



ANTI-CORRUPTION AND BRIBERY POLICY

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1. POLICY STATEMENT

This Policy is a public document and may be given to third parties to explain Terumo Aortic's approach to business. All relevant third parties will be made aware of this Policy as it applies to our people in their dealings with them.

Vascutek Limited (Registered Number: SC079773) is trading as Terumo Aortic.

- 1.1. At Terumo Aortic, we appreciate the importance of ethical behaviour in how we carry out and conduct our business. It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption in all forms, whether taking place directly or through third parties, and we are committed to acting professionally, fairly and with integrity and responsibility in all our business dealings and relationships wherever we operate, and implementing and enforcing effective systems to counter bribery. We expect the same approach to doing business from any third party we work with.
- 1.2. We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and abroad.
- 1.3. The purpose of this policy is to provide a coherent and consistent framework to enable Terumo Aortic's associates to understand and implement arrangements enabling compliance. This policy sets out:
 - 1.3.1. our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption;
 - 1.3.2. information and guidance to those working for us and working with us on how to recognise and deal with bribery and corruption issues.
- 1.4. By developing, implementing and acting upon this Policy, Terumo Aortic shall strengthen its reputation, build the respect of its associates and maintain its credibility amongst health care professionals ("HCP's").
- 1.5. Bribery is a criminal offence. Bribery and corruption are punishable for individuals by up to ten years' imprisonment, and if we are found to have taken part in corruption we could face an unlimited fine, be excluded from tendering for public contracts and face irreparable damage to our reputation. We therefore take our legal responsibilities very seriously.

You are liable to disciplinary action, dismissal, legal proceedings and possible imprisonment if you are involved in bribery and corruption.

- 1.6. We have identified that the following examples as particular risks for our business:
 - (i) we operate within the medical devices industry and we "do" business in territories which are known to adopt practices which are unethical;
 - (ii) how the business deals with gifts and hospitality; and
 - (iii) our relationship with third parties including, but not limited to, consultants/HCPs, distributors, Government Officials and suppliers.

Terumo Aortic are committed to taking action. Terumo Aortic commits to:

- (i) auditing our compliance with The Bribery Act on an ongoing basis;
- (ii) setting out a clear anti-bribery policy and to keeping it up-to-date;
- (iii) making all associates aware of their responsibilities to adhere strictly to this Policy at all times;

- (iv) setting out an Ethics Statement and keeping it up-to-date;
- (v) provide training to all staff so that they can recognise and avoid this use of bribery by themselves and others;
- (vi) regularly review our existing relationship with third parties and implement written statements for them to adhere to;
- (vii) undertake to monitor our Anti-Bribery and Corruption Policy and other associated procedures on an ongoing basis.
- (viii) encourage Terumo Aortic's associates to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;
- (ix) taking firm action against any individual(s) involved in bribery; and
- (x) include appropriate clauses in contracts to prevent bribery.

1.7. In this policy, **third party** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, business partners, suppliers, distributors, business contacts, consultants/HCPs, agents, advisers, independent contractors, surgeons, physicians, technicians, nurses, research co-ordinators and government and public bodies, including their advisors, representatives and officials, politicians and political parties, and any other politically exposed person.

2. WHO IS COVERED BY THE POLICY?

This policy applies to all of Terumo Aortic's activities.

Within Terumo Aortic, the responsibility to control the risk of bribery occurring resides at all levels of the organisation. It does not rest solely within one department, but in all areas of our business. This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, surgeons, physicians, technicians, nurses, research co-ordinators, trainees, seconded staff, casual workers and agency staff, volunteers, interns, agents, distributors, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as **workers** in this policy).

3. WHAT IS BRIBERY?

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

Examples:

Offering a bribe

You offer a potential client tickets to a major sporting event, but only if they agree to do business with us.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.

Receiving a bribe

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official

You arrange for the business to pay an additional payment to a foreign official to speed up an administrative process, such as approval for a new medical device.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

4. TERUMO AORTIC'S ANTI-BRIBERY PROCEDURES

Terumo Aortic's procedures cover six principles:

Proportionality

Terumo Aortic has procedures in place to prevent bribery by persons associated with it. These are proportionate to the bribery risks faced by Terumo Aortic and to the nature, scale and complexity of Terumo Aortic's activities. They are also clear, practical, accessible, effectively implemented and enforced.

Top Level Commitment

The President and Senior Management Team are committed to preventing bribery by persons associated with it. They foster a culture within the organisation in which bribery is never acceptable.

Risk Assessment

The nature and extent of Terumo Aortic's exposure to potential external and internal risks of bribery on its behalf by persons associated with it is periodically assessed. This includes financial risks but also other risks such as reputational damage.

Due Diligence

Terumo Aortic takes a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified bribery risks.

Communication (including training)

Terumo Aortic seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training that is proportionate to the risks it faces.

Monitoring and review

Procedures designed to prevent bribery are and shall be monitored and reviewed and improvements are and will be made where necessary.

5. GIFTS AND HOSPITALITY

5.1. This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties which seeks to improve the image of the organisation, to effectively present products and services, or establish amiable relations with such third parties.

5.1.1. Any hospitality should not be excessive in value or time and must be in compliance with our Travel and Expenses Policy and all local regulations.

- 5.1.2. In providing or receiving hospitality, you should act in good faith, impartially, or in accordance with a position of trust and not intend to, or give the appearance of intending to, influence the recipient.
- 5.1.3. Hospitality expenditure should be proportionate to the size of the company, our market and business needs.
- 5.1.4. Hospitality should not be concealed, but show transparency.

