

**GYRUS ACMI, INC.,  
GYRUS ACMI, L.P.,  
GYRUS MEDICAL, INC. and  
GYRUS ENT, L.L.C.**

**CODE OF ETHICS**

**AND**

**STANDARDS OF CONDUCT**

Revised: April 2010



## TABLE OF CONTENTS

	Page
I. Introduction	1
II. General Requirement	4
III. Conflict of Interest Disclosure Requirements	5
IV. Compliance with Applicable Laws	8
V. Personal Use of Company Resources	9
VI. Product Quality	10
VII. Antitrust-Fair Competition in Bidding, Contracting and Pricing	11
VIII. Administration, Operation and Requirements of the Gyrus ACMI Ethics Program	12
A. General	
B. Ethics Training	
C. Government Contracts Training	
D. Required Annual Statements	
E. Monitoring and Auditing Compliance	
F. Disciplining Employees	
G. Modifying the Ethics Program	
IX. Employment Practices	16
A. Truth in Application Policy	
B. Equal Opportunity in Employment Practices	
C. Electronic Communications Policy	
D. Employment of Former Government Employees	
E. Safety in Employment	
F. Drug & Alcohol Policy	
G. Distribution of Literature and Solicitation Policy	
X. Proper Customer, Supplier and Government Relations	19
A. Offers	
B. Pricing Issues	
C. Procurement Integrity	
D. Product Quality and Integrity	
E. Government Security	

	Page
F. Interactions with Business Colleagues	
1. General Rules Applicable To Business Courtesies	
2. Business Courtesies Involving Health Care Professionals	
i. Gifts	
ii. Meals	
iii. Entertainment	
3. Business Courtesies Involving Business Colleagues Who Are Not Health Care Professionals	
XI. Other Matters:	29
A. Foreign Corrupt Practices Act	
B. Food, Drug & Cosmetic Act of 1938/Safe Medical Devices Act of 1990	
C. Environmental Protection Requirements	
D. Health Insurance Portability and Accountability Act (“HIPPA”)	
XII. Reporting Violations	30

## APPENDICES

- A. Statement of Understanding and Compliance for the Gyrus ACMI Code of Ethics and Standards of Conduct
- B. Conflict of Interest Disclosure Form
- C. Information Line Notice
- D. Affirmative Action and Equal Employment Opportunity Policy Statement
- E. Anti-Harassment and Non-Discrimination Policy
- F. Policy on Foreign Corrupt Practices Act
- G. Summary of Statutes and Regulations Affecting Employment of Former Government Employees
- H. Drug and Alcohol Policy
- I. Health Care Regulatory Compliance Guidance for Promotional, Marketing, and Sales Practices
- J. Fraud and Abuse Guidelines - Free Goods
- K. Employee Guidelines for Protected Health Information
- L. Electronic Communications Policy
- M. Olympus Group Code of Conduct
- N. Distribution of Literature and Solicitation Policy

## **I. Introduction**

As direct and indirect subsidiaries of Olympus Corporation of the Americas (“OCA”) and members of the Olympus Group, Gyrus ACMI, Inc., Gyrus ACMI, L.P., Gyrus ENT, L.L.C. and Gyrus Medical, Inc. (individually and collectively, “Gyrus ACMI”, or the “Company”) are required to follow this Code of Ethics and Standards of Conduct (the “Code” or the “Ethics Program”). All Olympus Group members, including Gyrus ACMI, strive to conduct business in accordance with the highest standards of integrity. It is the responsibility of each employee to comply with all laws governing our operations and to conduct our business in accordance with the highest ethical and legal standards.

Compliance with the law means not only following the law, but conducting our business so that we will deserve and receive recognition as good and law-abiding citizens, alert to our responsibilities in all areas of good citizenship. Even where the law does not apply, certain standards of ethics and morality relate to our activities and require the same diligence and attention to good conduct and citizenship. In this regard, the Olympus Group Corporate Charter and Olympus Group Code of Conduct are incorporated herein by reference, attached hereto as Appendix M, and binding upon all Gyrus ACMI employees.

Both management and individuals are obliged to fulfill the intent of this Code. Management has an obligation to respect each employee, provide an effective and safe work environment, and be receptive to suggestions and complaints. All Gyrus ACMI employees are required to comply with this program. Any violation of this Code, applicable laws and/or prevailing business ethics will subject an employee to disciplinary action, which may include a warning, suspension, demotion (and commensurate reduction in compensation), or termination of employment.

It is also vital that all business is conducted to avoid any appearance of impropriety and in observance of all applicable laws, regulations and Company policy.

During the course of your employment you may come into the possession of trade secrets, Company action and strategic plans, financial statements, lease information, licenses, revenue and sales figures, vendor/supplier lists, franchise relationships, real estate information and many other kinds of proprietary information. All of this information, whether about the Company, its customers, suppliers or employees is strictly confidential.

Such confidential information cannot be disclosed or copied (without the prior written consent of the Company), to anyone including family members outside the Company, or to any Company employee during the term of, or following your employment with Gyrus ACMI. Any questions or doubts about the confidentiality of information must be resolved in favor of confidentiality.

Employees are expected to avoid situations that create an actual or potential conflict in which an employee's actions or loyalties are divided between personal or Company interests or between Company interests and those of another.

If you have a question about whether or not you have a conflict of interest in any business situation, you should bring it to the attention of the OCA Ethics Compliance Officer. Any doubt should be resolved in favor of disclosure and a request for specific guidance.

You must avoid any activity, agreement, business investment or interest which could be in conflict with the interests of Gyrus ACMI or that could interfere with your responsibility to best serve the Company.

Each Gyrus ACMI manager and supervisor is ultimately responsible for ensuring that his or her employees understand and comply with the Ethics Program. Each manager and supervisor must create a work environment in which compliance is expected and required, and in which there is no suggestion that violations that might benefit the Company or an employee's career are condoned. Simply stated, the Company's managing philosophy is full and complete compliance with no element of risk management.

Moreover, disciplinary measures may apply to any Gyrus ACMI employee who violates the Ethics Program in any manner, including someone who directed or approved of a violation(s) or who has knowledge of a violation(s) and does not act promptly to correct it or to report it to the proper authority. A “proper authority” may include either one’s supervisor, one in the employee’s supervisory chain, the OCA Ethics Compliance Officer, OCA’s Chief Legal Officer, or a federal agency Inspector General. In this regard, all Gyrus ACMI employees shall fully and completely cooperate with all informal and formal audits or investigations authorized or conducted by management, by this Code, by the President or Board of Directors, Gyrus ACMI’s contractual agreements with the Government, or by OCA’s Chief Legal Officer or auditors. Failure of any employee to cooperate may result in disciplinary action up to and including dismissal.

This Code, the policies set forth in this Code, and the appendices to this Code, do not create a contract of employment and do not limit the Company’s right to discipline or discharge employees with or without cause and with or without notice.

The following pages contain specific directives regarding this Code. We urge you to review these on a regular basis so that you may incorporate them into your daily practices. If you need guidance on particular circumstances that may arise, contact your supervisor, Human Resources Manager, OCA’s Chief Legal Officer, the OCA Ethics Compliance Officer, or the Ethics Information Line for assistance.

## **II. General Requirement**

All officers, managers and employees of Gyrus ACMI receive a copy of this Code. Each of these persons must certify that they have read the Code, understand it and agree to comply with it (see Appendix A).\* Failure to comply with this Code will result in appropriate disciplinary action.

Please take the time to read this Code carefully. Gyrus ACMI is confident that each individual will comply fully with the highest ethical standards and maintain our Company reputation as a good citizen with the highest of business standards.

\* OCA's Ethics Compliance Officer, OCA's Vice President-Human Resources, and OCA's Chief Legal Officer shall develop procedures for proper distribution and retention of these forms.

### **III. Conflict of Interest Disclosure Requirements**

The purpose of this policy is to prevent the personal interest(s) of an employee from (i) interfering with the employee's duty of loyalty to, and/or the performance of duties on behalf of Gyrus ACMI or (ii) resulting in personal financial or professional gain on the part of such person to the detriment of Gyrus ACMI.

Each Gyrus ACMI employee owes a duty of undivided commercial loyalty to Gyrus ACMI. Candidates for employment are required to disclose potential and actual conflicts of interest prior to the acceptance of an offer of employment. Attached to the Code as Appendix B is the Disclosure form. Employees have an ongoing obligation to disclose potential and actual conflicts of interest that arise during the course of employment. Such conflicts should be disclosed in writing to the OCA Ethics Compliance Officer.

Financial interests of \$5,000 or more in a competitor, supplier, consultant, service provider or customer, or in any property or assets with the intent of selling or leasing them to Gyrus ACMI, its subsidiaries, its parent or related companies, are prohibited unless written waiver is granted. Excluded from the definition of a financial interest are: (1) interests in any **publicly traded** mutual fund where the interest is less than 1% of the total value of the outstanding traded shares; and (2) interests in any publicly traded company in which the interest is both less than 1% of the total value of the outstanding traded shares and less than \$50,000. Financial interests shall include those owned or controlled by a Gyrus ACMI employee or his or her immediate family member. "Immediate family member" includes spouse, domestic partner, sibling, brother-in-law, sister-in-law, father-in-law, mother-in-law, parent, step parent, grandparent, child, stepchild or grandchild.

Unless written waiver has been granted, the following financial interests (regardless of dollar amount) in entities contracting or otherwise doing business with Gyrus ACMI are prohibited:

- (1) Entity employs a Gyrus ACMI employee's immediate family member (as defined above); or
- (2) An immediate family member or close friend of a Gyrus ACMI employee has a financial interest of 10% or more in such entity.

All financial interests within the above definition, including stock, retirement plans, outside employment or the like, either shall be divested or disclosed by employees to the OCA Ethics Compliance Officer.

Employees who are in a situation which reasonably may lead to a violation of this Code and who choose not to divest the interest must contact the OCA Ethics Compliance Officer, and disclose such situation to the OCA Ethics Compliance Officer who will determine if a waiver is required. If required, the written waiver must be obtained from Gyrus ACMI's President. Only Gyrus ACMI's President can make exceptions to this policy, and good cause must be shown to warrant that exception. If such an exception is sought by the involved employee, the waiver procedure outlined below must be followed.

#### **Waiver Procedure in Lieu of Divestiture of the Financial Interest**

If a Gyrus ACMI employee desires to continue to possess an interest, which would otherwise violate this policy, he or she shall submit a written request for a waiver to OCA's Ethics Compliance Officer. Such a request shall be fully documented with complete disclosure and based on the following criteria:

- (1) A retirement plan.
- (2) Any financial interest in which it would be unreasonable or inequitable for the employee or his/her immediate family or close friend to divest themselves of their interest due to financial hardship or other good cause.

**A request for waiver shall be submitted to OCA's Ethics Compliance Officer, who shall determine whether a waiver is necessary. In those instances where a waiver is necessary, the OCA Ethics Compliance Officer shall submit the request to the President.**

**Where a waiver is granted under any of the criteria above, the waiver may include restrictions as to the type or nature of the employee's work to avoid any actual or potential conflicts of interest. Should the potential or actual conflict of interest be incompatible with continued employment with Gyrus ACMI, and the waiver is denied, then the employee shall be required as a condition of continued employment to eliminate his or her financial interest.**

#### **IV. Compliance with Applicable Laws**

All employees must strictly comply with applicable federal, state and local laws and regulations. Because laws and regulations can differ between states and some states more actively regulate our industry than others, the Code explains some, but not all, of the laws and regulations that govern the conduct of our Company and its officers, managers and employees. For example, some states have enacted laws that require manufacturers to adopt a comprehensive compliance program that specifically addresses the Company's interactions with health care professionals and place a ban or limit on gift giving. For example, in accordance with California law, the Standards of Conduct as set forth below address the compliance issues identified in the PhRMA Code on Interactions with Health Care Professionals and the HHS-OIG's Compliance Guidance for Pharmaceutical Manufacturers, including setting limits on providing meals, entertainment and gifts to health care professionals.

Unless expressly authorized by the OCA Legal Department, employees are not permitted to enter into agreements with customers or vendors. All agreements, including those with customers or vendors, must be delivered to and approved by the OCA Legal Department. Some customer and vendor agreements require, as a precondition to doing business, that Gyrus ACMI agree that its employees will adhere to the policies and procedures of the customer or vendor. In those instances where Gyrus ACMI has agreed that its employees will comply with customer or vendor policies and procedures, under no circumstances are employees expected to (nor should they) engage in any conduct that would violate Gyrus ACMI's policies, procedures or Ethics Program, and/or applicable law. Employees with questions or concerns about the policies or procedures of a customer or vendor should immediately contact their supervisor, the OCA Legal Department, their HR representative or the OCA Ethics Compliance Officer.

V. **Personal Use of Company Resources**

Employees should use their best judgment when performing their responsibilities on behalf of Gyrus ACMI. Improper use of Company resources is considered abuse of Company and customer resources. This means resources such as equipment, supplies, facilities, personnel, work time, vehicles, computers, copy machines, and telecopy machines must be used only for authorized Gyrus ACMI business purposes.

Gyrus ACMI will allow personal use of Company resources if such use is of a reasonable, incidental and insignificant nature, and such use does not adversely affect Gyrus ACMI's business interests.

## **VI. Product Quality**

The Company, as part of the Olympus Group, is committed to continual improvement and innovation of its products and services. Gyrus ACMI's products and services, at a minimum, must meet all contractual requirements, government regulations and/or specifications and our own standards. In this regard, products and/or services offered to the marketplace by Gyrus ACMI must:

1. Contain quality manufacturing materials as ordered;
2. Satisfy appropriate inspections and testing requirements;
3. Meet contract and/or government specifications;
4. Be properly identified and safe for their normally intended use;
5. Meet all applicable laws, regulations and industry standards.

Quality is more than a goal; it is a requirement for the government and all other customers.

Employees must perform their jobs in a manner that ensures quality products and/or services.

The quality of the products and services offered by Gyrus ACMI is essential to our reputation for business integrity.

## **VII. Antitrust-Fair Competition in Bidding, Contracting and Pricing**

Antitrust laws promote fair competition in business. Total compliance with antitrust laws is the responsibility of each officer and employee.

The antitrust laws prohibit conspiracies and agreements that unreasonably restrain trade. Antitrust is a complex area of law that governs relations with other businesses, customers and suppliers. Any business activity that could possibly restrain competition should first be brought to the attention of the OCA Ethics Compliance Officer or OCA's Chief Legal Officer.

The antitrust provisions forbid:

1. Competitors making agreements about price, including discounts, credit or price fixing. This prohibition includes things that might affect the price such as employee salaries, fringe benefits, fees, bid rigging, or markups.
2. Competitors agreeing to boycott against another party.
3. Competitors agreeing to restrict their supply or production.
4. Competitors making agreements to divide a market area, territory or customers.

## **VIII. Administration, Operation and Requirements of the Gyrus ACMI Ethics Program**

### **A. General**

The Ethics Program should be documented by adequate and accurate records. This recordkeeping identifies the employee training on the Ethics Program, the reports of suspected noncompliance, the monitoring and auditing of compliance, and any modifications made to the Ethics Program.

The OCA Ethics Compliance Officer, as assisted and directed by the Ethics Committee, should review all Ethics Program audit and operational activities. Their review, any action taken or recommended, and any policy statements, should be documented in Ethics Committee minutes or other appropriate records. When recommended by the Ethics Committee, certain matters will be brought to the attention of Gyrus ACMI's President.

### **B. Ethics Training**

The OCA Ethics Compliance Officer will develop, implement and document the training aspect of the Ethics Program. Employees will receive ethics training of at least one hour duration annually on a calendar year basis according to their job duties, background and the relevance of certain laws and standards to their jobs. New employees shall be trained within 30 days of their employment, or as soon as practicable thereafter taking into account their duties and location. Such ethics training is mandatory and a condition of each employee's continued employment.

The Ethics Program training will be integrated into existing training and job orientation programs. Company, office and department meetings, and employee bulletins are established methods of employee training that will be used to implement this Ethics Program. Gyrus ACMI views compliance as an ongoing aspect of what Gyrus ACMI stands for, its business, and the work environment it strives to achieve.

