

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

CODE OF ETHICS

AND

STANDARDS OF CONDUCT

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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, wage, salary and bonus details 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 Olympus Corporation of the Americas ("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, California has enacted a law that requires manufacturers to adopt a comprehensive compliance program that specifically addresses the Company's interactions with health care professionals and places a limit on gift giving. 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. 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. 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.

*In this regard, see Section X.C. (“**Procurement Integrity**”) of 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. Relationships with Customers, Vendors and Suppliers

1. General

Although the emphasis in this section is Government contracts, it is against Company policy for Gyrus ACMI employees to solicit business courtesies from vendors and suppliers.

It also is improper to accept business courtesies of greater than nominal value. (Nominal value means a fair market value of less than \$100.00.) In all cases, no matter the value, Gyrus ACMI employees shall not accept anything from a vendor or supplier as an inducement for, or to reward favorable treatment by the Company.

Likewise, Gyrus ACMI is committed to complying with the Anti-Kickback Act, 41 U.S.C. § 51 et seq which pertains to the activities of government contractors. These subjects are dealt with in more detail below.

2. Kickbacks – Medicare/Medicaid Statutes and Discount Disclosures

A kickback is any money, fee, commission, credit, gift, gratuity, article of value, or compensation of any kind that is provided, directly or indirectly, to a prime contractor, prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract. It is illegal and against Company policy to solicit, make or accept a kickback under any contract including a Government prime or subcontract. Further, under the Medicare/Medicaid anti-kickback law, any remuneration provided to induce a hospital, physician or other entity to purchase a product payable by Medicare/Medicaid or other Government insurance programs could be prohibited and could result in civil penalties for Gyrus ACMI and its customers. As these statutes directly impact on the manner in which Gyrus ACMI conducts its business, the Board of Directors of Olympus has promulgated two specific policies that provide

guidance to all Gyrus ACMI employees. These are provided at **Appendices I and J**, respectively, and are entitled:

<u>Appendix I</u>	Health Care Regulatory Compliance Guidance for Promotional, Marketing and Sales Practices Fraud and Abuse – Safe Harbors
<u>Appendix J</u>	Fraud and Abuse Guidelines Free Goods

Violation of these policies will subject Company employees to disciplinary action, including dismissal.

3. Health Insurance Portability and Accountability Act of 1996 (HIPAA)

There are certain federal, state and local laws that apply, directly or indirectly, to Gyrus ACMI. Such laws include those relating to the privacy and security of medical information. On the federal level, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its implementing regulations (the Privacy and Security Rules) set national standards for the protection of health information as applied to three types of “Covered Entities”: health plans, health care clearinghouses and health care providers.

“Covered Entities” are required to comply with HIPAA privacy and security requirements designed to protect the privacy and security of patient health information. The Group Health Plan offered by Gyrus ACMI to its employees is a “Covered Entity” component of Gyrus ACMI. Similarly, many of Gyrus ACMI’s customers are “Covered Entities” that are required to comply with HIPAA.

As a provider of medical device-related services to its customers, Gyrus ACMI may be seen as a “Business Associate” by certain customers (e.g., hospitals, clinics) who are directly regulated as “Covered Entities” under HIPAA. Such “Covered Entity” customers may “flow down” certain HIPAA-related requirements to Gyrus ACMI via Business Associate Agreements.

Gyrus ACMI’s Guidelines relating to Protected Health Information are attached and incorporated at **Appendix K**.

4. Gratuity or Business Courtesy

A gratuity is any gift, favor, entertainment, meal, hospitality, transportation, loan, or other tangible item of value. It also includes intangible benefits, such as discounts, passes, or things not generally available to the public. It includes hospitality suites and mementos offered at meetings or lectures. Providing a ticket to a sporting event, for example, is a gratuity even if the recipient pays the face value of the ticket if the sporting event is a sold-out event for which the public is unable to secure tickets. For purposes of this policy “gratuity” and “business courtesy” mean the same thing.

i. Favors, Gifts, and the Like

As a general rule, giving or accepting gifts, favors or other gratuities to or from customers, suppliers or vendors should be extremely infrequent, if at all. It is absolutely against Company policy to solicit gifts or business courtesies from businesses who do or seek to do business with the Company. If there is any expectation that the giver of the gift will expect a favor in return (e.g., strings attached), then the gift must not be accepted or given.

If the gift is being given to a customer or potential customer that is a health care professional, hospital or other entity that could seek reimbursement for our products which could be paid by Medicare, Medicaid or other federal health care programs, the gift must relate to patient care (e.g., stethoscope), serve a genuine educational purpose (e.g., anatomical model) or relate to a physician’s work (i.e., pens, notepads). Typical holiday gifts such as flowers, a bottle of wine or a fruit basket are not permitted at any time, regardless of whether it is the holiday season.