Most routine and inexpensive hospitality is unlikely to lead to any reasonable expectation of improper conduct.

- 5.2. Subject to the company's Travel and Expenses Policy, the giving or receipt of gifts is not prohibited, if the following requirements are met:

- 5.2.1. it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- 5.2.2. it complies with local law, regulations and industry and professional codes of conduct;
- 5.2.3. it is given in our name, not in your or any other individual's name;
- 5.2.4. it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- 5.2.5. it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time;
- 5.2.6. taking into account the reason for the gift, it is of an appropriate type and of modest value and given at an appropriate time;
- 5.2.7. it is given openly, not secretly;
- 5.2.8. gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the Compliance Manager; and
- 5.2.9. gifts should be associated with professional practice or provide a legitimate educational function.

- 5.3. We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable, proportionate and justifiable. The intention behind the gift should always be considered.

6. WHAT IS NOT ACCEPTABLE?

- 6.1. It is not acceptable for you (or someone on your behalf) to:
 - 6.1.1. give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given or which could be perceived to affect the outcome of a business transaction;
 - 6.1.2. give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
 - 6.1.3. accept payment from a third party if you know or suspect that the payment is offered with the expectation that it will obtain a business advantage for them;
 - 6.1.4. accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in

return;

- 6.1.5. threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- 6.1.6. engage in any activity that might lead to a breach of this policy.

Example:

Health Care Professionals such as surgeons may, from time to time, act as consultants for the company. Payment to such consultants for services such as research, presentations and product development, and also covering reasonable expenses such as travel, meals and accommodation, would not be considered bribery if it is reasonable and proportionate. However, travel, meals and accommodation or other expenses for spouses or guests of a consultant are likely to be considered disproportionate and regarded as an intention for financial or other advantage to influence the consultant in his or her official role and thereby secure business or a business advantage.

7. FACILITATION PAYMENTS AND KICKBACKS

- 7.1. We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions. We shall ensure this policy is distributed to all third parties working on our behalf, including those abroad. Where there is an intention to induce improper conduct, including where the acceptance of such payments is itself improper, this will be seen as a bribery offence.
- 7.2. If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Compliance Manager.
- 7.3. Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest that, a facilitation payment or kickback will be made or accepted by us.

8. DONATIONS

We do not make contributions to political parties. We do make charitable donations that are legal and ethical under local laws and practices, and these shall be in accordance with our Whistleblowing Policy. Charitable contributions shall be fully and publicly disclosed in our Annual Accounts.

9. YOUR RESPONSIBILITIES

- 9.1. You must ensure that you read, understand and comply with this policy.
- 9.2. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 9.3. You must notify the Compliance Manager (see section 11.1) as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further "red

flags" that may indicate bribery or corruption are set out in the Schedule.

- 9.4. Any associate who breaches this policy will face disciplinary action in accordance with our Disciplinary Policy, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other workers if they breach this policy.

10. RECORD-KEEPING

- 10.1. We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 10.2. You must keep a written record of all hospitality or gifts accepted or offered, which may be subject to managerial review.
- 10.3. You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our Travel and Expenses Policy and specifically record the reason for the expenditure.
- 10.4. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers, consultants, distributors and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

11. HOW TO RAISE A CONCERN

- 11.1. You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with the Compliance Manager Laura Millar, extension 2218, l.millar@terumoartec.com. Concerns should be reported by following the procedure set out in our Whistleblowing Policy.
- 11.2. Concerns can be anonymous. In the event that an incident of bribery, corruption or wrongdoing is reported, we will act as soon as possible to evaluate the situation. We have clearly defined procedures for investigation fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. If you have any questions, please contact the Compliance Manager.

12. WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION

It is important that you tell the Compliance Manager as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

13. PROTECTION

- 13.1. Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 13.2. We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Compliance Manager immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Policy.

14. TRAINING AND COMMUNICATION

- 14.1. Training on this policy forms part of the induction process for all new workers. All existing workers will receive regular, relevant training on how to implement and adhere to this policy.
- 14.2. Our zero-tolerance approach to bribery and corruption must be communicated to all relevant third parties at the outset of our business relationship with them and as appropriate thereafter.

15. WHO IS RESPONSIBLE FOR THE POLICY?

- 15.1. The President and Senior Management Team have overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 15.2. The Compliance Manager has primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it. Third parties must also maintain awareness and understanding of this policy.

16. MONITORING AND REVIEW

- 16.1. The Compliance Manager will monitor the effectiveness and review the implementation of this policy on an ongoing basis, considering its suitability, adequacy, quality, consistency and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 16.2. All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing, in accordance with our Whistleblowing Policy.
- 16.3. Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Compliance Manager.
- 16.4. This policy does not form part of any employee's contract of employment and it may be amended at any time.

POTENTIAL RISK SCENARIOS: "RED FLAGS"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly using the procedure set out in the whistleblowing policy:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials, for example to ensure procurement contracts are won;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service, for example a consultant may request a commission in order to promote a particular device designed by the company;
- (g) a third party demands lavish entertainment, gifts or free samples before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party;
- (o) you suspect that a third party promoting clinical trials are really doing so for marketing purposes;
or
- (p) you are offered payment by a third party to recruit patients for clinical trials or sit on clinical trial boards while simultaneously on the pay role of the manufacturing company in question.