Training is an ongoing process. Employees will receive relevant new information as it applies to their job. The OCA Ethics Compliance Officer is responsible for

determining training needs and implementing the training program. That responsibility includes the discretion of how to best implement training programs through formal classes, workshops, written material or oral directives.

**C. Government Contracts Training**

It is corporate policy that all personnel authorized to negotiate and administer Government contracts shall complete suitable courses in the Government contracts area from commercial or university sources. Such training shall be renewed annually for such personnel.

**D. Required Annual Statements**

All employees are required to execute annual statements (Appendix A) attesting to the fact that they have recently reviewed this Code, understand this Code and will comply with its policies and procedures. All candidates for employment with Gyrus ACMI are required to execute the Conflict of Interest Disclosure Form (Appendix B).

**E. Monitoring and Auditing Compliance**

After the Ethics Program is in place and employees have been trained, Gyrus ACMI will review, monitor and audit the Ethics Program to ensure its effectiveness. Monitoring is a key part of the Ethics Program, to identify problems and needs, as well as adapt the Ethics Program to different employees' needs.

The President will appoint an advisory body known as the Ethics Committee, comprised of Olympus and Gyrus ACMI senior officials as well as members not affiliated with Olympus or Gyrus ACMI. The duties of this body are to make recommendations and give advice to the President and Board of Directors concerning the Ethics Program. In undertaking this responsibility, the Ethics Committee is charged with periodically reviewing remedial and/or disciplinary actions which the Company has taken in response to violations of this Code. The Company's Human Resources Department, or other person or department, undertaking the remedial and/or disciplinary action will confer, as necessary, with the Ethics Committee for Code

interpretation, guidance, and recommendations. In any event, prior Ethics Committee recommendations shall be used as precedent and adhered to when implementing subsequent remedial/disciplinary actions.

The Ethics Committee shall meet at the call of its Chairperson, but no less than on a semiannual basis.

Monitoring and auditing involve proper supervision of day-to-day business dealings and special evaluations. Gyrus ACMI may utilize internal auditing methods as well as independent auditors to evaluate its corporate procedures, policies and finances.

The OCA Ethics Compliance Officer will develop and administer the internal auditing of the Ethics Program. The OCA Ethics Compliance Officer may seek the assistance and cooperation of the Ethics Committee, any department, employee, manager, director or officer and may attend any work site or meeting held by a work group, committee, or other employees.

The OCA Ethics Compliance Officer shall monitor the Ethics Program and:

- Implement training related to the Ethics Program;
- Distribute the annual employee compliance statements and review statements for any report of a violation;
- Review, record and investigate reports of suspected violations, or delegate such duties;
- Analyze the types and frequency of reported violations and address those particular problems; and,
- Evaluate the internal controls and effectiveness of the Ethics Program and recommend improved procedures to management and to the Board.

Significant actions taken by the OCA Ethics Compliance Officer shall be reported to the Ethics Committee and to Gyrus ACMI's President.

All monitoring and auditing must be adequately and accurately documented.

The OCA Ethics Compliance Officer, as assisted by the Ethics Committee, under the guidance of the Board of Directors, shall be responsible for overseeing, evaluating and documenting this part of the Ethics Program.

**F. Disciplining Employees**

Gyrus ACMI will take appropriate disciplinary action against an employee for violations of the Code. In such cases, it will apply a disciplinary measure to fit the misconduct. Gyrus ACMI also will consider announcing the disciplinary action taken to other employees, if appropriate.

**G. Modifying the Ethics Program**

The Ethics Program can only remain effective if it is current. Gyrus ACMI must continually refine the Ethics Program to ensure that it serves the Company's needs as identified during the monitoring and auditing procedures. Non-substantive modifications are within the authority of the OCA Ethics Compliance Officer. All material substantive modifications shall be subject to approval by the Ethics Committee and/or the Gyrus ACMI Board of Directors. Where any modifications are made, they must be properly documented.

## **IX. Employment Practices**

### **A. Truth in Application Policy**

Gyrus ACMI relies upon the accuracy of information and references provided by applicants on the Company's Application for Employment, on resumes, during interviews, and/or otherwise during the hiring process. Any misrepresentation or omission on the Application for Employment, on a resume, during an interview, or otherwise during the hiring process may preclude an offer of employment, may result in the withdrawal of an offer of employment, or may result in the termination of employment if the individual is already employed at the time of the discovery of the misrepresentation or omission.

### **B. Equal Opportunity in Employment Practices**

Federal, state, and local laws prohibit discrimination in employment on the basis of race, color, sex, age, religion, creed, national origin, ancestry, citizenship, marital status, disability, veteran status, and sexual orientation.

Gyrus ACMI is committed to equal employment opportunity, including equal treatment in hiring, promotion, training, compensation, discipline, and discharge. The Gyrus ACMI Affirmative Action and Equal Employment Opportunity Policy Statement is republished in Appendix D.

Discrimination may not only be illegal, immoral, and bad for business, but it can expose Gyrus ACMI to substantial damages and unfavorable publicity. Accordingly, if you are involved in making employment decisions, it is particularly important that you be fully aware of the Company's commitment to equal employment opportunity. You should base all employment decisions solely on merit, qualifications, and other legitimate business factors.

Gyrus ACMI is also committed to providing employees with a work environment free from unlawful harassment. In this regard, Gyrus ACMI has developed an Anti-Harassment

and Non-Discrimination Policy, which is annexed as Appendix E. As the policy explains in greater detail, Gyrus ACMI does not tolerate sexual harassment or any other kind of unlawful harassment.

If you have any concerns about fair employment practices or wish to report a suspected violation of the Affirmative Action and Equal Employment Opportunity Policy or the Anti-Harassment and Non-Discrimination Policy, you should contact a supervisor, the OCA Ethics Compliance Officer, or the Human Resources Department.

**C. Electronic Communications Policy**

Gyrus ACMI has an interest in (a) preventing inappropriate and unprofessional communications, and illegal activity, over its computer and electronic communications systems, and (b) safeguarding the confidential and proprietary information and nature of its business. In addition, Gyrus ACMI is committed to a non-discriminatory and harassment-free workplace. The Gyrus ACMI Electronic Communications Policy is republished at Appendix L.

**D. Employment of Former Government Employees**

The rules and laws governing Gyrus ACMI's employment of former government employees must be followed to avoid any potential impropriety. These rules may prohibit the employment of, or limit the duties of, such persons.\*

The Human Resources manager and hiring manager must understand and follow all applicable laws and rules relating to employment of former government employees. In this regard, see Appendix G.

**E. Safety in Employment**

Gyrus ACMI cares about its employees and is committed to providing a safe and healthy work environment. On-the-job safety is also part of each employee's responsibilities.

\* In this regard, see Section X.C. ("**Procurement Integrity**") of this Code.

Laws and regulations, including those of the Federal Occupational Safety & Health Administration and various state agencies (e.g., Cal/OSHA), govern safety procedures and practices in the workplace. Furthermore, customer site policies may restrict our field operations.

Performing the job in a safe manner and as the supervisor directs, ensures the well-being of all employees and the persons around them. Each employee is expected to understand the potential health and safety hazards in the workplace, utilize the mechanical and physical safeguards put in place to control these hazards, wear personal protective equipment provided, and abide by the requirements for their position. Each supervisor is expected to adequately train every employee on the proper and safe way to perform the job. All occupational accidents, incidents, and concerns about safety, whether or not they result in injury or illness, must be reported immediately to a supervisor or Human Resources for appropriate action.

**F. Drug and Alcohol Policy**

The Drug and Alcohol Policy is attached at Appendix H and incorporated into this Code.

**G. Distribution of Literature and Solicitation Policy**

The Distribution of Literature and Solicitation Policy is attached as Appendix N and incorporated into this Code.

**X. Proper Customer, Supplier and Government Relations**

Good business ethics include good customer relations. As a supplier of products and services to government agencies, Gyrus ACMI has additional requirements. Detailed laws and regulations govern procurement and business dealings for Gyrus ACMI's government customers. High standards of ethics are mandatory.

Gyrus ACMI owes every customer the highest quality products and service ordered. Gyrus ACMI employees must ensure promptness and professionalism through quality products and service, proper materials and proper specifications.

As part of its commitment to meeting the highest business standards, each officer and employee shall ensure that:

1. All contracts and agreements to which the Company is a party, are carried out completely, and performed in accordance with the letter and spirit of their terms and conditions;
2. All products and services are delivered promptly and in a manner that is in accordance with the contractual agreement and good business practice;
3. Any conflicts or potential conflicts of interest are disclosed fully and promptly to management, and/or the OCA Ethics Compliance Officer, and resolved (see Section III (**Conflict of Interest Disclosure Requirements**) and Appendix B).

Government agencies also impose agency-specific practices and procedures, including rules of employee conduct. The complexity of government business and procurement regulations means that employees must understand the requirements for their conduct.

For example, Government business dealings are regulated with regard to:

**A. Offers** – employees involved, directly or indirectly, in preparing or negotiating a proposal must ensure that during contract negotiations cost or pricing data is current, accurate

and complete. The cost or pricing data must be properly disclosed to government representatives and, assuming contract award, be retained for at least three years from time of final payment or as specified by the contract.

**B. Pricing Issues** - Commercial transactions do not typically require that a company justify its costs to the commercial customer. However, in negotiated government business, such costs must be justified. The Government has broad audit rights for pricing and other sales related matters. Government contracts often restrict allowable costs. Only costs allowable, reasonable and allocable to a contract may be billed to or reimbursed by the U.S. Government.

Improper costs would include any false or incorrect data appearing in the following categories: time cards, subcontractor charges, classification of costs as direct and indirect, expense accounts, or charges of time or materials.

In regard to pricing issues, Gyrus ACMI has been awarded multiple award schedule contracts by the General Services Administration or by the Veterans Administration. Failure to comply with the VA and GSA contracts (and any Gyrus ACMI specific contract compliance policies) could expose Gyrus ACMI to significant financial and criminal penalties. Employees should contact the OCA Legal Department for the most current version of any such policies.

Similarly, it is the policy of Gyrus ACMI to comply fully with the requirements of the Truth in Negotiations Act by affirmatively disclosing to the Government, without being requested, all cost or pricing data in the possession of the Company which is relevant to any solicitation, contract or contract modification subject to this Act.

It is Company policy to adopt a broad interpretation of what data is to be furnished, whether or not it may constitute cost or pricing data under the Truth in Negotiations Act. What constitutes cost or pricing data is frequently not clear; therefore, it is Company policy to resolve doubt concerning the requirements of the Truth in Negotiations Act in favor of disclosure.

Uncertainty concerning any particular document or item of data shall be referred to, and reviewed by OCA's Ethics Compliance Officer or OCA's Chief Legal Officer before it is submitted to the Government.

**C. Procurement Integrity** - All employees must respect confidential, proprietary and business information. Employees should not seek or solicit confidential, proprietary or business information regarding government contracts. In regard to government contracts generally, the Procurement Integrity Act prohibits both unauthorized disclosure and unauthorized receipt of Government source selection materials and contractor bid or proposal information, all of which is considered "proprietary data". The statute also imposes certain reporting and recusal requirements on procurement officers who seek or are contacted by an offeror concerning possible employment. Specifically, such covered procurement officers are banned for a period of one year from receiving compensation of any kind from a covered contractor. Accordingly, if any Gyrus ACMI employee believes that the statute is implicated in any respect, he or she should immediately consult with the OCA Ethics Compliance Officer, OCA's Chief Legal Officer, or the appropriate Federal agency Inspector General.

**D. Product Quality and Integrity** - The contract specifications for components, products, materials, subcontractors and quality tests may not be altered without prior written Government authorization.

**E. Government Security** - Certain Government information may be classified. Therefore, every Gyrus ACMI employee must protect that confidential information. Each employee has individual responsibilities to monitor and protect the Government security interests. Gyrus ACMI employees must strictly follow the Government rules about who may have access to, and possession of, any classified Government material.

**F. Interactions with Business Colleagues** - The Company has established rules concerning its relationships with customers, suppliers, vendors, distributors and other persons or entities with which the Company currently has, or is reasonably likely to have, a business relationship (“Business Colleagues”). These rules pertain to the provision and acceptance of gifts, meals, entertainment and other items of value, whether tangible or intangible (“Business Courtesies”). Business Courtesies include intangible benefits such as admission, passes, or access to opportunities or places not available to the general public (e.g., private clubs). For example, a ticket to a sold-out event is a Business Courtesy even where the recipient pays the face value of the ticket, if the general public is unable to secure tickets to the event.

**Special rules apply to Business Courtesies provided to health care professionals (See Section F.2 below.)**

1. General Rules Applicable To Business Courtesies

While special rules apply to Business Courtesies involving health care professionals, there are general rules that apply to all Business Colleagues. Employees are never permitted to solicit Business Courtesies. Employees are prohibited from providing Business Courtesies as an inducement for, or to reward, favorable treatment of the Company. Employees are also prohibited from accepting Business Courtesies as an inducement for, or to reward, favorable treatment by the Company. Permissible Business Courtesies include, as examples, (a) giving a book on management style to Business Colleagues who are not health care professionals (defined in number 2 below) as part of professional development; or (b) providing lunch or dinner to a Business Colleague who is not a health care professional in order to become better acquainted and to generally discuss business matters. Those Business Courtesies that are allowable cannot exceed a fair market value of One hundred (\$100.00) United States Dollars (“\$100 USD”).

NOTE: When dining outside of the United States, the fair market value of meals when permitted as a Business Courtesy cannot exceed a fair market value of One hundred fifty

United States Dollars (\$150 USD). There is no de minimis exception to these dollar limits (e.g., \$101.00 domestically and \$151.00 internationally violate this Code).

There may be occasions where providing or accepting a Business Courtesy technically complies with the Company's policy, but the circumstances create an appearance of impropriety. In circumstances where there may be an appearance of impropriety, employees should contact the OCA Legal Department for guidance.

Restrictions on providing Business Courtesies apply regardless of whether an employee seeks reimbursement from the Company. An employee cannot, in his or her individual capacity, furnish Business Courtesies that are prohibited under this Code.

Some of the Company's Business Colleagues may have more restrictive policies pertaining to Business Courtesies. Moreover, several states have enacted laws and regulations that are more restrictive than this Code. **In instances where there are Business Colleague policies, applicable laws or regulations that are more restrictive than this Code, employees are required to adhere to the more restrictive requirements.** Employees are responsible for understanding applicable laws and regulations. Summaries of applicable laws and regulations can be accessed by consulting the AdvaMed Code of Ethics at <http://www.advamed.org> and the Regulatory Compliance tab of the OCA/Zone Resources section. Questions concerning the application of laws or regulations in conjunction with this Code should be directed to the OCA Legal Department.

Any Business Courtesy, which violates this Code must be reported in writing within 24 hours of the occurrence to the OCA Government & Regulatory Compliance Department.

## 2. Business Courtesies Involving Health Care Professionals

Appendices I and J to the Ethics Code provide guidance regarding the specific provisions of the AdvaMed Code which address Medicare/Medicaid fraud and abuse laws, the Anti-kickback statute, as well as other authorities. Violations of these laws can result in the imposition of criminal penalties against Gyrus ACMI, its employees and/or health care professionals, and can further result in the inability of Gyrus ACMI to sell products to the medical community. Appendices I and J also address additional Company policies and procedures established to help ensure compliance with these laws.

The Company has adopted the Advanced Medical Technology Association (“AdvaMed”) Code of Ethics on Interactions with health care professionals, which recognizes that adherence to ethical standards and compliance with the law, are both essential to the continued ability of the medical device industry to collaborate with health care professionals. The AdvaMed Code defines health care professionals as individuals and entities who/which are involved in the provision of health care services and/or other items to patients, and are in a position to purchase, lease, recommend, use, arrange for the purchase or lease of, or prescribe a medical product. This includes clinical and non-clinical people, decision-makers within group purchasing organizations, and any other people in a position to make product-related decisions, such as hospital purchasing agents and physician practice managers. This definition is interpreted broadly and includes anyone with material influence over purchasing decisions.