Other than gifts of medical textbooks or anatomical models used for educational purposes, the value of any gift given or received should be “nominal” which is defined as

having a fair market value of less than \$100. Cash or cash equivalent items (checks, credit card charges, gift cards and the like) must not be given to or received in any form from customers, suppliers or vendors unless approved through OCA's Legal Department.

Some of our customers or vendors, including hospitals or government health care facilities/entities may have gift, favor and/or gratuity policies that are more restrictive than Gyrus ACMI policies and should be complied with. In applying Gyrus ACMI guidelines, we seek to comply with applicable laws, regulations and ethical codes. For further guidance, refer to section 4ii and 4iii below, as well as **Appendices I and J**.

ii. Meals and Other Entertainment

Gyrus ACMI generally does not encourage its employees to accept from or give to its customers, suppliers or vendors, meals and other forms of entertainment (referred to generally as a "business courtesy"). However, Gyrus ACMI recognizes that there will be times when a working meal or other business courtesy between Gyrus ACMI and a customer, supplier or vendor personnel may be appropriate.

An employee may accept a business courtesy from a customer, supplier or vendor if the employee reasonably determines that no improper conflict or influence exists and the total value of such business courtesy is less than \$100. In no event shall the employee accept a business courtesy or gift in the form of a cash payment. If the value of the business courtesy exceeds \$100, the employee must, whenever possible, obtain approval from his or her immediate supervisor prior to accepting such business courtesy. Where advance authorization is impracticable, the employee shall report the estimated value of the business courtesy to the appropriate supervisor as soon as possible after acceptance. Thereafter, the supervisor, in consultation with the OCA Ethics Compliance Officer, shall

decide whether it would be appropriate to reimburse the customer, supplier or vendor for the cost of the business courtesy.

With regard to healthcare customers, only modest meals and receptions that are incidental and conducive to an underlying business purpose (e.g., providing product information, education and contract negotiations) are acceptable. It is not appropriate to pay for or provide meals for spouses or guests of health care professionals.

If it is otherwise appropriate (in accordance with a product group's, corporate department's or supervisor's policies), Gyrus ACMI personnel may occasionally provide meals to non-healthcare customers, suppliers or vendors if such meals: a) do not exceed an amount of \$100 per person; b) include a Gyrus ACMI representative; and c) occur in a place that is conducive to communicating information and generally conducting business. If it is expected that the cost of the meal may exceed \$100 per person, the Gyrus ACMI employee must obtain prior approval from Gyrus ACMI's President.

Additionally, Gyrus ACMI personnel may provide a business courtesy in the form of entertainment to customers, suppliers or vendors if: 1) the customers, suppliers or vendors are not health care professionals or other entities that could seek reimbursement for our products from Medicare, Medicaid or other federal health care program; 2) it is offered only occasionally; and 3) the total cost (when combined with the cost of any meals) is less than \$100 per person. Regardless of the monetary amount, Gyrus ACMI personnel shall not engage in questionable social entertainment such as attending a gentlemen's social club or the like when representing Gyrus ACMI or hosting customers, suppliers or vendors. In no event shall any form of entertainment (including recreational

activities) be provided to any customer that is a health care professional or other entity that could seek reimbursement for our products from federal health care programs.

If Gyrus ACMI wishes to sponsor a meal or reception at a continuing medical education conference or similar professional meeting, Gyrus ACMI may either provide financial support directly to the conference sponsor who in turn can provide the meal or reception to all conference attendees or Gyrus ACMI may directly provide such meal or reception at the conference. In either event, the meal or reception should be:

- Modest in value.
- Conducive to discussion among faculty and attendees.
- Subordinate to the amount of time spent attending educational activities.
- Provided in accordance with the conference sponsor's guidelines.

iii. Appearance of Impropriety

There may be occasions when offering or accepting a business courtesy appears to comply with the Company's policy but, because of the circumstances surrounding the situation, offering or accepting the courtesy would be inappropriate. It is Gyrus ACMI's policy not to offer or accept business courtesies of any value, however small, where such offer or acceptance would have the appearance of conferring or awarding favorable treatment in connection with the courtesy.

