should be based on fair market value for the services provided.

Q. May a Terumo company make a contribution in support of a health care professional’s charitable event (e.g., golf tournament, gala dinner), where the proceeds earned from the event will be used for charitable purposes?

Yes, as long as the donation is not an unlawful inducement. However, a company may not pay for an individual health care professional to attend or participate in the charitable event.

For more information, visit www.advamed.com.

For a specific question, e-mail corporatecompliance@terumomedical.com



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