### i. Gifts

**Gifts** to health care professionals are prohibited unless they satisfy **all** of the conditions listed under the two sub-headings below.

They **must**:

- Be given only occasionally;

- Benefit patients or serve a genuine educational function and are not capable of other non-educational or non-patient benefit uses;
- Be permissible under applicable state law; and
- Have a fair market value of \$100 USD or less (except for textbooks and anatomical models used for education which may exceed the amount of \$100 USD).

They **must not**:

- Be in the form of cash or food, which includes cash equivalents (e.g., gift cards, gift certificates, credit cards, etc.), wine, flowers, candy or gift baskets; or
- Be non-educational, branded promotional items, even if they are of minimal value and relate to the health care professional's work or benefit patients (i.e., notepads, pens, etc. are not allowed).

The above rules apply to all items given to health care professionals including those given at trade shows or through raffles.

ii. Meals

Providing **meals** to health care professionals is prohibited unless they satisfy **all** of the following:

- Meals are provided only occasionally;
- Meals occur only when a Company representative is in attendance;

- Meals are modest, which means that they cannot exceed \$100 USD per person domestically and \$150 USD per person when dining outside the U.S. (including gratuity, taxes, parking, etc.)<sup>1</sup>;
- Meals are provided in conjunction with the presentation of scientific, educational or business information and are provided in a manner conducive to the presentation of such information;
- Meals are either breakfast or lunch, or advance approval is secured from a Vice President to provide dinner;
- Meals are not part of a recreational event or entertainment;
- Meals are permissible under applicable state law;
- Meals occur in a setting conducive to *bona fide* scientific, educational or business discussions; and,
- Meals are provided only to health care professionals who actually attend and are not provided to guests of health care professionals or other persons without a *bona fide* professional interest in the information (e.g., spouses).

Modest meals and refreshments may occasionally be provided to health care professionals in connection with Company-conducted product training and education and in connection with third party conferences, provided

---

<sup>1</sup> These dollar limits are periodically reviewed by the Ethics Committee. Any revisions or modifications will appear in the Code of Ethics.

certain requirements are satisfied. Additionally, health care professionals acting in their capacity as a consultant pursuant to a written consulting agreement, may be eligible for expense reimbursements for modest meals to the extent meals are provided for in the written consulting agreement. Employees should refer to Appendix I for additional guidance and should direct questions about furnishing meals and refreshments to health care professionals to the **OCA Government & Regulatory Compliance Department**.

iii. Entertainment

**Employees are prohibited from providing or paying for any entertainment to health care professionals.** This prohibition applies regardless of the value of the entertainment, whether the health care professional is a speaker or consultant and whether the entertainment is secondary to an educational purpose.

3. Business Courtesies Involving Business Colleagues Who Are Not Health Care Professionals

Providing gifts to and accepting gifts from Business Colleagues who are not health care professionals must also satisfy the requirements of this Code, and even in instances where permissible, should be an infrequent occurrence. Employees are prohibited from providing or accepting gifts where there is an expectation or the appearance of an expectation that the gift will induce or reward favorable treatment. In those infrequent instances where no improper conflict or influence exists and a gift is permissible, it must have a fair market value of \$100 USD or less (e.g., Where otherwise permissible, an employee may be permitted to give to or accept from a non-health care professional Business Colleague, a book where the subject matter of the book is of a business nature.)

Employees are prohibited from providing or accepting meals where there is an expectation or the appearance of an expectation that the meal will induce or reward

favorable treatment. Provided no improper conflict or influence exists, employees may accept meals from Business Colleagues who are not health care professionals and may provide meals to Business Colleagues who are not health care professionals if the fair market value of the meal (including gratuity, taxes, parking, etc.) is \$100 USD or less per person domestically and \$150 USD per person when dining outside the U.S. (including gratuity, taxes, parking, etc.).

As a general rule, providing entertainment to and accepting entertainment from non-health care professional Business Colleagues should be an infrequent occurrence. Entertainment includes but is not limited to sporting events, the theater, golf, skiing, boating, hunting, use of sporting equipment, vacations and other leisure or recreational activities. Employees are prohibited from providing or accepting entertainment where there is an expectation or the appearance of an expectation that the entertainment will induce or reward favorable treatment. In those infrequent instances where no improper conflict or influence exists and entertainment is permissible, it must have a fair market value of \$100 USD or less.

**XI. Other Matters**

**A. Foreign Corrupt Practices Act** – Gyrus ACMI has adopted compliance policies on the Foreign Corrupt Practices Act. That policy is republished at Appendix F hereto.

**B. Food, Drug & Cosmetic Act of 1938/Safe Medical Devices Act of 1990** – Gyrus ACMI has adopted written compliance policies and procedures on the Food, Drug and Cosmetic Act of 1938, as amended, and the Safe Medical Devices Act of 1990, as amended and the regulations relating to these Acts. Employees who have questions concerning these written policies and procedures or other FDA-related matters should seek advice from Gyrus ACMI’s Vice President of Regulatory Affairs or OCA’s Chief Legal Officer.

**C. Environmental Protection Requirements** – In its business activities, Gyrus ACMI will give appropriate priority to environmental protection and will apply itself with dedication to this task both on an organizational and individual employee level. Laws and regulations, including those of the Federal Environmental Protection Agency and various state and local agencies, govern the environmental impacts of our facility operations as well as our products. Furthermore, customer site policies may restrict our field operations.

Complying with applicable legislation and site policies ensures the protection of the environment and our natural resources. Employees are expected to understand and abide by these requirements. Supervisors are expected to adequately train employees on these requirements as they pertain to their job. All environmental incidents, including permit excursions or hazardous material releases to sewer, ground, water and/or air, must be reported immediately to a supervisor or your local Human Resources representative for appropriate action.

**D. Health Insurance Portability and Accountability Act (“HIPAA”)** - “Covered Entities” are required to comply with HIPAA privacy and security requirements designed to protect the privacy and security of protected health information (PHI). The Group Health Plan offered by Olympus to its employees is considered a “Covered Entity. Similarly, many of Gyrus ACMI’s customers are “Covered Entities” that are required to comply with HIPAA. Gyrus

ACMI does not perform a function, activity, or service on behalf of "Covered Entity" customers involving the creation, use or disclosure of PHI and is thus not a "Business Associate" to customers. Gyrus ACMI employees may, however, be incidentally exposed to patient health information during the course of work for "Covered Entity" customers. Accordingly, Gyrus ACMI employees do receive HIPAA training and are required to comply with standard operating procedures and work instructions regarding the protection of PHI.

## **XII. Reporting Violations**

Gyrus ACMI encourages employees to register all questions concerning business ethics in writing or by telephone to the Ethics Compliance Officer. A notice located at Appendix C of this Code identifies and explains how to contact the OCA Ethics Compliance Officer.

Employees can file reports with the OCA Ethics Compliance Officer either in person, or anonymously through the mail or by telephone. Persons making reports may ask to check on the outcome. Although anonymous reporting is available, it is not required.

Employees at all levels can and should report suspected violations without fear of retribution. No Gyrus ACMI employee will be discharged, demoted or otherwise discriminated against in retaliation for reporting or disclosing information relating to a substantial violation of law. Gyrus ACMI's ability to enforce this Ethics Program requires prompt reporting of any suspected wrongdoing. Employees must know how to use the reporting process and feel comfortable with it.

Employees should promptly report to the OCA Ethics Compliance Officer, any questions about Gyrus ACMI operations or business they receive from someone outside the Company. Unless otherwise authorized by law, Gyrus ACMI information should not be given to persons outside the Company. Instead, employees should tell the person to direct their questions to Gyrus ACMI management.

**Investigating and Recording Reports of Suspected Violations** - The OCA Ethics Compliance Officer should record the following basic information from the reporting employee:

the nature of the suspected wrongdoing, the time and place of the suspected wrongdoing, and the participants in the suspected wrongdoing. The OCA Ethics Compliance Officer should ask the reporting employee to provide sufficient information to determine the seriousness of the allegation and the need for further investigation. Where reasonably feasible, the reporting employee's identity will not be disclosed by any Gyrus ACMI officials.

The OCA Ethics Compliance Officer, or his/her designee, may initiate a preliminary investigation to determine whether further action is necessary. If the OCA Ethics Compliance Officer determines that the matter is sufficiently serious, (s)he may ask management or the Board of Directors to formally authorize an internal investigation. Further, management or the Board may be requested to temporarily reassign any involved employees pending the outcome of any investigation. Such reassignment, if made, will in no event be viewed as a verification of the truth or falsity of any allegations. Where management or the Board of Directors has formally authorized an internal investigation, the OCA Ethics Compliance Officer will report the results of his/her investigation to the Ethics Committee. In either type of investigation, if the report includes a recommendation for disciplinary action resulting in or exceeding a punishment of suspension without pay, that report shall be made to OCA's Chief Legal Officer, the Ethics Committee, Gyrus ACMI's Vice President - Human Resources, and Gyrus ACMI's President. Gyrus ACMI's President shall be informed whenever a serious violation has been reported to the Ethics Committee.

In situations where the OCA Ethics Compliance Officer recommends that either no punishment or punishment less severe than a suspension without pay be taken against a Gyrus ACMI employee, the OCA Ethics Compliance Officer may submit his/her report with his/her recommendation directly to Gyrus ACMI's President or other appropriate supervisor with a copy to the Ethics Committee.

**Appendix A**

**GYRUS ACMI, INC.,  
GYRUS ACMI, L.P.,  
GYRUS MEDICAL, INC. and  
GYRUS ENT, L.L.C.**

**ETHICS TRAINING**

**STATEMENT OF UNDERSTANDING AND COMPLIANCE FOR THE  
GYRUS ACMI CODE OF ETHICS AND STANDARDS OF CONDUCT**

By clicking, or by signing below, I do hereby state and affirm:

1. I have read, understand and will comply with the Gyrus ACMI Code of Ethics and Standards of Conduct (“Code”). I understand that compliance with the Code is a condition of my employment with Gyrus ACMI.
2. I understand that Gyrus ACMI has the right to modify the Code in any respect, and that any such modification, once modified, is effective immediately for all Gyrus ACMI employees.
3. I understand that the Code and this Statement of Understanding and Compliance do not obligate Gyrus ACMI to continue or guarantee my employment, are not intended to create a contract of employment, and do not limit Gyrus ACMI’s right to discipline or discharge employees.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_

**PLEASE RETURN TO YOUR HUMAN RESOURCES MANAGER**

## **Appendix B**

### **GYRUS ACMI, INC., GYRUS ACMI, L.P., GYRUS MEDICAL, INC. and GYRUS ENT, L.L.C.**

#### **CONFLICT OF INTEREST DISCLOSURE FORM**

The purpose of this Conflict of Interest policy is to prevent the personal interest(s) of an employee from (i) interfering with the employee's duty of loyalty to, and/or the performance of duties on behalf of Gyrus ACMI or (ii) resulting in personal financial or professional gain on the part of such person to the detriment of Gyrus ACMI.

Each Gyrus ACMI employee owes a duty of undivided commercial loyalty to Gyrus ACMI. Candidates for employment are required to disclose potential and actual conflicts of interest prior to the acceptance of an offer of employment. Employees have an ongoing obligation to disclose potential and actual conflicts of interest that arise during the course of employment. Such conflicts should be disclosed in writing to the OCA Ethics Compliance Officer.

Financial interests of \$5,000 or more in a competitor, supplier, consultant, service provider or customer, or in any property or assets with the intent of selling or leasing them to Gyrus ACMI, its subsidiaries, its parent or related companies, are prohibited unless written waiver is granted. Excluded from the definition of a financial interest are: (1) interests in any **publicly traded** mutual fund where the interest is less than 1% of the total value of the outstanding traded shares; and (2) interests in any publicly traded company in which the interest is both less than 1% of the total value of the outstanding traded shares and less than \$50,000. Financial interests shall include those owned or controlled by a Gyrus ACMI employee or his or her immediate family member. "Immediate family member" includes spouse, domestic partner, sibling, brother-in-law, sister-in-law, father-in-law, mother-in-law, parent, step parent, grandparent, child, stepchild or grandchild.

Unless written waiver has been granted, the following financial interests (regardless of dollar amount) in entities contracting or otherwise doing business with Gyrus ACMI are prohibited:

- (1) Entity employs a Gyrus ACMI employee's immediate family member (as defined above);  
or
- (2) An immediate family member or close friend of a Gyrus ACMI employee has a financial interest of 10% or more in such entity.

All financial interests within the above definition, including stock, retirement plans, outside employment or the like, either shall be divested or disclosed by employees to the OCA Ethics Compliance Officer. Employees who are in a situation which reasonably may lead to a violation of this Code and who choose not to divest the interest must contact the OCA Ethics Compliance Officer, and disclose such situation to the OCA Ethics Compliance Officer who will determine if a waiver is required. If required, the written waiver must be obtained from Gyrus ACMI's President. Only Gyrus ACMI's President can make exceptions to this policy, and good cause must be shown to warrant that exception. If such an exception is sought by the involved employee, the waiver procedure outlined below must be followed.

#### **Waiver Procedure in Lieu of Divestiture of the Financial Interest**

If a Gyrus ACMI employee desires to continue to possess an interest, which would otherwise violate this policy, he or she shall submit a written request for a waiver to OCA's Ethics Compliance Officer. Such a request shall be fully documented with complete disclosure and based on the following criteria:

- (1) A retirement plan.
- (2) Any financial interest in which it would be unreasonable or inequitable for the employee or his/her immediate family or close friend to divest themselves of their interest due to financial hardship or other good cause.

A request for waiver shall be submitted to OCA's Ethics Compliance Officer, who shall determine whether a waiver is necessary. In those instances where a waiver is necessary, the OCA Ethics

Compliance Officer shall submit the request to the President. Where a waiver is granted under any of the criteria above, the waiver may include restrictions as to the type or nature of the employee's work to avoid any actual or potential conflicts of interest. Should the potential or actual conflict of interest be incompatible with continued employment with Gyrus ACMI, and the waiver is denied, then the employee shall be required as a condition of continued employment to eliminate his or her financial interest.

Please indicate your acknowledgement of the conflict of interest disclosure requirements by signing below.

I ACKNOWLEDGE AND AGREE THAT I HAVE READ AND UNDERSTAND THE CONFLICT OF INTEREST DISCLOSURE REQUIREMENTS. TO THE EXTENT THAT EMPLOYMENT WITH GYRUS ACMI WOULD GIVE RISE TO AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST, I HAVE DISCLOSED THE SAME IN WRITING TO GYRUS ACMI HUMAN RESOURCES. I ACKNOWLEDGE AND AGREE THAT THIS DOES NOT CONSTITUTE A CONTRACT OF EMPLOYMENT NOR HAVE I RECEIVED AN OFFER OF EMPLOYMENT WITH GYRUS ACMI. I UNDERSTAND THAT NON-DISCLOSURE OF A CONFLICT OF INTEREST, AS DEFINED IN THE CODE, WILL SUBJECT EMPLOYEES TO POSSIBLE DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

# **INFORMATION LINE**

For Reporting:

Fraud, Waste, Misconduct

*CALL:*

800-375-1844

*OR WRITE:*

Donna Miller, Esq.  
OCA Ethics Compliance Officer  
Olympus Corporation of the Americas  
3500 Corporate Parkway  
Center Valley, PA 18034

To the Extent Reasonably Feasible, Identities of Writers and Callers Will Be Kept Confidential.

## Appendix D

### A NOTICE AND INVITATION TO ALL EMPLOYEES AND APPLICANTS

#### AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT

Gyrus ACMI has been and will continue to be an equal opportunity employer. To assure full implementation of this equal employment policy, we will take steps to assure that:

- a. Persons are recruited, hired, assigned and promoted for all job classification without regard to race, religion, color, national origin, citizenship, ancestry, sex, veteran's status, marital status, sexual orientation, age or disability.
- b. All other personnel actions, such as compensation, benefits, transfers, layoffs and recall from layoffs, access to training, education, tuition assistance and social recreation programs are administered without regard to race, religion, color, veteran's status, national origin, ancestry, citizenship, sex, marital status, sexual orientation, age or disability.
- c. Employees and applicants shall not be subjected to harassment, intimidation, threats, coercion or discrimination because they have: (1) filed a complaint; (2) assisted or participated in an investigation, compliance review hearing or any other activity related to the administration of any federal, state or local law requiring equal employment opportunity; (3) opposed any act or practice made unlawful by any federal, state or local law requiring equal opportunity or (4) exercised any other right protected by federal, state or local law requiring equal opportunity.