Employees are expected to use sound judgment when offering or accepting business courtesies and to avoid all situations that could give rise to the appearance of impropriety. Individuals who are responsible for making Company decisions that affect vendors and suppliers, such as buyers and quality assurance inspectors, and individuals

involved in sales and marketing to health care customers must be particularly sensitive to this Company policy.

iv. Maximum Dollar Limits and Recordkeeping Requirements

In no event shall any Gyrus ACMI employee accept gratuities or business courtesies which exceed a total of \$1,000 during a 12-month period unless approved in writing by a Vice President. In the case of a Vice President, such an acceptance may only be undertaken with the approval of the President. Gyrus ACMI employees and supervisors shall maintain official business records, for a period of three years, of all gratuities and business courtesies received which (in the aggregate) exceed \$100 in any one calendar year.

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.

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.**

**YEAR 2009
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.

Name

Witness

Signature

Date

Appendix C

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 Richard Coose 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 Richard Coose 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, Inc., Gyrus ACMI, L.P., Gyrus ENT, L.L.C. and Gyrus Medical, Inc., (hereinafter collectively, the “Company”) relating to fair and equal treatment for all employees, and to reiterate that it is the Company’s policy to provide employees with a workplace free of discrimination, harassment and/or retaliation. Discrimination and harassment are unacceptable conduct and will not be tolerated. The Company 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 expanded policy represents the continuing efforts of the Company 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 at any time.

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 and veteran status.
- B. Discrimination and harassment may take many forms. Included, by way of example, are the 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. Discrimination and harassment may also consist of verbal abuse, insults, comments, gestures, or jokes directed at or made in the presence of members of a racial, ethnic or other minority group. 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 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. It also applies to how employees treat our guests, customers, vendors and other people related to our business.

Sexual Harassment

- A. Sexual harassment includes 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 by creating an intimidating, hostile or offensive work environment and will not be tolerated.
- B. Sexual harassment may take different forms. One specific form is the demand for sexual favors. Harassment occurs when a person feels compelled to submit to sexual advances, requests for sexual favors and/or other misconduct in order to keep his/her position, to receive appropriate pay and benefits, or to benefit from certain employment decisions. Other forms of sexual harassment may include, but are not limited to:
- Verbal Sexual innuendoes, suggestive comments, jokes of sexual nature, sexual propositions, threats.
 - Non-Verbal Sexually suggestive objects or pictures (e.g., scantily clad models, cartoons, etc.), suggestive or insulting sounds, leering, whistling, 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. It is also prohibited for any level of management to tolerate, encourage or otherwise condone a hostile work environment.

All management should be cognizant that jokes, banter, etc., that one day may be humorous to an employee might very well become uncomfortable to that employee or to others. It is necessary therefore, to discourage any exchanges of this kind.

Policy and Procedures

1. Whatever form they take, discrimination and harassment are insulting and demeaning and will not be tolerated in the workplace. Violations of this policy 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 does not occur. Managers and supervisors are responsible for informing their employees that such conduct will not be tolerated and is subject to immediate corrective action and that they are also responsible for reporting such matters to senior management and to Human Resources.
3. Any employee who believes that he/she has been subjected to discrimination or harassment from a co-worker, supervisor or a non-employee is encouraged to make it clear to the offender that such behavior is offensive. The Company further encourages any employee who believes he/she is being discriminated against or harassed to come forward and report such incidents to management in the manner described below.

4. If a situation develops which an employee feels should be investigated, any of the following contact points are immediately available:
 - Richard Coose – Group Director, Human Resources (508) 804-2616
 - Samantha Hornung – Director, Human Resources (508) 804 – 2640
 - Justin Kelly, Director, Human Resources (203) 328 - 8853
 - Teresa Gupton – Director, Human Resources (901) 373 - 2672
 - Julie Seurer – Director, Human Resources (763) 416 - 3012
 - Liz Ensign, Manager, Human Resources (419) 660-4146
5. Under no circumstances need an employee report the discrimination or harassment to a supervisor who he/she is accusing of discrimination or harassment.
6. The Company will promptly and thoroughly investigate any complaint as it arises and will take appropriate action, up to and including termination of employment, if the circumstances warrant.
7. Good faith complaints will be protected from retaliation in any form whatsoever.
8. It is the responsibility of all management to immediately report any activities, which constitute discrimination or harassment in any form, even if that manager is not directly involved. Such a responsibility relates to any manager's duty to place the interests of the Company above any perceived sense of individual loyalty when such serious activities are taking place.
9. Any 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. A manager should also report any situation, with which he/she is uncomfortable, as such instances may very well develop into more serious problems at a later stage.
10. Managers shall immediately report the situation to Human Resources as soon as a discrimination or harassment complaint is received or information concerning discrimination or harassment comes to the attention of the manager. Investigations of all such situations will be conducted through the Human Resources Department.
11. The Company will, to the maximum extent feasible, maintain the confidentiality of discrimination and harassment situations on a need-to-know basis. However, investigation of such situations may require disclosure to the accused party and other witnesses in order to gather pertinent facts.

