

GLOBAL ANTI-BRIBERY POLICY & GUIDANCE

June 2011



Scope

This Global Cook Anti-Bribery Policy & Guidance applies to Cook companies worldwide, as well as their officers, directors, employees and anyone doing business on Cook's behalf, including agents, distributors or partners.

Purpose

This policy & guidance is part of the Cook Anti-Corruption Program and was written to assist all Cook employees and those working on behalf of Cook in understanding Cook's position with respect to bribery. In addition, we want to ensure compliance with the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

Related Policies & Guidance

Internal: Cook Code of Conduct

Cook Policy & Guidance on Interaction with Healthcare Professionals

Cook Anti-Money Laundering Policy (also part of the Cook Group Accounting Policy & Anti-Corruption Program.)

External: Cook Medical Business Practices Handbook for Distributors:

Doing Business on Behalf of Cook Medical

Related Procedures: Internal: Distributor Program and Procedures

Effective Date: 1 July 2011

Resources

Transparency International Corruptions Perception Index

http://www.transparency.org/policy_research/surveys_indices/cpi/

Organisation for Economic Co-operation and Development

<http://www.oecd.org>

UK Bribery Act

<http://www.legislation.gov.uk/ukpga/2010/23/contents>

www.justice.gov.uk/guidance/docs/bribery-act-2010-guidance.pdf

US Foreign Corrupt Practices Act

<http://www.justice.gov/criminal/fraud/fcpa/>

Contacts for Questions

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INTRODUCTION

There is a universal desire to stop corruption. Anti-bribery laws exist in virtually every country. Bribery negatively impacts everyone, causing needless expense and a loss of trust in business and government. Trust is especially important in the medical device industry. We depend on the trust of our customers, their patients, governments, and regulators worldwide. It has been a long-standing policy of Cook, reflected in our written policies such as our Code of Conduct and Policy & Guidance on Interaction with Healthcare Professionals and made a part of Cook corporate culture, that we do not buy business.

Bribery is an unlawful act and will not be tolerated in any form.

I. Elements of Bribery

The concept of bribery is now more broadly constructed than ever before. Today's most stringent laws that apply to Cook do not permit certain actions that in the past were not considered to be illegal, such as "grease payments" made to expedite business activities.

The definition of bribery is not simply the act of giving money to a government official to induce an action. Bribery includes all actions associated with the bribe and all parties involved, including non-government officials. It is even considered an offense when a bribe is merely offered, promised or requested but not actually paid or received. Failure to prevent a bribe is now considered an offense.

There are four main categories of bribery that apply to both individuals and companies. The italicized key concepts are defined after the policy.

1. Active Bribery

Directly or indirectly by using a third party;

Offering, promising or actually giving *anything of value*, corruptly, that is to say, knowingly or with "deliberate ignorance" or "willful blindness";

to another person or to a *government official*, political party or political candidate;

to induce an *improper purpose* of securing or rewarding:

- a. an improper advantage over another person or company,
- b. obtaining or retaining business or
- c. influencing an official act or decision of recipient.

2. Passive Bribery

Requesting or soliciting, agreeing to receive or accepting a *bribe* from another person.

3. Facilitation Payments

Facilitation payments made to expedite or secure the performance of a *routine government action*.

4. Failure to Prevent Bribery

Failure of a corporation to prevent an employee or a third party (such as a distributor), acting on behalf of the corporation, from making an actual bribe anywhere in the world.

II. Key Concepts

Anything of Value: In plain and simple terms, this phrase refers to anything that has any sort of value whatsoever. This is a very broad concept that includes cash or a cash equivalent, donations (including charitable donations), discounts, incentive payments, entertainment and recreation, medical meeting registration fees, a facilitation payment (defined below), travel expenses, meals, a job for a relative, a favor or in-kind services.

Bribe: Gaining financial or other advantage by giving anything of value to another individual or to a foreign government official for a corrupt reason such as inducing performance of a function or activity.