I have appointed Brett Last to take on the responsibilities of EEO Coordinator. As EEO Coordinator, he will be responsible for the day-to-day implementation and monitoring of this Affirmative Action Plan. As part of that responsibility, he will periodically analyze the Company's personnel actions and their effects to insure compliance with our equal employment policy.

If you, as one of our employees or as an applicant for employment, have any questions about this policy or would like to be considered under our Affirmative Action Plan, please see Brett Last during regular business hours.

I have reviewed and fully endorse our Affirmative Action and Equal Employment Opportunity program. In closing, I ask the continued assistance and support of all of the Company's personnel to attain our objective of equal employment opportunity for all.

Sincerely,



F. Mark Gumz  
President

## Appendix E

### **ANTI-HARASSMENT AND NON-DISCRIMINATION POLICY**

#### **Purpose**

- A. To affirm the policy of Gyrus ACMI, L.P., Gyrus Medical, Inc., Gyrus ENT, L.L.C. and Gyrus ACMI, Inc. (hereinafter collectively, "Gyrus ACMI") relating to fair and equal treatment for all employees, and to reiterate that Gyrus ACMI is committed to providing employees with a workplace free of discrimination, harassment and/or retaliation. Discrimination and harassment are unacceptable conduct and will not be tolerated. Gyrus ACMI prohibits discrimination or harassment on any basis protected by federal, state or local law.
- B. To provide for the prompt and thorough investigation of discrimination and harassment complaints and to provide a process for preventing such occurrences
- C. The issuance of this Policy represents the continuing efforts of Gyrus ACMI to ensure that all employees are fully informed of the complaint procedure available to them in the event that they may need to utilize it for reporting good faith claims of discrimination or harassment at any time without the fear of reprisal or retaliation.

#### **Scope**

- A. All employees, both supervisory and non-supervisory alike, must comply with this Policy and take appropriate measures to ensure that prohibited conduct does not occur. This Policy covers, but is not limited to, discrimination and harassment based on any of the following: race, color, national origin, religion, age, gender, sexual orientation, marital status, disability, genetic information, veteran status and any other characteristic protected by law.
- B. Discrimination and harassment may take many forms. Examples of such conduct may include, but are not limited to:
  - Display or circulation of pictures or written materials degrading a person's gender, disability, race, ethnicity, religion, age, sexual orientation, or any other legally protected basis.
  - Verbal abuse, insults, comments, gestures, or jokes based on, aimed at, or related to members of a protected class.
  - Threats or suggestions that an employee may suffer adverse employment action(s) based upon his/her status as a member of a protected class.
  - Denying employment opportunities or benefits to an employee based upon his/her status as a member of a protected class.
  - Retaliating against an employee for reporting any violation of the Gyrus ACMI Anti-Harassment and Non-Discrimination Policy.

Simply put, discrimination and harassment refer to behavior that is, or can be interpreted as, personally offensive, that impairs morale, and/or interferes with our work effectiveness. Any such discrimination or harassment of employees by other employees or non-employees (e.g., vendors, visitors, customers, etc.) is strictly prohibited, regardless of the relationship.

- C. This Policy applies to all employees of Gyrus ACMI, and applicants for employment, and to all aspects of the employment relationship, including, but not limited to recruitment, hiring, promotion, transfer, training, compensations, benefits, employee activities and termination. This Policy also applicable in work related settings outside the workplace, including, but not limited to, business trips, business meetings, and Company-sponsored social events. It also applies to how employees treat our guests, customers, vendors and other people related to our business.

### **Sexual Harassment**

- A. Sexual harassment may include a range of subtle and not so subtle behaviors and involve individuals of the same or different genders. This behavior may include, but is not limited to, unwelcome sexual advances, requests for sexual favors, and other offensive verbal or physical conduct that is either sexual in nature or directed at someone because of his or her gender. Sexual harassment undermines the employment relationship and is illegal. Gyrus ACMI will not tolerate any actions or behaviors which constitute sexual harassment of any kind.
- B. Sexual harassment may take different forms. For example, sexual harassment occurs where a demand for sexual favors may explicitly or implicitly be made a term or condition of employment; where submission to or rejection of the harassing conduct is threatened to be used as a basis for employment decisions; or where such conduct has the purpose or effect of substantially interfering with an individual's work by creating an intimidating, hostile, or offensive work environment. Other forms of sexual harassment may include, but are not limited to:
- Verbal                      Sexual innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, threats, remarks about an individual's body, sexual prowess or sexual deficiencies, leering, catcalls.
  - Non-Verbal                Sexually suggestive objects or pictures (e.g., scantily clad models, cartoons, etc.), suggestive or insulting sounds, leering, whistling, unwelcome flirting, obscene gestures.
  - Physical                    Unwanted physical contact, including touching, pinching, brushing the body, pushing.

No employee may engage in conduct which creates an offensive work environment. Employees must remember that comments or behavior which may be intended to be complimentary or humorous may be viewed by the recipient of such comments as unwelcome and a form of sexual harassment.

It is also prohibited for any level of management to tolerate, encourage or otherwise condone any behavior which constitutes sexual harassment or creates a hostile work environment. Every supervisor and manager is responsible for preventing and reporting unlawful harassment.

### **Policy and Procedures**

1. In furtherance of Gyrus ACMI's commitment to provide a workplace that is free of any discriminatory or harassing conduct, any violations of this Policy will not be tolerated and will result in disciplinary action up to and including termination.
2. All employees must comply with this Policy and take appropriate measures to ensure that discrimination and harassment do not occur.

3. Any employee who believes that he/she has been subjected to discrimination or harassment from a co-worker, supervisor, manager, or a non-employee is encouraged to make it clear to the offender that such behavior is offensive. Furthermore, any employee who believes he/she is being subjected to discrimination or harassment based on his/her race, color, national origin, religion, age, gender, sexual orientation, marital status, disability, veteran status, or any other status protected by law, or who believes he/she witnessed such conduct, **must immediately** report such incident(s) to Human Resources so that an appropriate investigation may be initiated. Similarly, any employee who believes that he/she is being retaliated against as a result of reporting an incident of discrimination or harassment **must** also immediately report such incidents to Human Resources.

**To report any potential violation(s) of this Policy, employees are directed to contact the EEO Coordinator or their respective HR representative below:**

- Brett Last- Director, Corporate Human Resources Compliance, EEO Coordinator (484) 896-5640
  - Caryn Dashukewich– Executive Director, Human Resources (484) 896-5539
  - Samantha Hornung – Director, Human Resources, Southborough (508) 804–2640
  - Teresa Gupton – Director, Human Resources, ENT (901) 373-2672
  - Julie Seurer – Director, Human Resources, Maple Grove (763) 416-3012
  - Liz Ensign, Manager, Human Resources, Norwalk (419) 660-4146
  - Glynis Astie, Manager, Human Resources, Stamford (203) 328-8853
4. Under no circumstances need an employee report any perceived discrimination or harassment to a supervisor whom he/she is accusing of discrimination or harassment.
  5. Gyrus ACMI will promptly, fairly, and thoroughly investigate any complaint as it arises and will take appropriate action, up to and including termination of employment, as circumstances warrant. Employees who have made complaints relative to discrimination or harassment are expected to cooperate fully in the investigation of such complaint.
  6. Gyrus ACMI will protect good faith complaints from reprisal or retaliation. This protection from reprisal or retaliation also extends to those who assist in filing a complaint and/or participate in the investigation of a complaint. Reprisal or retaliation may be the basis of a separate complaint, even if the initial complaint of harassment is found to be without merit.
  7. It is the responsibility of all management to immediately report any activities, which may constitute discrimination or harassment in any form to Human Resources, even if that supervisor or manager is not directly involved. Such a responsibility relates to any supervisor’s or manager’s duty to place the interests of Gyrus ACMI above any perceived sense of individual loyalty where such serious activities are taking place.
  8. Any supervisor or manager, who is found to have had prior knowledge of any alleged discrimination or harassment activity and did not report it, may be subject to disciplinary action up to and including termination.

9. Where a supervisor or manager receives a complaint of discrimination or harassment, the supervisor or manager shall immediately report the situation to Human Resources. Investigations of all such situations will be conducted through the Human Resources Department.
10. Gyrus ACMI will, to the maximum extent feasible, maintain the confidentiality of discrimination and/or harassment allegations and investigations. However, investigations into allegations of discrimination or harassment may require disclosure to the accused party and other witnesses in order to gather pertinent facts. All employees involved in the investigation are expected to maintain confidentiality.

Since a charge of discrimination or harassment is significant, Gyrus ACMI regards any attempt to lodge frivolous complaints or make false accusations with regard to any form of discrimination or harassment as extremely serious. In the event that an investigation reveals that a frivolous complaint has been lodged, the employee who asserted such frivolous complaint may be subject to disciplinary action up to and including termination.

*Gyrus ACMI shall have full discretionary authority to administer and interpret this Policy. Gyrus ACMI's decisions shall be final, conclusive, and binding. Although Gyrus ACMI intends to continue this Policy, it may be amended, revoked, suspended or terminated at the discretion of Gyrus ACMI at any time, for any reason, and without prior notice. In addition, this Policy is not intended to constitute a contract or guarantee of employment.*

Revised March 2010



## **ANTI-HARASSMENT AND NON-DISCRIMINATION POLICY**

I the undersigned acknowledge that I have received a copy of Gyrus ACMI's Anti-Harassment and Non-Discrimination Policy; I understand it; and I agree to comply with all the contents of this policy.

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Position

\_\_\_\_\_  
Location

## Appendix F

### **POLICY ON FOREIGN CORRUPT PRACTICES ACT**

#### **The Law**

The Foreign Corrupt Practices Act (the “FCPA”) prohibits payments or offers of payments of anything of value to foreign officials, political parties or candidates for foreign political office to secure, retain or direct business. Payments made to such persons indirectly through a middleman are also illegal. The FCPA also requires companies to maintain accurate books, records and accounts, and to develop a system of internal accounting control sufficient to provide reasonable assurance that the companies’ books and records fairly reflect its transactions and disposition of its assets. You should be aware that a violation of the FCPA may result in stiff penalties, including imprisonment of five years and individual fines of up to \$250,000 for each offense. Apart from the legal risks, compliance is good business and we will tolerate nothing less.

#### **Company Policy**

The Company has long-standing policies that are fully consistent with the FCPA. The Company has and will continue to conduct its business activities in accordance with the FCPA. The following is a restatement of Company policies on (1) payments to foreign officials and (2) accurate books and records:

- **Policy on Payments**  
**Payments shall not be authorized, offered, or made, nor shall the giving of gifts or anything of value be promised to any foreign government official, political party or candidate for foreign political office for the purpose of influencing the official act or decision of such official, party, or candidate, or to any middleman for a similar purpose.**
- **Policy on Accurate Books and Records**  
**The Company’s policy, consistent with the recordkeeping requirements of the FCPA, requires that all transactions appear accurately and properly on the books and records of the Company so that they fairly reflect business transactions and the disposition of assets. Internal accounting controls must provide reasonable assurances that (i) transactions are executed in accordance with management’s authorization, (ii) transactions are properly recorded and (iii) all assets are properly accounted for. If a payment to a government official is made, the Company is required to maintain adequate documentation of the payment.**

### **Employee, Agent and Distributor Responsibilities**

Consistent with the Company policies, all employees, agents and distributors have a personal responsibility to comply with the FCPA. Any conduct which violates either the FCPA or the Company policy is detrimental to the best interests of the Company and prohibited. Accordingly, any employee who knowingly participates in such conduct will be subject to disciplinary action, including dismissal. Similarly, any such violation by agents or distributors will result in termination of their contract with the Company. **Thus, if in the conduct of your duties or those of your subordinates, any situation should arise which raises any questions under the FCPA or Company policy, you should promptly seek advice from OCA's Vice President, Government/Regulatory Compliance before taking any action.**

Please contact OCA's Vice President, Government/Regulatory Compliance if you have any questions about your reporting requirements or if you have any questions about reporting on matters which you think are or may be sensitive.

## Appendix G

### SUMMARY OF STATUTES AND REGULATIONS AFFECTING EMPLOYMENT OF FORMER GOVERNMENT EMPLOYEES

5 CFR 2635 outlines the standards of ethical conduct for employees of the Executive Branch. Those provisions cover such subjects as the obligations of public service, (prohibited) gifts from outside sources, conflicting financial interests, and (required) impartiality in performing official duties. The treatment of this subject here is to alert Gyrus ACMI managers and hiring personnel to the importance of seeking legal and other advice on these subjects, and in particular, to seek such advice **before** entering into discussions which may lead to the hiring of former Government personnel.

Of particular importance to the hiring practices of Gyrus ACMI are certain prohibited practices applicable to Government employees and to industry when the former seek employment in the private sector.

Generally, the regulations and statutes contain disqualification requirements that apply to Government employees when seeking employment with companies who otherwise would be affected by the performance or non-performance of the employees' official duties. 18 U.S.C. 208(a) specifically requires the employee to disqualify himself from participation in any particular matter that will have a direct and predictable effect on the company "with whom he is negotiating or has any arrangement concerning prospective employment". For example, if an employee of a Federal audit agency is auditing Gyrus ACMI accounts, it would be improper for him **or** Gyrus ACMI to attempt to engage in any type of employment negotiations until such audit activities had been completed. Even in that eventuality, other pre and post restrictions may limit his employment by Gyrus ACMI. In such situations, the only safe approach is to seek legal and other expert advice **before** the situation arises.

A Government employee may also be subject to other statutes which impose restrictions on employment contacts or discussions such as 41 U.S.C. 423(b)(1), applicable to procurement officials, and 10 U.S.C. 2397a, applicable to certain employees of the Department of Defense. For example, if Gyrus ACMI is competing for a Government contract, it would be improper for a Government procurement official involved in the process **or** Gyrus ACMI to enter into employment discussions. As in the former example, other statutes and regulations address post employment restrictions which are complex and contain specific requirements dependent on the rank, authority, position and/or subject matter applicable to the duties of the former Government employee. See 18 U.S.C. 207 as implemented by 5 CFR 2637 and 5 CFR 2641.

## Appendix H

### DRUG AND ALCOHOL POLICY

#### I. Scope

This policy applies to all employees of Gyrus ACMI, L.P., Gyrus Medical, Inc., Gyrus ENT, L.L.C. and Gyrus ACMI, Inc. (hereinafter collectively, "Gyrus ACMI"). Sections II(D), III(B)(1), III (B)(2), III(C)(1), IV(C) and IV(E) apply to any contractor, vendor, or agency, and its employees who may be performing work at a Gyrus ACMI work site as defined in this Policy.