It should also be noted that the Company regards any attempt to lodge frivolous complaints with regard to any form of discrimination or harassment as extremely serious and any such attempts will be addressed according to the normal disciplinary procedures.

The Company shall have full discretionary authority to administer and interpret this Policy. The Company's decisions shall be final, conclusive, and binding. Although the Company intends to continue this Policy, it may be amended, revoked, suspended or terminated at the discretion of the Company 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.

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 Chief Legal Officer before taking any action.**

Please contact OCA's Chief Legal Officer 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. Philosophy

- A. Gyrus ACMI is strongly committed to providing a safe workplace and programs promoting high standards of health and safety for its employees. Consistent with this commitment, Gyrus ACMI will strive 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, the community, and Gyrus ACMI customers are considered in establishing this Policy to reduce the potential adverse impact of substance abuse. This Policy is 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. Consistent with this philosophy, 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 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 are 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 or Olympus 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 without limitation the homes of employees who telecommute, customer locations, conferences, conventions, seminars, trade shows, and Gyrus ACMI premises.

II. Scope

- A. This Policy applies to all Gyrus ACMI employees and prospective employees. Sections III. B., III. C., IV, V.A. and V. C. apply to any contractor and its employees who may be performing work at a work site.
- B. This Policy may be amended at the discretion of Gyrus ACMI at any time, for any reason, and without prior notice to or consent of Gyrus ACMI employees or prospective employees. In addition, this Policy is not intended to constitute a contract or guarantee of employment, whether express, implied, or otherwise.

III. Purpose

The purpose of this Policy is to (i) outline 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) to guide conduct so as to ensure a safe work environment, promote the greatest efficiency of Gyrus ACMI employees, protect Gyrus ACMI from liability, and protect 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 on-the-job accident (e.g., a fatality, injury, or damage to property), or (b) who return to work following a 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 in violation of this Policy, and 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 is 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, including but not limited to termination of employment for disciplinary reasons.
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 for disciplinary reasons. 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 (a) refuses to undergo a drug or alcohol laboratory screening test as required by Gyrus ACMI in accordance with this Policy or (b) 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, including but not limited to termination of employment for disciplinary reasons.

B. Alcohol

1. The consumption or possession of alcoholic beverages while at a work site (except as set forth in Section III. B. 2 below) is absolutely prohibited. (Unopened gifts which may contain alcohol are excluded from this Policy). No employee shall consume any alcohol during breaks or lunch periods. Furthermore, an employee is not permitted to report to work while under the influence of alcoholic beverages. Violations of this Section will result in disciplinary action, including but not limited to termination of employment for disciplinary reasons.
2. 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. No employees shall 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.
3. All employees are expected to return to work on Gyrus ACMI business 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 is not permitted to report to work while under the influence of illegal drugs. Violations of this Section will result in disciplinary action including but not limited to termination of employment for disciplinary reasons. If appropriate, violations may be reported to law enforcement authorities (see Section IV).
2. A Gyrus ACMI employee 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.

D. Employee Assistance & Medical Care

1. Gyrus ACMI will reasonably accommodate employees in accordance with the Americans with Disabilities Act of 1990, as amended. Employees suffering from alcoholism or illegal drug dependency are encouraged to seek medical treatment or the services of Gyrus ACMI's employee assistance program. 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 an employee assistance program, 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, will be subject to disciplinary action, including but not limited to termination of employment for disciplinary reasons. 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. Gyrus ACMI will not permit employees under the influence of illegal drugs or alcohol to endanger their own or others' safety or to cause damage to property by continuing on the job.
2. **Medical care for alcoholism or drug dependency may be covered under Gyrus ACMI's health care plans, subject to the provisions of those plans. Employees suffering from alcoholism or drug dependency may be eligible for FMLA leave, disability leave, or sickness benefits, subject to the provisions of those plans.**

IV. Reporting of Illegal Drugs Found at a Work Site

If any illegal drugs, or any substance believed to be an illegal drug, are found at a work site, an immediate report will be made to the Human Resources Department, which will, in appropriate circumstances, coordinate notification to law enforcement authorities. 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. 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. It is the responsibility of the employee to seek assistance, to cooperate with testing when requested to do so under this Policy, and to accept prescribed treatment. An employee's continued failure to seek assistance when his/her subpar performance is caused by illegal drug or alcohol use, will result in disciplinary action, including but not limited to termination of employment for disciplinary reasons. An employee who fails to continue with a prescribed treatment program will be subject to disciplinary action, including but not limited to termination of employment for disciplinary reasons.

