

Statement of Intent

Anti- Bribery and Corruption management at Olympus KeyMed is a board responsibility and I am the board member with direct responsibility for this important issue. Responsibility flows from me to members of the Executive Committee and the senior management team.

The Board Directors and the Executive Committee ensure that their operations are conducted in accordance with The UK Bribery Act 2010 and the standards it sets. This responsibility flows to the relevant line management chain of authority and to the manager of individuals to exercise control across all areas of the business.

This Anti- Bribery & Corruption policy sets out a frame work to deal with controlling bribery and corruption, and I expect every member of staff to read it and become familiar with the content.

Complying with the UK Bribery Act 2010 is essential to the operating procedures of Olympus KeyMed. Therefore, I expect the full co-operation & commitment of all staff to maintain the high standards as detailed in this policy and in the 'Olympus KeyMed Code of Ethics & Business Conduct', which covers a much wider scope of ethical behaviour,

Signed: _____



Mr N J Williams - Group Managing Director

Date: _____

28/7/14

Foreword

This policy sets out the general rules and principles to which all employees adhere. The policy will be communicated to all business areas and employees within the Olympus KeyMed Group of companies overseen by the Olympus KeyMed Board, as well as relevant third-party representatives and other necessary individuals and entities.

Those who work in areas within the business identified as being high risk will receive additional training and support in identifying and preventing corrupt activities.

This policy explains the procedures through which Olympus KeyMed maintains its high ethical standards and protects its reputation against any allegations of bribery and corruption. Its successful implementation requires pro-active adoption at the following levels:

- As an employee of Olympus KeyMed, you are required to read and understand all aspects of this policy, and abide by it.
- The Olympus KeyMed Board of Directors will ensure adherence to sections 6, 7 and 8 of this policy. The overall compliance with the requirements of this policy is the responsibility of the Group Managing Director.
- Executive Committee Members are responsible for the compliance of business units within their own divisions.
- The Olympus KeyMed Board will ensure continuous enforcement and review of this policy via application guidance and monitoring.

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1. Introduction

It is Olympus KeyMed's policy to conduct business in an honest way, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage.

The Olympus KeyMed group of companies is committed to ensuring adherence to the highest legal and ethical standards. This must be reflected in every aspect of the way in which we operate. We must bring integrity to all our dealings. Bribery and corruption harms the societies in which these acts are committed and prevents economic growth and development.

This is not just a cultural commitment; it is a moral issue and a legal requirement. Bribery is a criminal offence in most countries in which Olympus KeyMed operates, and corrupt acts expose the Company and its employees to the risk of prosecution, fines and imprisonment, as well as endangering the Company's reputation.

This policy has been adopted by the Olympus KeyMed board and is to be communicated to everyone involved in the business to ensure their commitment to it. The board attaches the utmost importance to this policy and will apply a “**zero tolerance**” approach to acts of bribery and corruption by any employees or third-party representatives. Any breach of this policy will be regarded as a serious matter by the Company and is likely to result in disciplinary action.

2. What is Bribery and Corruption?

Bribery and corruption has a range of definitions in law, but the fundamental principles apply universally.

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

Corruption is the misuse of public office or power for private gain; or misuse of private power in relation to business outside the realm of government.

Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. For the purposes of this policy, whether the payee or recipient of the act of bribery or corruption works in the public or private sector is irrelevant.

The person being bribed is generally someone who will be able to obtain, retain or direct business. This may involve sales initiatives, such as tendering and contracting; or, it may simply involve the handling of administrative tasks such as licences, customs, taxes or import/export matters. It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of administrative tasks.

3. What is a Bribe?

Bribes can take on many different shapes and forms, but typically they involve corrupt intent. There will usually be a 'Favour for a favour' – both parties will benefit. A bribe could be:

- the direct or indirect promise, offering, or authorisation, of anything of value
- the offer or receipt of any kickback, loan, fee, reward or other advantage
- the giving of aid, donations or voting designed to exert improper influence

4. Who Can Engage in Bribery or Corruption?

In the eyes of the law, bribery and corrupt behaviour can be committed by:

- an employee, officer or director
- any person acting on behalf of the Company (third-party representatives)
- individuals and organisations where they authorise someone else to carry out these acts

Acts of bribery and corruption will commonly, but not always, involve public or government officials. For the purposes of this policy, a government official could be:

- a public official, whether foreign or domestic
- a political candidate or party official
- a representative of a government-owned/majority-controlled organisation (NHS)
- an employee of a public international organisation (eg World Bank)

5. What Does the Law Say About Bribery and Corruption?

Bribery is a criminal offence in most countries in which Olympus KeyMed operates, and penalties can be severe. The UK Bribery Act not only makes bribery and corruption illegal, but also **holds UK companies liable for failing to prevent such acts by those working for or on its behalf, no matter where the act takes place.**

Any offence under the Act committed by an individual under sections 1, 2 or 6 is punishable either by a **fine or imprisonment for up to 10 years** (12 months on summary conviction in England and Wales or Scotland or 6 months in Northern Ireland), or both. An offence committed by a person other than an individual is punishable by a fine.