#### II. Purpose

- A. Gyrus ACMI is strongly committed to providing a safe workplace. In this regard, Gyrus ACMI is devoted to establishing policies, procedures and programs which promote high standards of health and safety for its employees. Consistent with this commitment, Gyrus ACMI strives to maintain a work environment that is free from the effects of illegal drugs and alcohol. Gyrus ACMI regards drug and alcohol abuse as a serious medical, business, social, and economic problem. The health and safety of Gyrus ACMI's employees, contractors, vendors, the community, and customers have been considered in establishing this Policy. This Policy has been implemented to ensure compliance with all federal, state and local laws, regulations, and ordinances, including but not limited to the Drug-Free Workplace Act of 1988, as amended (the "Act"). As a federal contractor, Gyrus ACMI is required to comply with the Act. Compliance with this Policy is a condition of continued employment with Gyrus ACMI.
- B. Gyrus ACMI has implemented a program to screen for illegal drugs and alcohol in the workplace. Specifically, a pre-employment drug laboratory screening test will be administered to all prospective new employees. In addition, a drug and alcohol test may be administered when there are clear indications that an employee may be under the influence of illegal drugs or alcohol in violation of this Policy (see Section III(A)( 2) for greater detail). Gyrus ACMI's response to the problem of substance abuse in the workplace is based on cooperation, communication, and trust. **There will be no random or suspicionless testing.** Gyrus ACMI is fighting substance abuse, not the abusers.
- C. Gyrus ACMI strongly encourages employees with substance abuse problems to seek medical treatment. Gyrus ACMI's Employee Assistance Program ("EAP") is a valuable service in dealing with substance abuse problems, as well as a wide range of other personal problems that may impact employee performance.
- D. *The following phrases, as used in this Policy, shall be defined as follows:*
- "illegal drugs"** – those drugs listed by the Federal government under the Controlled Substances Act of 1970 (as amended) and subsequently prohibited under State law. Common illegal drugs include, but are not limited to the following: cannabinoids, cocaine, opiates (e.g., morphine, codeine, heroin), phencyclidine (PCP), and amphetamines (amphetamine and methamphetamine). For purposes of this Policy, "illegal drugs" shall also mean (a) prescribed medications taken without authorization from a physician, (b) prescribed medications and over-the-counter medications which are misused or not used for their intended purposes, and (c) inhalants used for other than medical purposes.

**“Gyrus ACMI premises”** – property owned, rented, leased, or used by Gyrus ACMI for business purposes, including but not limited to parking lots and adjacent areas, office furniture, work areas, lockers, closets, self-storage facilities, vehicles, buildings, and undeveloped land.

**“substance abuse”** – the use of illegal drugs, alcohol, and/or lawful drugs in quantities that render an individual under the influence (as defined below).

**“under the influence”** – in a condition that renders one unable to perform the essential functions of his/her job in a safe and productive manner, or having a level of illegal drugs and/or alcohol in one’s body equal to or exceeding the medical and/or legal standard for impairment.

**“work site”** – any location where Gyrus ACMI and its employees conduct business, including, but not limited to, the home office of employees who telecommute, customer locations, conferences, conventions, seminars, trade shows, and Gyrus ACMI premises.

### **III. Policy**

This Policy sets forth: (i) Gyrus ACMI’s standards for pre-employment drug laboratory screening, and for drug and alcohol tests of those employees who may be under the influence of illegal drugs or alcohol in violation of this Policy and (ii) Standards of conduct aimed at maintaining a safe work environment, promoting the greatest efficiency of Gyrus ACMI employees, protecting Gyrus ACMI from liability, and protecting Gyrus ACMI’s assets and other employees from damage caused by an employee under the influence of illegal drugs or alcohol.

#### **A. Screening and Testing**

1. All prospective new employees will be required to undergo a drug laboratory screening procedure which tests for the use of illegal drugs. Offers of employment will be conditioned upon the results of the drug laboratory screening. Applicants who test positive for illegal drugs or refuse to undergo the screening procedure, will not be employed and will be ineligible for future employment with Gyrus ACMI.
2. The following employees may be asked to submit to a drug and alcohol laboratory screening test: employees (a) who are involved in an accident while on-the-job or while on Gyrus ACMI premises (e.g., a fatality, injury, or damage to property), or (b) who return to work following an Gyrus ACMI-approved drug or alcohol rehabilitation program, or (c) whose behavior (e.g., slurred or incoherent speech, dilated pupils, “glassy” eyes, smell of alcohol on breath, or appearing to be incapable of performing work in a safe or productive manner) clearly indicates that they may be under the influence of illegal drugs or alcohol thereby raising reasonable concerns regarding safety and/or job performance. Prior to requiring an employee to submit to a drug and alcohol laboratory screening test, the employee’s supervisor must complete a behavior observation form (supplied by the Human Resources Department) requiring identification of, among other things, the period of observation, the location where the behavior was observed, and a detailed description of the behavior observed. An employee who is required to submit to a drug and alcohol laboratory screening test pursuant to this Section will be suspended pending Gyrus ACMI’s receipt of the

test results. If the test results are completely negative, the employee will be paid for the time of his/her suspension. If the tests indicate evidence of illegal drugs or that the employee was under the influence of alcohol or the employee refuses to undergo the screening procedure; the employee's suspension will be unpaid and he/she will be subject to disciplinary action, up to and including termination of employment for violation of this Policy.

3. Individuals to be tested will be required to sign a consent form and to produce photo identification prior to testing. Employees who are asked to submit to a drug or alcohol laboratory screening test will be afforded transportation to and from the laboratory. Employees who refuse such transportation will be subject to disciplinary action, including but not limited to termination of employment. Gyrus ACMI will use a licensed laboratory of its choice to test for illegal drugs and alcohol. The laboratory will follow stringent chain of custody procedures with respect to specimen collection and preservation to safeguard the specimen integrity and to protect the confidentiality of specimen results. Laboratory test results will be forwarded to a Medical Review Officer ("MRO") for verification. The laboratory will preserve all positive samples so that retesting may be accurately performed. The MRO will directly notify an employee who tests positive and will provide the employee with a copy of the drug and alcohol test report. In the event of a positive test result, the MRO will determine whether there is an alternative medical explanation.
4. An employee who is found switching, tampering with, adulterating, or attempting to switch, tamper with, or adulterate, a urine or other sample provided for laboratory testing, will be subject to disciplinary action, up to and including termination of employment.

**B. Alcohol**

1. The consumption or possession of alcoholic beverages while at a work site (except as set forth in Section III(B)(3) below) is absolutely prohibited. (Unopened gifts which may contain alcohol are excluded from this Policy).
2. No employee, contractor, or vendor shall consume any alcohol during breaks or lunch periods taken during the course of a work day. With respect to contractors or vendors, a "work day" refers to any lunch or break periods taken on Gyrus ACMI's premises or lunch or break periods taken off-site where the contractor or vendor is performing services for Gyrus ACMI and/or will be returning to Gyrus ACMI's premises on the same calendar day. Furthermore, an employee, contractor or vendor is not permitted to report to a work site while under the influence of alcoholic beverages. Violations of this Section will result in disciplinary action against employees, up to and including termination of employment; and for non-employees, termination of the vendor/contractor relationship.
3. There may be selected, authorized Gyrus ACMI social functions (e.g., annual picnic or holiday party) where alcoholic beverages may be served. Alcohol will only be served in such situations with the prior approval of Gyrus ACMI's senior management, and consumption shall be in moderation. In addition, there may be occasions, removed from the usual work setting, at which it is permissible to consume alcohol in strict moderation, subject to the prior approval of Gyrus

ACMI's senior management. Examples of such situations might include business dinners, client entertaining activity, and other such similar affairs. In such instances, employees must not be under the age of the applicable state's minimum drinking age. Employees shall not be allowed to bring their own alcohol to Gyrus ACMI functions. Under no circumstances should the granting of permission to consume alcohol at these functions be construed to permit intoxication or the operation of a motor vehicle or machinery while under the influence of alcohol, both of which are expressly prohibited.

4. All employees are expected to return to work unimpaired. It is never a business obligation for an employee to consume alcohol. Employees must use good business judgment and discretion in all situations involving consumption of alcohol.

**C. Drugs**

1. The possession, use, sale, purchase, distribution, or manufacture of illegal drugs or the paraphernalia associated with such illegal drugs at a work site is absolutely prohibited. An employee, contractor, or vendor is not permitted to report to a work site while under the influence of illegal drugs. Violations of this Section will result in disciplinary action against employees, up to and including termination of employment; and for non-employees, termination of the vendor/contractor relationship. If appropriate, violations may be reported to law enforcement authorities (see Section IV).
2. Gyrus ACMI employees must notify Gyrus ACMI, in writing, if (s)he is convicted under a criminal drug statute for a violation occurring at a work site. Such written notice must be provided to Gyrus ACMI no later than five (5) days after such conviction. Violations of this Section may result in disciplinary action, up to and including termination of employment.

**D. Employee Assistance & Medical Care**

1. Gyrus ACMI will reasonably accommodate employees in accordance with the Americans with Disabilities Act of 1990, as amended and similar state disability laws. Employees suffering from alcoholism or illegal drug dependency are encouraged to seek medical treatment and/or utilize Gyrus ACMI's EAP. Satisfactory job performance is mandatory, and an employee has the primary responsibility for seeking help and for maintaining a treatment program as necessary. An employee seeking treatment, either from a physician or through the EAP will not necessarily avoid disciplinary action if he or she does not meet satisfactory job performance standards and other conditions of employment. An employee who refuses to participate in a rehabilitation or treatment program, as requested by Gyrus ACMI, may be subject to disciplinary action, up to and including termination of employment. Generally, an employee will not be offered repeated rehabilitation programs. In summary, nothing contained in this Policy will be construed to prohibit Gyrus ACMI from refusing to hire an individual or discharging an employee who, because of current use of illegal drugs or alcohol, is unable to perform his/her duties, or cannot perform the duties in a manner which would not endanger his/her health or safety or the health or safety of others.

2. Resources may be available under Gyrus ACMI's group health plan(s) to assist employees in understanding and dealing with drug and/or alcohol problems. Employees are subject to the eligibility criteria set forth in the applicable plan(s). Employees are encouraged to contact the benefits department and/or review the relevant plan documents with any questions related to eligibility and/or coverage available under the plans.
3. Eligibility for job protected leave pursuant to the Family and Medical Leave Act ("FMLA") will be determined based upon Gyrus ACMI's FMLA Policy . Gyrus ACMI will comply with all relevant provisions of the FMLA, Americans with Disabilities Act and applicable state laws when a request for job protected leave is submitted.

#### **IV. Responsibility**

- A. Supervisors and managers are responsible for taking immediate and consistent action, in accordance with this Policy, with employees who (a) report to work under the influence of illegal drugs and/or alcohol or (b) use alcohol or possess, use, sell, purchase, distribute, or manufacture illegal drugs at a work site in violation of this Policy.
- B. Co-Workers who in good faith believe that a fellow employee, vendor, or contractor has (a) reported to a work site under the influence of illegal drugs and/or alcohol, or (b) has been using alcohol or possessing, using, selling, purchasing, distributing, or manufacturing illegal drugs at a work site in violation of this Policy, are expected to report such instances to their manager, supervisor, or Human Resources.
- C. If any illegal drugs, any substance believed to be an illegal drug, or any alcoholic beverage (except as provided for in Section III(B)(3)) are found at a work site, an immediate report shall be made to the Human Resources Department, which will coordinate notification to law enforcement authorities as appropriate. The illegal drug or other substance should be confiscated and safeguarded pending receipt of instructions from the Human Resources Department. Gyrus ACMI reserves the right to conduct reasonable searches or inspections of Gyrus ACMI premises.

#### **V. Confidentiality**

Results of drug and alcohol tests (including but not limited to pre-employment drug laboratory screening) and all employee assistance programs and other rehabilitation counseling will, at all times, remain confidential; provided, however, that if required by law, such information may be disclosed to a third party.

*Gyrus ACMI shall have full discretionary authority to administer and interpret this Policy. Gyrus ACMI's decisions shall be final, conclusive, and binding. Although Gyrus ACMI intends to continue this Policy, it may be amended, revoked, suspended or terminated at the discretion of Gyrus ACMI at any time, for any reason, and without prior notice. In addition, this Policy is not intended to constitute a contract or guarantee of employment.*

Effective April 2009

## Appendix I

### GYRUS ACMI, INC., GYRUS ACMI, L.P., GYRUS MEDICAL, INC. and GYRUS ENT, L.L.C.

#### HEALTH CARE REGULATORY COMPLIANCE GUIDANCE FOR PROMOTIONAL, MARKETING, AND SALES PRACTICES

---

---

##### **I. PURPOSE AND SCOPE**

Gyrus ACMI, Inc., Gyrus ACMI L.P., Gyrus Medical, Inc., Gyrus ENT L.L.C. (hereinafter collectively, “Gyrus ACMI”) engages in marketing, promotional, and sales activities in the health care marketplace. Certain laws, regulations and ethical standards, some of which are unique to the health care industry, apply to these activities. Gyrus ACMI is committed to conducting its affairs consistent with these laws, regulations and ethical standards.

This Compliance Guidance summarizes basic fraud and abuse concerns as they apply to practices important to Gyrus ACMI, such as:

- Discounts, rebates, and trade-in credits
- Research and other grants or donations to hospitals or physicians
- Evaluation and Demonstration Products
- Company-Conducted Product Training and Education
- Consulting Arrangements with Health Care Professionals
- Value-Added Services
- Supporting Third-Party Educational Conferences
- Sales, Promotional and Other Business Meetings
- Providing Meals to Health Care Professionals
- Gifts and Entertainment to Health Care Professionals

**If you have any questions regarding compliance associated with a proposed activity, please check with OCA’s Government and Regulatory Compliance Department or OCA’s Legal Department.**

##### **FRAUD AND ABUSE LAWS AND ETHICAL CONSIDERATIONS**

This Guidance document addresses the Medicare/Medicaid fraud and abuse laws. Other laws may also be important, such as laws relating to the Food and Drug Administration, antitrust laws, False Claims Act, environmental protection laws, etc.

Federal and state fraud and abuse laws can have a direct impact on Gyrus ACMI’s marketing, promotional, and sales activities. The Medicare/Medicaid fraud and abuse laws, including the Anti-kickback statute and safe harbor regulations, along with similar state laws, are designed to prevent overutilization or improper utilization of health products and services. These laws are also

intended to protect government payors such as Medicare, Medicaid, Veterans Administration, or CHAMPUS against paying too much for health care products and services. For example, the Anti-kickback statute prohibits the payment or receipt of any remuneration to induce the purchase of items or services payable by Medicare, Medicaid, or other federal or state health care programs.

**These rules are important because violations can result in criminal and civil penalties being imposed on manufacturers as well as their customers, such as hospitals, physicians, or group purchasing organizations.**

## **II. ANTI-KICKBACK STATUTE**

The Anti-kickback statute prohibits a health care product or service provider from offering or paying, and a hospital, health care facility, or physician from soliciting or receiving, directly or indirectly, any remuneration which is intended to induce the recipient to order or purchase, or arrange for or recommend the purchase of, any item or service that may be reimbursed in whole or in part by Medicare, Medicaid, and/or other federal and state health care programs.

“Remuneration” is defined very broadly to include anything of value, including not only cash, kickbacks, and bribes, but also rebates, credits, discounts, reductions in price, free items or services, travel, lodging or the opportunity to earn money. The statute has been interpreted very broadly so that if even “one purpose” of the remuneration is to induce referrals for items or services that may be reimbursed in whole or part by federal or state healthcare programs, the statute has been violated.

The Anti-kickback statute may be a cause for concern whenever Gyrus ACMI provides anything of value to customers that may influence the purchase, lease or other utilization of Gyrus ACMI products or services. For example, if a contract involves the payment of any form of remuneration to an HCP that could induce the HCP to purchase or recommend, or arrange for the purchase of Gyrus ACMI products, the contract could implicate the Anti-kickback statute.

Potential penalties for violating the federal Anti-kickback Statute are as follows: up to five (5) years imprisonment; criminal fine up to \$25,000.00; civil monetary penalty of \$50,000.00 for each violation; damages up to three (3) times the total amount of remuneration offered, paid, solicited, or received (without regard to whether a portion of such remuneration was offered, paid, solicited, or received for a lawful purpose); and possible exclusion from federal and state healthcare programs. In addition, some states have enacted Anti-kickback laws that apply to all health insurers, not just Medicare or Medicaid.

There are certain federal “safe harbor” regulations which specify practices that, if followed, will *not* violate the federal Anti-kickback law. These “safe harbors” (relating to personal services and management contracts, warranties, discounts and payments to group purchasing organizations) are complicated, very fact-specific and must be followed to the letter. The OCA Legal Department provides ongoing guidance as to what is required in order for Gyrus ACMI to comply with these “safe harbor” regulations. Summaries of such requirements are set forth below in conjunction with discussion of other Gyrus ACMI policies and procedures.