- C. Managers, purchasing personnel, and the OCA Legal Department are responsible for taking the necessary steps to ensure that Sections III. B. and III. C. are enforced against any contractor and its employees who may be performing work at a work site.

VI. 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, 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.

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
FRAUD AND ABUSE - SAFE HARBORS**

I. PURPOSE AND SCOPE

Gyrus ACMI engages in marketing, promotional, and sales activities in the health care marketplace. Certain legal 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 standards. We intend to protect our company and our customers from exposure to the civil and criminal sanctions that could arise from violations of these laws.

This Compliance Guidance summarizes basic fraud and abuse concerns, including certain safe harbor regulations, as they may apply to practices important to Gyrus ACMI, such as:

- Discounts, rebates, and trade-in credits
- Research grants to hospitals or physicians
- Loaner equipment
- Education support
- Consulting services
- Value-added services
- Other marketing programs involving financial incentives to physicians, hospitals, or medical personnel

If you have any question regarding compliance for a proposed activity, please check with the OCA 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, environmental protection, 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 overcharging 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.

A. Anti-Kickback Statute

The anti-kickback statute prohibits a health care product provider 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 which can 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, or the opportunity to earn money. The statute has been interpreted very broadly so that if “one purpose” of the remuneration is to induce prohibited referrals or product recommendations, the statute has been violated.

Therefore, the anti-kickback statute may be a cause for concern whenever Gyrus ACMI provides anything of value to customers to influence the purchase or utilization of Gyrus ACMI products or services. Violation of this statute can result in criminal penalties of 5 years in prison and/or payment of a \$25,000 criminal fine. Recent regulations have further expanded the sanctions to allow exclusion or debarment of medical device suppliers. In addition, some states have enacted anti-kickback laws which apply to all health insurers, not simply Medicare or Medicaid.

Since the anti-kickback law is so broad, Congress enacted several exceptions and instructed the Office of Inspector General (“OIG”) to publish “safe harbor” regulations which specify practices that will *not* violate the law. Two safe harbors of interest to Gyrus ACMI are: (1) “Discounts”, which generally requires proper disclosure and reporting of discounts, credits, rebates, or other reductions in price (e.g., free goods or products provided at no charge); and (2) “Personal Services”, which sets specific requirements protecting personal service contracts with physicians.

Discount Disclosure – Hospitals and other Health Care Facilities

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 must include 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 must make

clear on invoices or other documents, the net value of purchased items so that health care customers can accurately report net charges to patients' insurance companies.

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 must provide disclosure in two steps. First, disclosure of the existence of the discount program must be made in the initial contract or invoice. Second, when the amount of the discount becomes known, Gyrus ACMI must provide documentation reflecting the calculation of the discount and identify the products/services to which the discount applies. Gyrus ACMI must notify 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.

Personal Services and Contracts with Physicians

Honorarium and fees to physicians for participation as consultants or as speakers in educational programs require careful attention. Such payments and programs may be protected if they comply with the "personal services" safe harbor regulations. When Gyrus ACMI remits personal services payments to physicians (e.g., for consulting, research, speaking engagements, etc.) which compensate the physicians in any way that might be viewed as paying the physicians to arrange for or recommend the purchase of Gyrus ACMI products/services, the payments could implicate the anti-kickback statute. Nevertheless, the arrangement can be protected if it meets all of the requirements under the personal services safe harbor regulation. Namely, there must be a written agreement specifying the services to be provided by the physician, and if for part-time services, the agreement must specify the exact schedule of services, precise length, and exact charge for each time interval. The contract must be signed by both parties. The arrangement must be for at least a one-year term in order to meet the requirements of this safe harbor. (Note: the term of the agreement must be no longer than necessary for the required services.) Aggregate compensation must be set in advance, must be consistent with fair market value in an arms-length transaction, and must not be determined in a manner that takes into account the volume or value of business generated between Gyrus ACMI and the physician.

Please contact OCA's Legal Department if you have questions as to whether an arrangement fits into the appropriate safe harbor requirements.

B. AdvaMed Code of Ethics

In addition to federal and state laws, Gyrus ACMI is alert to ethical guidelines such as the AdvaMed Code of Ethics on Interactions with Health Care Professionals ("AdvaMed Code") which give further guidance on appropriate conduct when dealing with

such customers. The AdvaMed Code guidelines are not, however, exceptions to the anti-kickback laws.