Healthcare Professionals (HCPs): This term refers to anyone working in a healthcare system who is in a position to purchase, lease or arrange for or recommend purchasing, leasing or ordering any goods, facility, service or item manufactured, marketed or sold by Cook. Examples include physicians, fellows, nurses, supply chain managers, materials managers, health fund officials and any professional society representing the interests of those HCPs.

Improper Purpose: In the context of bribery, this term refers to inducing performance by a person receiving a bribe which amounts to a breach of a reasonable person's expectation (this is a UK standard; the reasonable person is not judged by normal behavior in the country concerned) that someone will act in good faith, impartially or in accordance with a position of trust relating to any function:

1. Of a public nature
2. Connected with a business
3. Performed in the course of a person's employment or
4. Performed on behalf of a company or another body of persons

Facilitation Payment: Anything of value given to a government official, political party or party official the purpose of which is to expedite or to secure the performance of "a routine governmental action" (defined below). This type of payment is sometimes called a "grease payment." Facilitation payments are illegal under the UK Bribery Act.

Government Official: Any person acting in an official capacity for or on behalf of any government or instrumentality thereof, or any public international organization. In some countries, HCPs may be government officials if they work in government-owned or -operated health facilities or funds.

Routine Governmental Action: An action that is routinely and commonly performed by a government official. These actions may include granting permits, licenses and inspections, or arranging police, mail, phone or water services. Specifically excluded from this type of action is any decision by a government official whether to award or continue business with a particular party (or on what terms to do so), or any action taken by a government official involved in the decision-making process to influence such a decision.

III. Common Issues Arising When Interacting with Healthcare Professionals

Certain types of interactions, such as those listed below, may pose risks under anti-bribery laws. In all cases, there must be no corrupt intent and no expectation of favor. Carefully document business activities such as these to aid in proving absence of corrupt intent:

- A. Meals
- B. Gifts

- C. Evaluation and Demonstration Devices
- D. Entertainment/Recreation
- E. Travel Expenses
- F. Tours or Customer Visits
- G. Funding Requested by HCPs:
 - a. Charitable donations
 - b. Education and research grants
 - c. Sponsorship of third-party medical meetings
 - i. Sending HCPs to third-party medical meetings/conferences
 - ii. Scholarships for HCPs-in-training
- H. Fee-for-Service Arrangements:
 - a. Consulting–HCP professional services agreements
 - b. Exhibits at third-party medical meetings
- I. Sales to Government or Government-Owned Hospitals or Clinics

Check the Cook Policy & Guidance on Interaction with Healthcare Professionals if you are a Cook employee, or if you are a distributor, the Cook Medical Business Practices Handbook for Cook Distributors for details.

IV. Avoiding Problems

Documentation

Written, oral and electronic communications are critical to nearly every business function. However, too often correspondence and e-mails are often written carelessly, without regard to the impression each writing, as an isolated document, may give to someone not familiar with the facts. Loose language can lead to costly investigations and litigation. Every document should be written with care and accuracy, using common sense and good judgment. The writing should be factual. Guessing and exaggeration should be avoided. Every document should be written with the assumption that it may be public someday.

Responding to Government Investigations

If any employee, officer, director or distributor is contacted by a government investigator or by a private attorney asserting a claim regarding a Cook product, immediately call the Cook Group Legal Department (812.339.2235) to make sure that the matter is reported to top management. Indicate to the inquiring government investigator or attorney that it is Cook's policy to respond to such matters from the corporate office. Also note the name and phone number of the person making the inquiry and indicate that someone from the corporate office will respond to the inquiry.

It is Cook's policy to cooperate fully and honestly with government investigations as required by law. Also, if Cook or its employees are subject to an investigation, no employee should destroy any records that could be of any relevance to the investigation.

Certification

I acknowledge and agree that I have received a copy of Cook Medical's Global Anti-Bribery Policy & Guidance ("Policy & Guidance") and attended a presentation explaining this Policy & Guidance. I further acknowledge that I will familiarize myself with this Policy & Guidance and agree to abide by its terms.

Dated: the ____ day of _____, 2011,

Signed: _____

Printed Name: _____

Title: _____

Signed on behalf by: _____
(Organization Name)