## **III. DETAILS REGARDING COMPLIANCE WITH THE ANTI-KICKBACK LAW AND OTHER AUTHORITIES**

In an effort to fully comply with the Anti-kickback law and other relevant authorities, Gyrus ACMI has adopted the AdvaMed Code of Ethics on Interactions with Health Care Professionals\*

("AdvaMed Code") in conjunction with other Gyrus ACMI policies and procedures established to address Anti-kickback and related laws. (The AdvaMed Code reflects and further interprets the federal Anti-kickback law and other authorities.)

For further details regarding the AdvaMed Code (including Q&As) go to <http://www.advamed.org>. For additional clarification of Gyrus ACMI requirements or procedures, contact OCA's Government and Regulatory Compliance Department or OCA's Legal Department.

**Note that certain state requirements may be stricter than the requirements set forth below. Such state requirements are addressed elsewhere in this Code. In addition, customers may have requirements that are stricter than those set forth below.**

**A. Prohibition on Entertainment and Recreation**

Gyrus ACMI interactions with HCPs should be professional in nature and facilitate the exchange of medical or scientific information to benefit patient care. Gyrus ACMI should not provide or pay for any entertainment or recreational event or activity for any HCP. Examples of such prohibited activities are theater, sporting events, sporting equipment, golf, skiing, hunting, leisure or vacation trips. Such entertainment or recreational events should not be provided regardless of: (a) their value; (b) whether the company engages the HCP as a speaker or consultant; or (c) whether the entertainment or recreation is secondary to an educational purpose.

Employees with questions about providing entertainment or recreation to HCPs should contact OCA's Government & Regulatory Compliance Department or OCA's Legal Department.

**B. Modest Meals Associated with HCP Business Interactions**

Gyrus ACMI personnel may provide modest meals (**a modest meal is one that is \$100.00 USD per person or less including tax and gratuity domestically or \$150.00 per person or less including tax and gratuity when dining outside the U.S.**) to HCPs only if: (1) they are occasional; (2) the meal is incidental to the *bona fide* presentation of scientific, educational or business information; (3) the meal is provided in a manner conducive to the presentation of scientific, educational or business information and is not part of an entertainment or recreational event; (4) the setting is conducive to *bona fide* scientific, educational or business discussions; (5) the meal is only provided to HCPs who attend the meeting and not to office staff or other guests who do not have a *bona fide* professional interest in the information provided at the meeting; and (6) a company representative is present at the meeting.

Meals may occur at the HCP's place of business. However, in some cases, the place of business may be a patient care setting that is not available for, or conducive to, scientific, educational or business discussions or it may be impractical or inappropriate to provide meals at the HCP's place of business.

Breakfast and lunch meals meeting the above criteria may be provided without advance approval. Advance approval from a Gyrus ACMI Vice-President is required in order to provide a dinner meal.

Any meal that exceeds \$100 USD per person domestically and \$150 USD per person when dining outside the U.S. or otherwise violates this Code must be reported in writing within 24 hours of the occurrence to OCA's Government & Regulatory Compliance Department.

Employees with questions about furnishing meals to Health Care Professionals should contact OCA's Government & Regulatory Compliance Department or OCA's Legal Department.

**C. Sales, Promotions and Other Business Meetings**

Gyrus ACMI may conduct sales, promotional and other business meetings with HCPs. These meetings may, for example, be designed to discuss medical technology development and improvement, product features, sales terms or contracts. The business discussion should account for most of the time spent during the meal. Development of general goodwill and business relationships should not be the primary purpose of a business meal.

Gyrus ACMI may pay for reasonable travel costs of attendees when necessary (e.g., for plant tours or demonstrations of non-portable equipment) and may provide occasional modest meals and refreshments in connection with such meetings. Gyrus ACMI does not pay for travel time.

Gyrus ACMI cannot pay for meals, refreshments, travel or lodging of guests of HCPs or any other person who does not have a *bona fide* professional interest in the information being shared at the meeting.

Employees with questions about business meetings with HCPs should contact OCA's Government & Regulatory Compliance Department or OCA's Legal Department.

**D. Educational Items, Prohibition on Gifts**

Gyrus ACMI may occasionally provide items to HCPs that benefit patients or serve a genuine educational function for HCPs. Such items can only be provided if: (1) they have a fair market value of less than \$100 (except for medical textbooks and anatomical models which can be more); and (2) they are not capable of use by the HCP (or his or her family members, office staff or friends) for non-educational or non-patient-related purposes. Examples of items that may be given are: educational wall charts and medical textbooks. Examples of items that may not be given are: cameras, Ipods, and golf bags.

Non-educational items branded with Gyrus ACMI's name or logo, or the name or logo of Medical Technologies, may not be given even if they are of minimal value. Examples include pens, notepads, mugs, and other such items that have Gyrus ACMI's name, logo or the name or logo of one of Gyrus ACMI's Medical Technologies.

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

Employees with questions about providing items that benefit patients/educational items to HCPs should contact OCA's Government & Regulatory Compliance Department or OCA's Legal Department.

**E. Company Conducted Product Training and Education**

Gyrus ACMI must adhere to the following principles when conducting training and education programs concerning Medical Technologies for HCPs:

- (1) Programs and events must be conducted in settings that are conducive to the effective transmission of information. These may include clinical, educational, conference or other settings such as hotels or other commercially available meeting facilities. The HCP's location may also be used.
- (2) "Hands on" training must be held at training facilities, medical institutions, laboratories, or other appropriate facilities. Training staff (which may include qualified field sales employees) must have proper qualifications and expertise to conduct the training.
- (3) Gyrus ACMI may provide HCP attendees with meals and refreshments in connection with these programs. Such meals and refreshments must be modest in value and subordinate in time and focus to the training or educational purpose of the meeting.
- (4) If there are objective reasons to justify out-of-town travel for training and education (e.g., large equipment that cannot feasibly be transported) Gyrus ACMI may pay for reasonable travel and modest lodging costs of the attending HCPs. Gyrus ACMI may not pay for 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.

Employees with questions about company-provided education and training to HCPs should contact OCA's Government & Regulatory Compliance Department or OCA's Legal Department.

**F. Support for Third-Party Educational Conferences**

Third party educational conferences include those sponsored by national, regional or specialty medical associations and conferences sponsored by accredited continuing medical education providers.

Gyrus ACMI can support these conferences by:

- (1) Conference Grants – Grants can be provided to the third-party sponsor to defray conference costs or to allow attendance by medical students, residents, fellows and other HCPs in training. Such grants can be provided when: (a) the gathering is primarily dedicated to promoting objective scientific and educational activities and discourse; and (b) the training institution or the conference sponsor selects the attending HCPs who are in training.

Grants can only be paid to organizations with a genuine educational function and may only be used to reimburse the legitimate expenses for *bona fide* educational activities. Grants must be consistent with applicable standards established by the conference

sponsor and any entity accrediting the educational activity. The conference sponsor must independently control and be responsible for the selection of program content, faculty, educational methods and materials.

- (2) Conference Meals and Refreshments – Gyrus ACMI may provide funding to the conference sponsor to support the provision of meals and refreshments to conference attendees.

Gyrus ACMI can also provide meals and refreshments directly to HCPs if: (i) they are provided to all HCP attendees; and (ii) they are provided in a manner consistent with applicable standards established by the conference sponsor and the body accrediting the educational activity.

If meals and refreshments are provided to fewer than all HCP attendees, such meals and refreshments must satisfy all other principles related to meals set forth in “Modest Meals Associated with Health Care Professional Business Interactions” (Section III B above). Meals and refreshments must be modest in value, subordinate in time and focus to the purpose of the conference and be clearly separate from the CME portion of the program.

Gyrus ACMI may make grants to conference sponsors for reasonable honoraria, travel, lodging and modest meals for HCPs who are *bona fide* conference faculty members.

Gyrus ACMI may purchase advertisements and lease booth space for Company displays at conferences.

Third party educational programs must comply fully with the Accreditation Council for Continuing Medical Education (“ACCME”) guidelines.

The OCA Grant Committee considers requests for funding to support third-party educational programs. (The process for making such requests is discussed below at Section III G.) Gyrus ACMI requests to provide meals or refreshments directly to HCPs attending third-party educational conferences must be reviewed by OCA’s Government and Regulatory Compliance Department or OCA’s Legal Department.

Employees with other questions about support for third party educational conferences should contact OCA’s Government & Regulatory Compliance Department or OCA’s Legal Department.

#### **G. Medical Research and Educational Grants and Charitable Donations**

Gyrus ACMI may provide research and educational grants and charitable donations unless they are provided as an unlawful inducement.

Gyrus ACMI may provide research grants to support independent medical research with scientific merits. Such activities must have well-defined objectives and milestones and may not be linked directly or indirectly to the purchase of Gyrus ACMI Medical Technologies.

Gyrus ACMI may provide educational grants for legitimate purposes such as advancement of medical education and public education.

Gyrus ACMI may make monetary or medical technology donations for charitable purposes such as supporting indigent care, patient education, public education or the sponsorship of events where the proceeds are intended for charitable purposes. Donations must be motivated by *bona fide* charitable purposes and must be made only to *bona fide* charitable organizations or, in rare instances, to individuals engaged in genuine charitable activities for the support of a *bona fide* charitable mission.

Gyrus ACMI sales personnel may provide input about the suitability of a proposed grant or charitable donation recipient or program but Gyrus ACMI sales personnel must not control or unduly influence decisions about who will receive a grant or donation or the amount of such grant or donation.

The OCA Grant Committee considers requests for medical research and educational grants. Requestors (e.g., national, regional or specialty medical associations and accredited continuing medical education providers) must submit an application online at <http://www.olympusconnect.com/GrantApplication> in order to be considered for financial support. The OCA Grant Committee meets on a monthly basis to make determinations on such requests. If an award is made, the Grant Committee also indicates whether an agreement or other appropriate documentation is required.

The Grant Committee follows procedures to ensure that grants and donations are not used as an unlawful inducement. The Committee's determination does not take into account the volume or value of purchases made by or anticipated from, the grant/donation recipient. The Grant Committee ensures that all grants and donations are appropriately documented.

Employees with questions about support for research and educational grants and charitable donations should contact OCA's Government & Regulatory Compliance Department or OCA's Legal Department.

## **H. Consulting Arrangements**

Gyrus ACMI may pay HCP consultants fair market compensation for services (for example, research, product development, marketing, participation on advisory boards, and presentations at company-sponsored training) that are intended to fulfill a legitimate business need and do not constitute an unlawful inducement. Such consulting arrangements must adhere to the following:

- (1) Consulting agreements must be written and describe all services to be provided. If the services are related to clinical research, there must also be a written research protocol. (Note that, depending on the circumstances, a Sponsor-Investigator or similar agreement may be required in addition to, or in place of, a consulting agreement.)
- (2) Consulting arrangements must be entered into only where a legitimate need for the services has been identified in advance and documented.
- (3) Selection of a consultant must be made on the basis of the consultant's qualifications and expertise to meet the defined need.

- (4) Compensation to the consultant must reflect fair market value for the services provided and must not be based on the volume or value of the consultant's past, present or anticipated business.
- (5) Compensation may be paid 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.
- (6) Meetings with consultants must be in venues that are conducive to the effective exchange of information. This includes clinical, educational, conference or other appropriate settings including hotel or other commercially available meeting facilities. Gyrus ACMI may not pay for meals, refreshments, travel or other expenses for guests of HCP consultants or for any other person who does not have a *bona fide* professional interest in the information being shared at the meeting.

Any requests for consulting service agreements must be directed to OCA's Legal Department. The requestor must complete a form which requires certain information regarding the HCP consultant, the services to be provided and the compensation. Based on this information, the Legal Department will prepare a consulting service agreement, consistent with the above principles, for execution by the HCP consultant and Gyrus ACMI.

Employees with questions about consulting arrangements should contact OCA's Government & Regulatory Compliance Department or OCA's Legal Department.

#### **I. Royalties**

There are instances where Gyrus ACMI engages a HCP for patents, trade secrets, and know-how related to intellectual property or product development. In such cases, Gyrus ACMI may only enter into a royalty arrangement with the HCP if such intellectual property development is expected to make, or has already made, a novel, significant, or innovative contribution to, for example, the development of a product, technology, process, or method. The terms and conditions relating to such payments must be documented consistent with the consulting arrangements described above. In particular, the calculation of the royalties must be based on objective factors that are not conditioned on (i) a requirement that the HCP purchase, order or recommend any Gyrus ACMI product or medical technology or any Gyrus ACMI product or technology produced as a result of the development project; or (ii) a requirement to market the Gyrus ACMI product or medical technology upon commercialization.

Any contemplated royalty arrangements with HCPs must be directed to OCA's Legal Department. The requestor must complete a form that requires certain information regarding the HCP consultant, the services to be provided and the compensation. Based on this information, and to the extent the royalty arrangement meets the criteria specified above, the Legal Department will prepare a consulting service agreement for execution by the HCP consultant and Gyrus ACMI.

Employees with questions about royalties should contact OCA's Government & Regulatory Compliance Department or OCA's Legal Department.

**J. Evaluation and Demonstration Products**

Gyrus ACMI may provide reasonable quantities of products to HCPs at no charge to allow HCPs to assess the appropriate use and functionality of the product and determine whether and when to use, order, purchase, or recommend the product in the future. Gyrus ACMI products provided for evaluation are typically expected to be used in patient care except for unsterilized single use products or mock-ups of such products used for HCP and patient awareness, education and training. Gyrus ACMI must provide HCPs with documentation and disclosure regarding the no-charge status of evaluation and demonstration products.

The number of single use products provided at no charge must not exceed the amount reasonably necessary for the adequate evaluation of the products under the circumstances.

Multiple use products provided without transfer of title for evaluation purposes must be provided only for a period of time that is reasonable under the circumstances to allow adequate evaluation. The terms of an evaluation of such products must be set in advance in writing and Gyrus ACMI should retain title to the products.

Gyrus ACMI sales and service representatives, and independent sales representatives (“Representatives”) who provide HCPs with products at no charge for the purpose of evaluation, must comply with the Gyrus Demonstration Equipment and Medical Loaner Equipment Policy (“Policy”). Per this Policy, Representatives must deliver a letter to the HCP receiving the Demonstration or Medical Loaner Equipment which, at a minimum (i) confirms the Demonstration or Medical Loaner Equipment is being provided at no charge for evaluation; (ii) designates a date certain for the return of the Demonstration or Medical Loaner Equipment, in any event no longer than 90 days; and (iii) states that the HCP must adhere to any laws or regulations with respect to the HCP’s obligations to properly disclose, report, or otherwise document the provision of the Demonstration or Medical Loaner Equipment as required by or under any applicable state and federal health insurance program.

With respect to single use products, at the time such products are provided to an HCP, representatives must provide written notice to the HCP confirming that (i) the samples are being provided at no charge; (ii) the quantity provided is reasonable and appropriate to enable the HCP to conduct an adequate evaluation of such product; and (iii) the HCP must adhere to any laws or regulations with respect to the HCP’s obligations to properly disclose, report, or otherwise document the provision of the products as required by or under any applicable state and federal health insurance program.

Employees with questions about providing evaluation and demonstration products should contact OCA’s Government & Regulatory Compliance Department or OCA’s Legal Department.

**K. Providing Reimbursement Information**

Gyrus ACMI must **not** interfere with a HCP’s independent clinical decision-making or provide coverage, reimbursement and health economics support as an unlawful inducement. For example, Gyrus ACMI must **not** provide free services that eliminate an overhead or other expense that a HCP would otherwise, out of business prudence or necessity, have incurred as

part of its business operations if doing so would amount to an unlawful inducement. Further, Gyrus ACMI must **not** suggest mechanisms for billing for services that are not medically necessary or for engaging in fraudulent practices to achieve inappropriate payment.

Gyrus ACMI may provide coverage, reimbursement and health economic information to HCPs regarding its Medical Technologies if such information is accurate and objective. Gyrus ACMI may also collaborate with HCPs, patients and organizations representing their interests, to achieve government and commercial payor coverage decisions, guidelines, policies, and adequate reimbursement levels that allow patients to access its products and services.