For purposes of the AdvaMed Code, “gifts” include virtually any item, service or other thing of value provided to physicians or other health care professionals. The term “health care professionals” refers to any person that is in a position to purchase, lease, recommend, use, arrange for the purchase or lease of, or prescribe a medical technology product, including hospital purchasing agents, physician practice managers and management within a group purchasing organization. Gyrus ACMI may provide gifts to health care professionals, however, any such gift:

- Should be given only occasionally.
- Should benefit patients or serve a genuine educational function (e.g., patient educational materials, stethoscope, medical textbook, anatomical model).
- Should have a fair market value of less than \$100 per gift (excluding anatomical models and medical textbooks).
- Should not be given in the form of cash or a cash equivalent.
- If the gift is a branded promotional items it should be of minimal value and related to the health care professional’s work or benefit patients (e.g., notepad or pens).

Gyrus ACMI’s policy on gift-giving as set forth in Section X.F.4.i of the Code of Ethics is modeled after these AdvaMed Code guidelines. Similarly Gyrus ACMI’s policy on providing meals, entertainment and other business gratuities is based on the AdvaMed Code guidance.

II. EXAMPLES OF APPLICATION TO VARIOUS ARRANGEMENTS

Gifts, entertainment, or funding for grants or fellowships to customers or potential customers in return for consideration as the “sole supplier” or “vendor of choice” could be considered an inducement and could violate the anti-kickback laws. Such programs can be implemented only if structured to comply with an applicable safe harbor and must not be used to underwrite customers’ ordinary overhead costs such as staff training or advertising expenses.

The following are examples of arrangements which may need further attention in connection with potential fraud and abuse concerns or application of ethical guidelines:

A. Education and Research Grants

Continuing Medical Education (CME) grants shall only be made by the OCA Legal Department and only for the purpose of supporting activities with a clear and *bona fide* educational objective. CME grant requests will be evaluated and determinations made using established written criteria. Factors that will be considered include whether: the program is sponsored by an accredited CME provider; the grant application is prepared and submitted by the CME provider without assistance or involvement from Gyrus ACMI sales personnel; the content and selection of presenters and moderators is controlled by an accredited CME

provider; and commitment by the accredited CME provider to ensure the program's objectivity and balance.

Other types of grants (e.g., for disease management programs, fellowship programs and general research to benefit the public health) may be made by Gyrus ACMI. Such grants will be evaluated against established written criteria and grants can only be made for requests that meet such criteria. Grants to customers must be reviewed by OCA's Legal Department.

Grants to customers are subject to greater restrictions and limitations because they may be viewed as inducements to use Gyrus ACMI products or services or as hidden discounts. Grants should not be used to "sweeten the deal" in connection with purchase negotiations with customers. 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 outside counsel and use of proper discount disclosure provisions in contracts or letters with the customer. Gyrus ACMI must provide to the customer, and 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 must inform 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 should be informed of any such grant.

Any payment to a customer, health care provider or other third-party to perform research activities that may result in information or data valuable to Gyrus ACMI or arrangement to obtain Gyrus ACMI products that will be used in research activities must be described in a written agreement that has been reviewed and approved by OCA's Legal Department.

B. Contracts with Physicians

Gyrus ACMI enters into contracts with physicians and other health care professionals for research, consulting and other services. If the contract involves the payment of any form of remuneration to the professional, that could induce the professional to purchase or recommend, or arrange for the purchase of Gyrus ACMI products, the contract could implicate the anti-kickback statute. All contracts with health care professionals must either be prepared by or reviewed by OCA's Legal Department to ensure that the arrangement meets certain requirements, including that:

- The contract specifies the nature of the services to be provided, the amount of payment for the services and the basis for the payment.
- A legitimate need for the services was clearly identified before entering into the arrangement.
- The criteria for selecting the health care professional are directly related to the identified purpose and the persons who selected the professional have the expertise necessary to evaluate whether the professional meets those criteria.

- The number of health care professionals retained does not exceed the number reasonably necessary to achieve the identified purpose.

Any meetings between Gyrus ACMI and its contracted health care professionals should be held in a location that is conducive to conducting business. Any meals should be clearly subordinate in terms of time and focus of the meeting. Gyrus ACMI may pay for reasonable travel, lodging, meal and related expenses for a contracted health care professional to attend a company-sponsored meeting. Gyrus ACMI will not, however, pay such expenses for a spouse or other guest of a contracted or professional.

