

EXECUTIVE SUMMARY 2010 CODE OF CONDUCT

THE MEDEC CODE OF CONDUCT ON INTERACTIONS WITH HEALTHCARE PROFESSIONALS



Why MEDEC has a Code of Conduct

Canada's Medical Technology Companies ("MEDEC") is dedicated to advancing healthcare through innovative technologies, devices and diagnostics ("technologies"). Because the relationships between MEDEC member companies ("Companies") and Healthcare Professionals¹ (HCPs) are so important, they must be guided by the highest ethical standards and comply with applicable laws.

For this reason, the Companies adhere to and promote a medical technology industry Code of Conduct. The Code sets out guiding principles that encourage ethical business practices and socially responsible industry conduct in collaboration and interactions with Healthcare Professionals. It is premised upon respecting the obligation of Healthcare Professionals to make independent product related decisions.

In 2005, the MEDEC member companies voluntarily adopted the Code of Conduct that was led and developed by the Association's members. Considered by all to be a "living document", its principles are regularly reviewed and on December 9, 2009, MEDEC's Board of Directors unanimously approved a major update of the MEDEC Code of Conduct on Interactions with Healthcare Professionals.

Why was the Code of Conduct restated?

The restated 2010 Code of Conduct, effective as of April 5, 2010, recognizes the changing business environment in the Canadian marketplace and different laws, policies and practices that govern healthcare regimes. It more fully clarifies principles that provide guidance on conduct between Healthcare Professionals and Companies. Also, non-member medical technology companies are presented with an opportunity to adopt the Code's principles and unite industry in addressing common issues in a consistent manner. The 2010 MEDEC Code of Conduct supersedes and replaces all previous MEDEC Codes of Conduct.

The main differences in the 2010 Code

MEDEC's restated Code expands into important new areas, including:

- The replacement of the term "Members" with reference to "Companies."
- It states that "medical devices" are now referred to as "medical technologies" and are distinct from drugs and biologics.
- A new Code Compliance section under which companies are strongly encouraged to adopt the Code and to implement a company-tailored, effective compliance program, to ensure there is no perceived "undue influence" on a sale or other transaction or interaction with a Healthcare Professional.

A new Value Added with Respect to Request for Proposals (RFP) and Tenders section under which MEDEC provides a position on value added requests including the need for healthcare facilities to clearly define and document requests as part of the RFP and tendering process.

Additionally, MEDEC has revised original sections in the Code to provide greater clarity and rigor in areas such as company-sponsored training and education for Healthcare Professionals, supporting third-party educational conference and education grants, among other key areas.

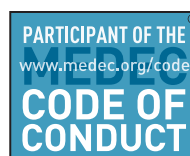
¹ The term "Healthcare Professionals" includes "those individuals and entities that purchase, lease, recommend, use, arrange for the purchase or lease of, or prescribe Companies' medical technology products in Canada. This includes both clinical and non-clinical people who make product-related decisions of the sort listed. This is a broad definition, intended to encompass anyone with material influence over purchasing decisions. Note that there may be laws and other codes applicable to relationships with Healthcare Professionals, including relationships with government employees.



MEDEC

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Interactions covered by the Code

Many interactions between Companies and Healthcare Professionals advance medical science and improve patient care. These include relationships to:

- Develop or improve medical technology.
- Promote and provide education on the safe and effective use of medical technology.
- Promote or support research and education.

Principle areas covered by the Code

The MEDEC Code of Conduct, available in its full format at www.medec.org/code, clearly provides guiding principles and definitions within each of its following sections:

A. The Goal of the MEDEC Code	E. Company-Sponsored Product Training and Education	H. Arrangements with Consultants
B. Medical Technologies	F. Supporting Third-Party Educational Conferences	I. Gifts
C. Scope of the MEDEC Code	G. Sales, Promotional and Business Meetings	J. Grants and Other Charitable Donations
D. Compliance with the MEDEC Code (New Section)		K. Value Added with Respect to Request for Proposals (RFP) and Tenders (New Section)

How is compliance to the Code of Conduct governed?

MEDEC promotes the need for all medical technology companies to provide for internal development and implementation of an effective compliance program grounded in policies and procedures, internal oversight, training and education, communication, monitoring, auditing, enforcement and proactive intervention and response. The Association encourages industry to ensure that all company representatives throughout Canada are diligently applying the principles encompassed in the Code of Conduct.

MEDEC does not actively govern adherence to the Code but will work with companies to build understanding around the need for compliance and policies and procedures that should be considered.

All Companies have an independent obligation to ascertain that their interactions with HCPs comply with all applicable laws and regulations. This Code is intended to facilitate ethical behaviour, and is not intended to define or create legal rights, standards or obligations.

Understanding Value Added with respect to Request for Proposals (RFP) and tenders

At times, healthcare facilities request “value added” items, grants or donations from Companies in conjunction with an RFP or tender process. Provided that “value added” requests relate to the product and services requested in the RFP and are clearly defined (documented) within the RFP document, the procurement and response practices fall within the Code’s guidelines.

What about relationships or interactions not addressed by the Code?

The MEDEC Code cannot possibly give specific directives for every conceivable professional relationship or interaction between Companies and Healthcare Professionals. When a situation is not specifically addressed, Companies agree to adhere to commonly accepted ethical business practices of the highest standard and practice socially responsible conduct.

The Code — good for patients, Healthcare Professionals and Companies

The MEDEC Code of Conduct is designed to ensure that all relationships between Companies and Healthcare Professionals are governed by the highest ethical standards. By adhering to these carefully developed guidelines, Companies create a win-win situation. Their vital relationships with Healthcare Professionals are safeguarded, legitimate business practices are affirmed and patients across Canada benefit from vital and innovative collaboration between Healthcare Professionals and the medical technology industry.