Permissible activities involving the provision of coverage, reimbursement and health economic information may include:

- (1) Identifying the clinical value of Gyrus ACMI's Medical Technologies and the services and procedures in which they are used when providing coverage, reimbursement and health economics information and materials to HCPs, professional organizations, patient organizations, and payors.
- (2) Collaborating with HCPs, their professional organizations, and patient groups to conduct joint advocacy on coverage, reimbursement and health economics issues; supporting HCPs and their professional organizations in developing materials and otherwise providing direct or indirect input into payor coverage and reimbursement policies.
- (3) Supporting accurate Medicare and other payor claims by providing accurate and objective information and materials to HCPs regarding Gyrus ACMI's Medical Technologies, including identifying coverage, codes and billing options that may apply to those Medical Technologies or the services and procedures in which they are used.
- (4) Providing accurate and objective information about the economically efficient use of Gyrus ACMI's Medical Technologies, including where and how they can be used within the continuum of care.
- (5) Providing information related to Gyrus ACMI's Medical Technologies regarding available reimbursement revenues and associated costs.
- (6) Providing information relating to changes in coverage or reimbursement amounts, methodologies and policies and the effects of such changes in order to facilitate a HCP's decision to buy or use Gyrus ACMI's Medical Technologies.
- (7) Providing accurate and objective information designed to offer technical or other support intended to aid in the appropriate and efficient use or installation of Gyrus ACMI's Medical Technologies.
- (8) Facilitating patient access to Gyrus ACMI's Medical Technologies by providing HCPs with assistance in obtaining patient coverage decisions from payors. This assistance may include providing information and/or training on

payor policies and procedures for obtaining prior authorization, and providing sample letters and information on medical necessity and appeals of denied claims. In addition, at the request of a HCP to facilitate patient access to Gyrus ACMI's Medical Technology, and subject to appropriate privacy safeguards, Gyrus ACMI may assist the patient by facilitating the preparation and submission of requests for coverage determinations, prior authorizations, pre-certifications and appeals of denied claims, relating to Gyrus ACMI's Medical Technology; however, such assistance should not be provided as an unlawful inducement.

Employees should only distribute established reference materials regarding coverage, reimbursement and/or health economic information that have been prepared and approved by Gyrus ACMI personnel responsible for reimbursement matters. Any coding reference material should be provided as general information regarding the procedures that may be applicable to Gyrus ACMI products. Assignment of CPT or ICD-9 codes at the patient specific treatment level is the responsibility of the HCP. Accordingly, Gyrus ACMI employees should not provide assistance with or respond to inquiries from HCPs in such situations.

Employees with any questions about providing coverage, reimbursement and/or health economic information to HCPs should contact OCA's Government & Regulatory Compliance Department or OCA's Legal Department for guidance.

**L. Discount Disclosure**

In some limited circumstances, various forms of financial support to hospitals or health care facilities that can be structured as discounts or other reductions in price, and that can be properly disclosed and reported, may be acceptable based on an analysis by OCA's Legal Department and use of proper discount disclosure provisions in contracts or letters with the customer

Gyrus ACMI must properly disclose any rebates, credits, discounts, or other reductions in price to hospital and other health care facility customers so that, as needed, the customer can appropriately report or reflect the net cost of or net charge for the product/service when seeking reimbursement from Medicare, Medicaid, or other health care programs. As a practical matter, Gyrus ACMI includes the proper disclosure statements on all contracts, statements, invoices or letters involving year-end volume rebates, equipment credit rebates, volume discounts, and other incentive programs. Furthermore, Gyrus ACMI makes clear on invoices, reports to customers, or other documents, the net value of purchased items so that health care customers can accurately report net charges to patients' insurance companies.

- (1) When the amount of the discount is not known at the inception of the program (such as with a year-end volume rebate program), Gyrus ACMI provides disclosure in two steps. First, disclosure of the existence of the discount program is made in the initial contract or invoice. Second, when the amount of the discount becomes known, Gyrus ACMI provides documentation reflecting the calculation of the discount and identifies the products/services to which the discount applies.

- (2) Gyrus ACMI notifies the customer receiving the discount of the customer's obligation to properly report or appropriately reflect the discount in any costs claimed or charges made to Medicare, Medicaid, or other health insurers requiring such disclosure. Discount disclosure may need to be tailored to the customer with certain variations for hospitals, physicians, free standing health facilities, and health maintenance organizations.
- (3) The customer must agree to properly disclose or appropriately reflect in claims to insurers, the net cost or charges attributable to the products or services. Gyrus ACMI informs the customer of such amounts once they are known. Moreover, the CFO, hospital billing staff, or other hospital employee responsible for financial reporting, of each institution is informed of any such discount.

Employees with any questions about discount disclosures should contact OCA's Government & Regulatory Compliance Department or OCA's Legal Department for guidance.

#### **M. Value Added Services**

Value-added services must be carefully scrutinized to determine if they convey remuneration to induce the purchase of Gyrus ACMI products or services, and, consequently, whether such value-added services fall within the scope of the Anti-kickback laws. If value-added services fall within the scope of the Anti-kickback laws, the services must be structured to comply with applicable safe harbor requirements.

Gyrus ACMI may offer to customers limited types of product-related, value-added services that are within Gyrus ACMI's standard marketing and sales support programs (such as onsite, short term loaner equipment) which are typically offered to all customers free of charge and not sold separately. Gyrus ACMI may sell specialized services, such as consulting and education. Such specialized services should be: (a) offered at fair market value; (b) offered to a variety of customers, not just an exclusive list of priority customers; and (c) not in any way structured as remuneration to induce the purchase of Gyrus ACMI's products.

If such specialized services are typically provided at no additional charge, review by OCA's Legal Department should be performed to assess whether any discount disclosure provisions are required. Gyrus ACMI may provide training or educational programs, at no additional charge, to customers concerning the use of Gyrus ACMI products. Gyrus ACMI may offer *all* customers product service or maintenance at no additional charge on Gyrus ACMI equipment under a standard warranty which the customer does not purchase separately. Gyrus ACMI may provide service beyond the warranty terms at no additional charge under an extended warranty, but there must be proper disclosure of the value of the extended warranty service as a discount, related to specific products.

Employees with any questions about value added services should contact OCA's Government & Regulatory Compliance Department or OCA's Legal Department for guidance.

**N. Group Purchasing Organizations**

Many group purchasing organizations (“GPOs”) require Gyrus ACMI to pay administrative fees as a condition of selling products and services to the GPO member hospitals. These payments are acceptable only if the GPO meets certain safe harbor requirements including, but not limited to, maintaining appropriate contracts with its members and properly disclosing the GPO fees to the GPO members.

Employees with any questions about group purchasing organizations should contact OCA’s Government & Regulatory Compliance Department or OCA’s Legal Department for guidance

\*\*\*

Gyrus ACMI is committed to fully complying with all of the principles and procedures outlined in this Appendix. Gyrus ACMI employees are strongly encouraged to ask questions and obtain additional guidance, where needed, in order to achieve compliance.

## Appendix J

**GYRUS ACMI, INC.,  
GYRUS ACMI, L.P.,  
GYRUS MEDICAL, INC. and  
GYRUS ENT, L.L.C.**

### **FRAUD AND ABUSE GUIDELINES**

#### **FREE GOODS**

---

Gyrus ACMI provides a wide array of medical products, supplies, and services to hospitals, physicians and other health care facilities. The sales and marketing programs are quite diverse, often reflecting the need for physicians to try innovative products prior to purchase. This Guideline is intended to explain potential issues which may arise for Gyrus ACMI in providing certain medical products, supplies, and services at no additional charge - free goods, and provide guidance on steps which Gyrus ACMI will take to ensure compliance with applicable Medicare/Medicaid laws. Gyrus ACMI has other guidelines on fraud and abuse which should be considered, as necessary, for related programs.

A. Medicare/Medicaid Anti-kickback Laws and Discount Disclosure

Under the Medicare/Medicaid Anti-kickback law, any remuneration provided to induce a hospital, physician or other entity to purchase a product payable under Medicare, Medicaid or other government insurance programs could be prohibited and could result in criminal or civil penalties for Gyrus ACMI and its customers. An important exception requires Gyrus ACMI to properly disclose and appropriately reflect any discount or other reduction in price to the customer, so that the customer can disclose and reflect price reductions in claims to the health insurer.

B. Gyrus ACMI Policy

1. Free product -- \$1 to \$100 -- No obligation to buy, introductory educational samples

Gyrus ACMI can provide customers or potential customers with a limited amount of free product with a value in the range of \$1 to \$100 if the product is provided:

- a. Without the customer having any obligation to buy more or another product;  
OR
- b. As part of an introductory educational offering of a new product to inform the user of availability of the product and enable the physician to learn of the product's features in patient use. The number of samples supplied to the customer should reflect the amount needed to give the customer a reasonable opportunity to understand and see the product's features.

2. Free product \$100 and higher

No free product can be provided to customers or potential customers with a value of \$100 or more, unless the following conditions are met:

- a. Gyrus ACMI must have a written arrangement with the recipient to provide written clinical or performance feedback on the product; AND
- b. Gyrus ACMI must provide the free product with an accompanying statement making clear to the recipient that the product received without charge cannot be billed to patients or insurance programs, and the recipient agrees not to bill for free product.

3. Types of Free Products

The types of free product supplied should convey some benefit to a patient or otherwise improve quality of care. Medical products meet these criteria. Gyrus ACMI will not provide free product of merely a personal benefit to healthcare customers.

4. Clinical Trials

As part of a *bona fide* clinical trial, Gyrus ACMI may provide product at no charge to customers who are generating needed clinical data (e.g., in conjunction with submissions to the Food and Drug Administration).

**Questions about free product and the application of this Guideline should be referred to OCA's Legal Department.**

## Appendix K

**GYRUS ACMI, INC.,  
GYRUS ACMI, L.P.,  
GYRUS MEDICAL, INC. and  
GYRUS ENT, L.L.C.**

**EMPLOYEE GUIDELINES**  
**FOR PROTECTED HEALTH INFORMATION**

Gyrus ACMI is impacted by HIPAA and its implementing regulations in two ways:

- (1) In its capacity as a medical device company, Gyrus ACMI personnel may be incidentally exposed to protected health information (“PHI”) during the course of interactions with “Covered Entity” customers.
- (2) As an affiliate of Olympus Corporation of the Americas (“OCA”), Gyrus ACMI offers employees the opportunity to participate in the Health Care Plan, the Health Care Flexible Account and the Employee Assistance Plan (“Group Health Plans”) sponsored by OCA and/or Olympus America Inc. (“OAI”). Gyrus ACMI’s obligations under HIPAA with respect to the Group Health Plans are covered by OCA’s and/or OAI’s HIPAA Standard Operating Procedures and Work Instructions.

### **Medical Device Company**

Health Information is broadly defined to include any information, oral or recorded, relating to the health of an individual, the health care provided to an individual, or payment for health care provided to an individual. PHI is *health information* that identifies or can be used to identify an individual. For example, a health record that only includes a telephone number or an address falls within the protection of HIPAA.

Gyrus ACMI does not perform a function, activity, or service on behalf of Covered Entity customers involving the creation, use or disclosure of PHI. Accordingly, it does not meet the regulatory definition of a “Business Associate.” However, Gyrus ACMI employees receive HIPAA training and are required to comply with OCA’s and/or OAI’s HIPAA Standard Operating Procedures and Work Instructions regarding the protection of PHI.

OCA’s and/or OAI’s HIPAA Standard Operating Procedures and Work Instructions are intended to cover the following circumstances:

- (1) protection of PHI when Gyrus ACMI employees are incidentally exposed to PHI during the course of interactions with Covered Entity customers;
- (2) obligations under existing Business Associate Agreements and possible future such agreements (**Note:** Gyrus ACMI signed Business Associate agreements with certain Covered Entity customers prior to the determination that Gyrus ACMI’s activities do not meet the regulatory definition of a Business Associate);

- (3) the possibility that Gyrus ACMI may need to use or disclose PHI for FDA purposes, law enforcement or other appropriate activities; and/or
- (4) the possibility that, at some time in the future, Gyrus ACMI could engage in activities that meet the regulatory definition of a Business Associate.

Gyrus ACMI personnel must adhere to the following general concepts relating to PHI:

- (1) Except as authorized by the OCA Legal Department, PHI can only be shared with an entity or individual outside of Gyrus ACMI if there is a written Business Associate Related Agreement in place with that entity/individual.
- (2) Gyrus ACMI personnel should instruct customers not to forward any PHI to Gyrus ACMI personnel, not to include PHI in reports of product incidents, patient injury or in FIT purchase orders and not to deliver PHI to product and procedure development personnel and/or sales and marketing personnel.
- (3) If PHI were ever to be needed for work-related purposes, it should only be disseminated to “authorized personnel” (designated by the Manager/Supervisor of each Group) who need access to PHI to carry out that employee’s duties and only the minimum amount of PHI necessary to complete the work activity should be disclosed and/or used.
- (4) PHI should not be sent electronically or by fax.
- (5) If PHI is sent by mail, it must: be sent via UPS, FedEx or similar carrier so it can be tracked; be marked as “CONFIDENTIAL” with the name and title of the addressee; include the tracking number on the envelope; and have delivery confirmed and documented by the responsible, authorized Gyrus ACMI employee.
- (6) If a medical device/device component contains PHI, authorized personnel must always keep the device/device component in his/her possession or in a secure, locked location and ensure that the device/device component is only given to other authorized personnel.
- (7) Pending disposition, and unless ever necessary for work-related purposes, any material containing PHI should be stored in a locked cabinet.
- (8) If a Gyrus ACMI employee becomes aware of an allegation of unauthorized use or disclosure of PHI s/he should immediately call OCA’s Privacy-Security Officer or his/her designee.

As part of the Code of Ethics and Standards of Conduct, all Gyrus ACMI employees are bound by these Guidelines.

### **Health Plans**

The Group Health Plans are regulated under HIPAA. As an affiliate of OCA, whose employees participate in the Group Health Plans sponsored by OCA and/or OAI, Gyrus ACMI’s obligations under HIPAA with respect to the Group Health Plans are covered by OCA’s and/or OAI’s

HIPAA Standard Operating Procedures and Work Instructions. To the extent that any Gyrus ACMI Human Resources employee who comes into contact with health benefits issues must handle PHI that comes within the scope of HIPAA, he/she shall handle such PHI in accordance with HIPAA and its implementing regulations as well as OCA's and/or OAI's Standard Operating Procedures and Work Instructions.

**Other Laws and Regulations:**

In addition to HIPAA, many states and local governments have laws and regulations pertaining to PHI and/or other potentially sensitive information. These laws and regulations may apply to Gyrus ACMI. Consistent with this, all Gyrus ACMI employees must treat any type of potentially sensitive information (e.g., employee financial records, social security numbers) in a careful manner consistent with its sensitivity.

\* \* \*

Employees who have any questions regarding the use or disclosure of PHI or other potentially sensitive information must contact Gyrus ACMI's Privacy-Security Officer.

## **Appendix L**

### **ELECTRONIC COMMUNICATIONS POLICY**

#### **Scope**

This Policy applies to all employees of Gyrus ACMI, L.P., Gyrus Medical, Inc., Gyrus ENT, L.L.C. and Gyrus ACMI, Inc. (hereinafter collectively, "Gyrus ACMI").

#### **Statement of Policy**

Gyrus ACMI has an interest in (a) preventing inappropriate and unprofessional communications, as well as illegal activity, with respect to its computer and electronic communications systems; and, (b) safeguarding the confidential and proprietary information of its respective businesses. In addition, Gyrus ACMI is committed to a non-discriminatory and harassment-free workplace.

Gyrus ACMI maintains electronic communications systems including, without limitation, e-mail, voice-mail, intranet (i.e., MyGyrusACMI and OCA/Zone), internet access, and mobile telecommunications systems (which includes cellular and SMS text messaging) for use in conducting Gyrus ACMI business. The e-mail, voice-mail, intranet, internet, mobile telecommunications systems (collectively referred to as the "Gyrus ACMI Electronic Communication Systems" or "Systems"), and the communications and information stored, accessed, created or received over, by or through these Systems, are Gyrus ACMI property and are not the private property of any employee. The Gyrus ACMI Electronic Communication Systems are to be used only for legitimate business purposes and communications. Nominal personal use of the Gyrus ACMI Electronic Communication Systems is permitted as long as such use is reasonable, ethical and appropriate for the workplace and does not interfere with work responsibilities and/or productivity. Gyrus ACMI will actively monitor employees' use of the Gyrus ACMI Electronic Communication Systems to ensure that standards for nominal personal use are not violated.