C. Travel Expense Reimbursement -- Plant Tours, Focus Groups, and Consulting or Training Programs

Generally, travel expenses and honoraria should *not* be reimbursed to potential customers visiting Gyrus ACMI's offices for a tour of purely promotional content. However, if the tour is necessary because the equipment is too large or voluminous to transport to the potential customer's location, and the tour is necessary to enable the potential customer to make an informed purchase decision, *reasonable and necessary* travel expenses may be reimbursed. In addition, reasonable and necessary travel expenses may be reimbursed in the following other instances:

- When customers visit Gyrus ACMI's offices for the purpose of providing product or clinical information to or consulting services for Gyrus ACMI.
- For physicians or other health care professionals who participate in focus groups arranged by Gyrus ACMI to obtain necessary clinical feedback on new products or information pertaining to customer needs.
- When new customers travel to Gyrus ACMI facilities for training in the safe and effective use of newly purchased products.

Gyrus ACMI will *not* cover travel expenses associated with non-consultant/customer individuals' attendance at various educational or similar conferences.

Customers should be informed of the limits on expense reimbursement before travel arrangements are made. Gyrus ACMI should *not* pay for the travel expenses of a spouse of a consultant or service provider. However, a spouse may share lodging with the consultant or service provider since there is generally no additional charge in these circumstances. Expenses may only be reimbursed upon presentation of appropriate receipts or other documentation.

D. Value-Added Services -- Consulting, Training and Education Programs; Product Service or Maintenance Under Standard Warranties

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. 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 free product service or maintenance on Gyrus ACMI equipment under a standard warranty which the customer does not purchase separately. However, if the customer is typically required to purchase the warranty or service contract, or if the warranty or service is typically offered only to selected customers, providing the service for free may not be permitted unless there is proper disclosure of the value of the service as a discount, related to specific products.

E. Fees to GPOs

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.

F. Holiday Gifts

Typical holiday gifts such as flowers, a bottle of wine or a fruit basket may not be given at any time to health care professionals, regardless of whether it is the holiday season. Instead, any gifts given to health care professionals must benefit patients, serve a genuine educational purpose or relate to the health professional's practice.

Gyrus ACMI may provide such holiday gifts to other customers that are not health care professionals under limited conditions. Holiday gifts must be approved by the employee's senior department or group management and must fall within established budgets. The value of the gift should not exceed \$100 and the gift should not be given in the form of cash or cash equivalents.

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 that repairs, maintains and undertakes “troubleshooting” with regard to its devices, Gyrus ACMI may be seen as a “Business Associate” by certain “Covered Entity” health care provider customers (e.g., hospitals, clinics) who are directly regulated under HIPAA.
- (2) Gyrus ACMI offers health care benefits, health care flexible spending accounts and employee assistance programs to its employees and the employees of certain affiliated companies. These health plans are directly regulated under HIPAA.

Medical Device Company

Gyrus ACMI has entered into “Business Associate Agreements” with certain “Covered Entity” customers whereby it has agreed to take certain actions with regard to Protected Health Information (“PHI”) that comes into its possession.

PHI 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.

As a general matter, Gyrus ACMI personnel can only use and disclose PHI in a manner consistent with the following:

1. PHI can only be used by or disclosed to an individual or entity other than the medical customer if that individual or entity has a written agreement with Gyrus ACMI to protect PHI.
2. If an individual requests access or amendment to his/her own PHI, or information regarding disclosures of that PHI, there must be a written authorization from the medical customer to take such action.
3. PHI can be used and disclosed only for authorized work on behalf of the medical customer, or other specific uses allowed by a Business Associate Agreement. If a Business

Associate Agreement is not in place with a customer, PHI can only be used or disclosed for authorized work on behalf of the medical customer or in a manner otherwise consistent with the type of restrictions generally set forth in Business Associate Agreements.

4. Only the minimum amount of PHI necessary to accomplish the work activity should be used.
5. Appropriate safeguards (e.g., locked cabinets) to protect PHI and reasonable and appropriate controls (e.g. computer passwords) to protect electronic PHI must be implemented.

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

Health Plans

Gyrus ACMI provides health benefits to its employees and the employees of certain of its affiliates. The Health Care Plan, the Health Care Flexible Spending Account Plan, and the Employee Assistance Program (“Gyrus ACMI Health Plans”) are regulated under HIPAA.

Human Resources employees who deal with Gyrus ACMI’s health plans must handle PHI in accordance with HIPAA and its applicable implementing regulations. .

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

Statement of Policy

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

Statement of Business Purpose

Gyrus ACMI maintains electronic communications systems including E-mail, Voice-mail, Intranet (i.e., "MYGYRUSACMI"), and Internet access for use in conducting Gyrus ACMI business. The E-mail, Voice-mail, Intranet, and Internet systems and the communications and information stored, accessed, made or received over, by or through these systems are considered Gyrus ACMI property and are not the private property of any employee. Employee use of the Gyrus ACMI electronic communications systems is a privilege, not a right, and places a responsibility on all users of the systems. The privilege may be revoked temporarily or permanently by Gyrus ACMI. The use of E-mail, Voice-mail, Intranet, or the Internet to solicit other employees for any purpose or organization is strictly prohibited. While occasional, intermittent personal use will not result in disciplinary action, employees should be mindful that these systems are for business usage.