In addition, current US legislation (Foreign Corrupt Practices Act or FCPA) offers similar prohibitions and potential penalties and is enforced with vigour by the US authorities. It is therefore in your interests, as well as those of Olympus KeyMed, that you act with propriety at all times. Corrupt acts committed abroad may well result in a prosecution at home.

6. What Steps Can We Take to Prevent Bribery and Corruption?

We can take the following steps to assist in the prevention of bribery and corruption:

a. Risk Assessment

Effective risk assessment lies at the very core of the success or failure of this policy. Risk identification pinpoints the specific areas in which we face bribery and corruption risks and allows us to better evaluate and mitigate these risks and thereby protect ourselves. Business practices around the world can be deeply rooted in the attitudes, cultures and economic prosperity of a particular region, any of which can vary.

Management must assess the vulnerability of each business area to the risks on an ongoing basis, subject to review by the appointed compliance officer and the Olympus KeyMed Board of Directors.

b. Accurate Books and Record-Keeping

Many serious global bribery and corruption offences have been found to involve some degree of inaccurate record-keeping. We must ensure that we maintain accurate books, records and financial reporting within all Olympus KeyMed business areas and for all third-party representatives working on our behalf. Our books, records and overall financial reporting must also be transparent. That is, they must accurately reflect each of the underlying transactions. False, misleading or inaccurate records of any kind could potentially damage the reputation of Olympus KeyMed.

c. Effective Training and Update at regular intervals

All new employees have an introduction to the Anti-Corruption and Bribery act and the company policy of zero tolerance at the induction training. All employees that work in the sales or key procurement environment will undertake an additional, more comprehensive training programme which will enable them to recognise and avoid the use of bribery. Training content for individuals in the sales & procurement environment will be reviewed periodically, and refresher courses are provided to help mitigate the risks on an ongoing basis.

d. Effective Monitoring and Internal Control

Our business must maintain an effective system of internal control and monitoring of our transactions. Once bribery and corruption risks have been identified and highlighted via the risk assessment process, procedures can be developed and documented within a comprehensive control and audit programme in order to help mitigate the risks on an ongoing basis.

e. Approval – Healthcare Compliance Committee

A Committee consisting of at least one Board Director, two Executive Committee members, and other nominated individuals meets periodically to discuss and approve educational grants, donations, sponsoring and any other type of funding that the company provides to maximise the potential of the equipment sold to a customer.

The guidelines, principles and methodologies for the approval of such activities is documented in the current Standard Operating Procedures (SOP) for Travel and Accommodation, Clinical Trials and Study agreements, Consultancy agreements, Approval of Employer, Donations, Gifts and Lotteries, Hospitality, Meetings and Reference Site visits, Sponsoring, Training.

Each approval is documented and signed by the two most senior members of the committee and held as evidence. The minutes of each meeting are published and held as evidence of the subject discussions.

f. Association of British Healthcare Industries (ABHI) Code of Business Practice

Olympus KeyMed is a member of the ABHI which represents the interests UK Medical technology & Device Manufacturers.

The ABHI publish a document called the 'ABHI Code of Business Practice' which provides comprehensive guidance on the minimum expected standards of business practice in the UK, Europe and generally anywhere else in the world.

Topics covered are:

- Interactions with Health care Professionals
- Advertising & Promotion
- Unlawful payments & Practices
- Competition/Antitrust & Procurement Laws
- Export Controls & Sanctions
- Environmental Issues
- Data Privacy
- Compliance & Enforcement
- Sponsored Product Training & Education
- Support for 3rd Party Educational Conferences
- Sales & Promotional Meetings
- Arrangements with Consultants
- Gifts
- Provision of Reimbursement & other Economic Information
- Donations for Charitable & Philanthropic Purposes
- Educational Grants

Other sections include Questions & Answers detailing guidelines on Interactions with Health Care Professionals, Competition Law Compliance Guidelines, Exchanging Data & Information & a list of Do's & Don'ts.

7. Where Do the Bribery and Corruption Risks Typically Arise?

Bribery and corruption risks typically fall within the following categories:

a. Use of Third-Party Representatives

The definition of a third-party is broad, and could include agents, distributors, consultants and joint venture partners. Whilst the use of third-parties can help us reach our goals, we need to be aware that these arrangements can potentially present Olympus KeyMed with significant risks.

Risk can be identified where a third-party conducts business activities on Olympus KeyMed's behalf, so that the result of their actions can be seen as benefiting Olympus KeyMed.

Third-parties who pose significant risks and act on Olympus KeyMed's behalf must operate at all times in accordance with this policy.