#### **No Expectation of Privacy/Monitoring**

Passwords are designed to maintain the confidentiality of Gyrus ACMI's business-related information and to give employees access to those parts of the Gyrus ACMI Electronic Communication Systems that are necessary to the employees' work function(s). Passwords are not designed to provide privacy from inspection or review by Gyrus ACMI representatives. Voice-mail messages, e-mail files, computer files, text messages and all other electronic data stored, created, sent or received via the Gyrus ACMI Electronic Communication Systems are the property of Gyrus ACMI. Gyrus ACMI retains the right to monitor, audit, review, intercept, access and disclose all messages and information stored, created, sent or received by any user of the Gyrus ACMI Electronic Communication Systems without notice to the user, sender or recipient of the message, except as may be prohibited by law. For example, monitoring may be necessary for the following, without limitation: to protect and ensure the System's security; to gather information as part of an Gyrus ACMI investigation; to ensure that employees are not using e-mail or the internet to communicate improper content, such as unlawful harassment or unauthorized disclosure of confidential information or trades secrets; and to ensure that employees are not communicating to unauthorized recipients or in an unauthorized manner.

Therefore, employees should have no expectation of privacy with respect to their use of the Gyrus ACMI Electronic Communication Systems.

### **External Transmissions**

E-mail, voice-mail, intranet, internet and mobile telecommunications transmissions sent to recipients outside of Gyrus ACMI lack data security, and external recipients, or their service provider, may be equipped with data preservation and monitoring capabilities. Consequently, there is no assurance of privacy or confidentiality with respect to external transmissions. Therefore, extreme care must be taken in the formulation, transmission, and contents of such messages. Employees must be aware that e-mail messages may be read by someone other than the party to whom they are directed. In particular, confidential or proprietary materials or information should not be sent to external recipients via the Gyrus ACMI Electronic Communication Systems unless a) for legitimate business reasons; and, b) appropriate safeguards and precautions have been taken to protect such information, including but not limited to the execution of a non-disclosure agreement. In addition, Gyrus ACMI employees must not upload, post, transmit, or otherwise distribute or reproduce any information, software, or other material protected by copyright or other intellectual property right, without the express permission of the copyright owner or rightholder.

### **Improper Use of Systems**

Messages transmitted via the Gyrus ACMI Electronic Communication Systems must be courteous and professional. When considering the propriety of communications made via the Gyrus ACMI Electronic Communication Systems, employees should be guided by the non-exhaustive prohibitions provided below, and the general objectives and guidelines expressed in this Policy.

Employees must not engage in:

- (a) Posting, storing, transmitting, downloading, or distributing any threatening, abusive, libelous, defamatory, obscene, or otherwise legally objectionable materials of any kind, including anything constituting or encouraging a criminal offense, giving rise to civil liability, or otherwise violating any laws.
- (b) Using any words, images, or references that could be viewed as obscene, derogatory or racially, sexually, ethnically or otherwise offensive to co-workers, customers, suppliers, contractors, or competitors.
- (c) Creating, accessing, downloading or transmitting messages or images that may be considered inappropriate for the workplace, including but not limited to messages or images that are lewd, obscene or pornographic, and messages or images that might be considered offensive or harassing due to their reference to race, sex, age, sexual orientation, marital preference, religion, national origin, physical or mental disability, or any other protected status.
- (d) Using the Gyrus ACMI Electronic Communication Systems to harass, intimidate, offend, or annoy other persons, including but not limited to co-workers, customers, suppliers, contractors, or competitors.

- (e) Sending company or division wide “blast” email communications without prior approval of executive management (Vice-President or above).
- (f) Spreading “chain mail” or spam, and other frivolous communications.
- (g) Downloading, copying, or transmitting software and/or documents protected by copyrights. (Any employee with a question concerning a copyright issue should contact the Legal Department.)
- (h) Downloading any other software or materials (such as on-line publications) unless the ITS Department has approved such download and has taken appropriate anti-virus measures.
- (i) Opening e-mail messages from unknown or unidentified external sources. Such messages may contain computer viruses capable of causing substantial damage to Gyrus ACMI’s computer system. Employees who receive messages from unrecognized external sources should contact the ITS Department immediately.
- (j) Excessive internet use during work hours for non-business related purposes.
- (k) Use of instant messaging services such as AOL Instant Messenger and Yahoo Messenger during work hours.
- (l) Excessive use of “texting” as a means of communication via Gyrus ACMI’s Mobile Telecommunications system.
- (m) Taking any action to circumvent, disable or subvert Gyrus ACMI’s security controls.

Employees should keep in mind that e-mail, voice-mail, and SMS text messages are more permanent than written communications on paper. Even when an e-mail, voice-mail, or SMS Text message has been “erased” or “deleted,” it is still possible to retrieve the message.

### **Duty to Report Violations**

Employees who become aware of violations of this Policy must report such violations to their supervisors or Human Resources.

### **Violations of Policy**

Violations of this Policy may result in the imposition of disciplinary action up to and including termination of employment.

Questions concerning this Policy should be directed to a Human Resources Manager or Director. Gyrus ACMI shall have full discretionary authority to administer and interpret this Policy. Gyrus ACMI’s decisions shall be final, conclusive, and binding. Although Gyrus ACMI intends to continue this Policy, it may be amended, revoked, suspended or terminated at the discretion of Gyrus ACMI at any time, for any reason, and without prior notice. In addition, this Policy is not intended to constitute a contract or guarantee of employment.

Last Revised: December 2009

**GYRUS ACMI ELECTRONIC COMMUNICATIONS POLICY**

I, the undersigned, acknowledge that I have received a copy of Gyrus ACMI's Electronic Communications Policy; I understand it; and I agree to comply with all the contents of this Policy. I also understand and agree that my failure to cooperate in any investigation of my usage of Gyrus ACMI's systems and equipment, will subject me to additional disciplinary action.

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name & Position

\_\_\_\_\_  
Print Gyrus ACMI Company

\_\_\_\_\_  
Print Location

## Appendix M

### OLYMPUS GROUP CODE OF CONDUCT

#### I. General Code

##### A. Purpose:

The Olympus Group Code of Conduct (“Code of Conduct”) is a set of fundamental rules that must be followed by the directors and employees of the Olympus Group to realize the Olympus Group Corporate Charter of Conduct.

##### B. Basics of Conduct:

1. In conducting corporate activities, the directors and employees of the Olympus Group shall make every effort to understand international rules and laws governing corporate activities, as well as the cultures and customs of each country and region where the Group operates. With respect to the observance of these principles, they shall conduct activities with a strong sense of ethics as a member of society. Therefore, pursuing profits from activities that violate laws and ethics is strictly forbidden.
2. The directors and employees of the Olympus Group interact with customers and suppliers through transactions that provide products and services, and shall be fully aware of the importance of building a strong identity for the Olympus Brand.
3. The directors of the Olympus Group shall make every effort to prioritize the Code of Conduct in their activities and thoroughly instill it within the Group, based on the awareness of their duty to realize “Olympus Group Corporate Conduct Charter”.

##### C. Definitions:

1. “The Olympus Group” or “Company” means Olympus Corporation, its consolidated subsidiaries and companies that Olympus effectively controls.
2. “Directors of the Olympus Group” means the directors, auditors, executive officers and similar personnel of companies within Olympus Group.
3. “Employees of the Olympus Group” means full-time employees, temporary staff, temporary employees, part-time employees and casual employees of the Olympus Group.

## II. Code of Conduct

### 1. Sound Corporate Activities

#### 1.1 Free Competition and Fair Transactions

##### (i) Fair Transactions

- a. We observe laws and regulations and conduct fair transactions in line with general business practices and social norms.
- b. We observe laws and regulations related to fair transactions such as the anti-monopoly law and do not engage in improper activities such as contract rigging.
- c. We do not insist on agreements with conditions that are unprofitable to suppliers or that are advantageous to our status or position.

##### (ii) Import and Export Management

We conduct fair transactions in line with company regulations and business standards while strictly observing safety assurance trading related laws and the laws of the customer's country in import/export activities in order to preserve international peace and safety.

#### 1.2 Management of Company Assets

##### (i) Preservation of Company Assets

- a. Tangible and intangible company assets shall be appropriately managed and shall not be used for non-business purposes or private use.
- b. The accumulation of intellectual property at work is retained, managed and aggressively promoted as the intellectual property of the Company, including inventions, ideas, utility model patents, trademarks, copyrights and marketing secrets.
- c. Olympus shall not inappropriately use or infringe on the copyrights of others and shall respect the intellectual property rights of third parties.

##### (ii) Prohibition of Using Company Assets for Personal Purposes

Employees shall not use the Company's network for receiving or sending private materials except as provided in the Olympus Code of Ethics and Standards of Conduct.

### 1.3 Management of Corporate Information

#### (i) Information Protection

- a. Confidential information is strictly protected and managed according to the data security policy and shall not be used inappropriately by current or retired employees.
- b. Personal information about customers, shareholders, directors, employees and suppliers shall be handled appropriately with regard to how it is obtained, used, and managed in accordance with laws and company rules.
- c. Actions that may damage the information assets of the Company or third parties, such as inappropriate access through the Internet are all prohibited.

#### (ii) Trustworthy Advertising

- a. Corporate information about management policies and business activities shall be appropriately disclosed in a timely manner to gain the accurate understanding and trust of all stakeholders.
- b. When contacting the mass media such as newspapers, magazines, and television stations, approval must be obtained from the public relations manager prior to releasing information.
- c. Advertising and marketing activities shall accurately and fairly reflect actual conditions, and will not use discriminatory or defamatory expressions, Promoting individual superiority or using expressions that invite misunderstandings shall be avoided.

#### (iii) Prohibition of Insider Trading

Undisclosed information obtained through work shall not be used for buying or selling stocks.

### 1.4 Sound Relationship with Society

#### (i) Restrictions on Gift-Giving and Business Entertainment

- a. The exchange of gifts and business entertainment with suppliers shall be restricted to general business practices and social norms.
- b. Employees shall not seek personal gain from business partners.
- c. Inappropriate monetary disbursements, including promises, shall not be made to business partners.

d. Conduct suggesting the possibility of gifts is prohibited when dealing with public officials, including those of foreign countries, or directors of government-affiliated institutions including international institutions.

(ii) Political Activities

Illegal political contributions and illicit support for election activities are forbidden in all corporate activities.

(iii) Prohibition of Anti-Social Behavior

The Olympus Group shall not have any relationship with anti-social groups or forces that threaten the stability and safety of society, and shall not support related activities.

2. Actions on Behalf of the Customer

2.1 Increase Customer Satisfaction

(i) Aware of what is in demand around the world, we pursue ideas in tune with customer needs.

(ii) We strive to develop and provide safe, high-quality, and meaningful products and services from the customers' perspective.

(iii) We respond sincerely, speedily, and precisely to customer demands.

2.2 Providing Information to Customers

We will speedily and appropriately provide information to customers when necessary.

3. Respect for Human Rights

3.1 Respect for Individual Rights

(i) We shall not use discriminatory expressions regarding race, faith, sex, age, social position, lineage, nationality, ethnicity, religion or disability.

(ii) Conduct that damages a person's character such as sexual harassment is forbidden.

3.2 Rejection of Inappropriate Labor

We shall reject forced labor and child labor in any country or region.

4. Working Environment with Vitality

4.1 Ensuring Safety and Cleanliness

We shall make every effort to prevent occupational injuries and maintain the health of employees by creating a safe and clean workplace.

4.2 Establishment of a Safe Working Environment

- (i) We foster a corporate culture where opinions and questions may be freely expressed in a cooperative atmosphere of mutual respect for individuality and abilities.
- (ii) We make every effort to create a personnel system that draws out the abilities of our employees.
- (iii) We provide value sought by society through cooperative efforts to acquire skills and improve technologies through discipline.

5. Harmony with the Environment

5.1 Efforts to Preserve the Environment

- (i) We disclose and provide the results of our efforts to develop safe, environmentally-friendly products and production technologies.
- (ii) We evaluate the environmental impact of our development, production, and sales activities according to our own standards and regulations.
- (iii) We promote recycling activities such as the collection of waste and its recycling while implementing resource and energy conservation.
- (iv) We take the initiative to preserve the environment at home, at the workplace, and in society by deepening everyone's understanding of environmental issues.

6. Integration with Society

6.1 Relationship with Local Communities

Aware that cooperation with local communities is essential to the development of those communities and the Olympus Group, we shall understand and respect the cultures and customs of the countries and regions where we conduct business activities.

6.2. Contributing to Society

- (i) We strive to fulfill our role as a corporate citizen by continuously supporting cultural and educational activities while encouraging volunteer activities.

- (ii) We promote mutual understanding through exchanges with countries and regions where we conduct corporate activities and by contributing to society through close ties with local communities.

### **III. Operational Structure**

#### **1. Creation, Revisions, and Abolition**

The Board of Directors of Olympus Corporation has the authority to create, revise and abolish the Code of Conduct.

#### **2. Promotional Activities**

Top Management of the Olympus group shall create the necessary organizations to effectively implement the Code of Conduct and thoroughly follow it in their own responsibilities.

#### **3. Help Line**

In the event of conduct that infringes on the Code of Conduct, or if help is needed to understand the content of the Code of Conduct, employees may report and consult with their superiors or relevant organizations.

However, if employees cannot report to their superiors, they may use the Help Line established by Olympus Corporation.

The act of seeking consultation and reporting, as well as their content, is held in the strictest confidentiality, and the results of reporting and referrals shall not disadvantage the reporter in any way.

#### **4. Application to Group Companies**

Olympus Group companies in Japan, excluding companies that are listed and have separate codes of conduct, shall use this Code of Conduct in the Board of Directors of each company. Overseas Olympus Group companies shall formulate their own codes of conduct in the spirit of this Code of Conduct with due consideration to the laws, culture and social customs of their country.

#### **5. Punishment**

Punishment for actions that infringe on the Code of Conduct shall be handled in accordance with relevant laws and the rules and regulations of each company in the Olympus Group.

## Appendix N

### **DISTRIBUTION OF LITERATURE AND SOLICITATION POLICY**

#### **Policy:**

Gyrus ACMI, Inc., Gyrus ACMI, L.P., Gyrus ENT, L.L.C. and Gyrus Medical, Inc. (individually and collectively, “Gyrus ACMI” or the “Company”) prohibit employees from soliciting when either the solicitor or solicitee is on work time. Distribution of literature is prohibited in working areas at all times. “Distribution” refers to the act of handing out or posting literature in the workplace. “Solicitation” refers to communication with another employee for the purpose of encouraging him/her to act on behalf of or to agree with some cause not directly related to the work he/she is supposed to perform for Gyrus ACMI. Activities considered to be solicitation include, without limitation, collections for personal loans (other than infrequent de minimus amounts for lunches, snacks, etc.), social affairs, raffles, charitable or civic organizations and soliciting for religious, political, fraternal, social or economic purposes or organizations. At times, Gyrus ACMI may sponsor solicitations for charitable or humanitarian causes. Such solicitations are coordinated through the Human Resources Department. Employees are in no way obligated to contribute to such Gyrus ACMI -sponsored solicitations.

#### **Guidelines and Procedures:**

##### Employees:

In the interest of maintaining a proper business environment and preventing interference with work and inconvenience to others, solicitation must not occur when either the solicitor and/or the solicitee is on working time. Employees are not permitted to distribute or post non- Gyrus ACMI -related handbills, posters or written literature of any kind in work areas, including but not limited to Gyrus ACMI’s bulletin boards, and Gyrus ACMI’s computer, e-mail, Internet, Intranet, voice mail and telephone systems.

##### Non-employees:

Non-employees of Gyrus ACMI are prohibited from soliciting and/or distributing literature of any kind on Gyrus ACMI premises or communication systems.

***This Policy does not constitute a contract or guarantee of employment.***