Applicability of Policy

This Policy applies to all employees and contractors using Gyrus ACMI's electronic communications systems, regardless of the time of day or location of the employee.

No Expectation of Privacy

Passwords are designed to maintain the confidentiality of Gyrus ACMI's business-related information and to give employees access to those parts of Gyrus ACMI's electronic communications systems that are necessary to the employees' work functions and for appropriate purposes. Passwords are not designed to provide privacy from inspection or review by designated Gyrus ACMI representatives who will, from time to time, review the employees' use of the Gyrus ACMI's electronic communications systems or to find relevant information. Voice-mail messages, E-mail files, computer files and all other electronic data stored on Gyrus ACMI's electronic communications systems are the property of Gyrus ACMI. Gyrus ACMI employees should not have an expectation of privacy from monitoring by designated Gyrus ACMI representatives (as described above) with respect to the E-mail, Voice-mail, Intranet, and Internet systems. All computer data is subject to interception, monitoring, and review by Gyrus ACMI at any time. All computer data may also be subject to discovery in any litigation in which Gyrus ACMI is a party or witness.

External Transmissions

E-mail, Voice-mail, Intranet, and Internet transmissions sent to recipients outside of Gyrus ACMI lack data security, and external recipients or the service provider may be equipped with data preservation and monitoring capabilities. There is certainly no assurance of privacy or

confidentiality. 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 E-mail, Voice-mail, Intranet, or the Internet. 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. Finally, Gyrus ACMI employees and contractors to whom limited access to such data has been granted must not post on non-Gyrus ACMI web sites, or transmit externally via e-mail or telecopy, any internal Gyrus ACMI memoranda, communications or documents, or other confidential or proprietary materials or information of Gyrus ACMI, unless such posting or transmission is for the legitimate purpose of furthering the business interests of Gyrus ACMI

Scope of Improper Acts

Messages transmitted by E-mail and Voice-mail should be courteous and professional. When considering the propriety of engaging in a particular act, employees should be guided by the specific prohibitions provided below and the general objectives and guidelines expressed in this Policy. Below is a non-exclusive list of prohibited activities in which E-mail, Voice-mail, Intranet, and Internet users must not engage:

- (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 E-mail, Voice-mail, Intranet, or the Internet to harass, intimidate, offend, or annoy other persons, including but not limited to co-workers, customers, suppliers, contractors, or competitors.
- (e) Spreading “chain mail” and other frivolous communications.
- (f) 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.)
- (g) Downloading any other software or materials (such as on-line publications) unless the IT Department has approved such download and has taken appropriate anti-virus measures.
- (h) 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 IT Department.
- (i) With the exception of messages authored by the IT Group or Senior Management, sending “! GyrusACMI Worldwide”, “# <facility> All Users” or similar E-mail messages

without prior written authorization from a member of Gyrus ACMI's Human Resources department.

Employees should keep in mind that E-mail and Voice-mail messages are more permanent than written communications on paper. Even when an E-mail or Voice-mail 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. Supervisors must then, in turn, notify the Human Resources Department of such violations.

No Waiver

Any failure by Gyrus ACMI to discipline employees for prior violations of this Policy shall not constitute a waiver of its right to impose discipline for subsequent violations.

Access, Monitoring and Surveillance

By accepting employment with Gyrus ACMI and using Gyrus ACMI's systems and equipment, employees consent to (a) the sharing, monitoring, printing, copying, and/or deleting of any E-mail, Voice-mail or other electronic data prepared by the employee and (b) Gyrus ACMI's use of any such E-mail, Voice-mail or other electronic data as Gyrus ACMI deems appropriate. Employees acknowledge that Gyrus ACMI's ability, right, and freedom to monitor, delete, and otherwise take action with respect to employee E-mail messages, Voice-mail messages, Intranet and Internet usage, and other electronic data stored on Gyrus ACMI equipment is necessary in order for Gyrus ACMI to protect itself, its business, and its employees. Employees further acknowledge and agree that Gyrus ACMI may grant other Gyrus ACMI employees and consultants access to E-mail, Voice mail, or other electronic data in order to meet Gyrus ACMI's business needs.

Discipline for Violations

Employees who violate this Policy will be subject to discipline, up to and including discharge.

Questions concerning this Policy should be directed to a Human Resources Manager or Director or to the OCA Legal Department.

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.

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.