Olympus KeyMed employs a Distribution Agreement for Distributors. Section 6 of the agreement refers to the Prevention of Bribery and Corruption, and states that if in breach of the agreement anywhere in the world; Olympus KeyMed may terminate the agreement with immediate effect.

Management is responsible for the evaluation of each third-party relationship and determining whether or not it falls into this category.

Where risk regarding a third-party arrangement has been identified, Management must:

- evaluate the background, experience, and reputation of the third-party
- understand the services to be provided, and methods of compensation and payment
- evaluate the business rationale for engaging the third-party
- take reasonable steps to monitor the transactions of third-parties appropriately
- ensure there is a written agreement in place which acknowledges the third-party's understanding and compliance with this policy

Olympus KeyMed is ultimately responsible for ensuring that third-parties who pose significant risks are compliant with this policy as well as any local laws. Ignorance or "turning a blind eye" is not an excuse.

As the third-party evaluation process will vary by business area and type of third-party, Management should consult in the first instance with their Executive Committee Member, who will make available guidelines, principles and methodologies for the evaluation and vetting of third-parties.

b. Gifts, Entertainment and Hospitality

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business.

These activities **are acceptable** provided they fall within reasonable bounds of value and occurrence.

How to evaluate what is 'acceptable':

First, take a step back and ask yourself the following:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were on the front of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

If you find it difficult to answer one of the above questions, there may a risk involved which could potentially damage Olympus KeyMed's reputation and business.

The action could well be unlawful.

Although no two situations are the same, the following guidance should be considered globally:

Never acceptable

Circumstances which are never permissible include examples that involve:

- a 'Favour for a favour' (offered for something in return)
- gifts in the form of cash/or cash equivalent vouchers
- entertainment of a sexual or similarly inappropriate nature

Olympus KeyMed employees and third-parties should not provide gifts to, or receive them from, those meeting the definition of a government official in section 4. However, we do understand that in certain countries gift giving and receiving with these individuals is a cultural norm.

If you are faced with such a situation, please advise your Executive Committee member immediately. It may be necessary to consult with the company's legal partner before proceeding.

Usually acceptable

Possible circumstances that are usually acceptable include:

- modest/occasional meals with someone with whom we do business
- gifts of nominal value, such as pens, or small promotional items

If an example does not fall under the above categories, please in the first instance seek guidance from your Executive Committee member immediately. It may be necessary to consult with the company's legal partner before proceeding. Such examples would not be permissible without prior approval.

Geographical / Divisional variation

A variety of factors such as customs, culture and currency may influence the level of acceptability.

The Healthcare Compliance Committee has established a monetary range of acceptable values for gifts, meals and entertainment for all areas of the business.

Transparency is Key

Every Executive Committee member is required to maintain and monitor a gifts, entertainment and hospitality register, which will be made available via an online reporting facility (Lotus Notes). Any form of gift, entertainment or hospitality given, received or offered, must be appropriately recorded in the register. Any that exceeds the limit set by the Healthcare Compliance Committee will need prior approval by the Healthcare Compliance Committee.

In the event that an impermissible form of gift, entertainment or hospitality has been accepted, you must appropriately record the transaction within the register and contact your Executive Committee member immediately.

c. Facilitation Payments

In many countries, it is customary business practice to make payments or gifts of small value to junior government officials in order to speed up or facilitate a routine action or process. It may be that we need to obtain licences or permits faster than the normal course; or, we may need lawfully to import or export goods or materials.

Despite this, facilitation payments as defined here are against this Olympus KeyMed policy and we take the view that they are illegal within the UK as well as within most countries in which we operate.

Current UK legislation makes no distinction between facilitation payments and bribes, regardless of size or local cultural expectations, even if that is "how business is done".

However, in the event that a facilitation payment is being extorted, or if you are forced to pay under duress or faced with potential safety issues or harm, such a payment may be made, provided that certain steps are followed.

If you are ever placed in such a situation, you must contact your Executive Committee member immediately, and you must record the payment appropriately within Olympus KeyMed's books and records to reflect the substance of the underlying transaction. If you are unsure whether certain payments which resemble the definition of facilitation payments are permissible, legal advice may have to be sought.

8. Local Adaptation

In order for this policy to be effective, it is necessary for it to be applied across the entire Olympus KeyMed Group, taking into consideration the diverse cultural environments in which the company operate. This may require each business to adapt certain sections of this policy, such as gifts, entertainment and hospitality, to ensure they are fair, appropriate and applicable.

Management, in conjunction with the Healthcare Compliance Committee are responsible for reporting and confirming any local adaptations to this policy.

9. How to Raise a Concern - Whistle blowing

As individuals who work on behalf of Olympus KeyMed Group companies, we all have a responsibility to help detect, prevent and report instances not only of bribery, but also of any other suspicious activity or wrongdoing.

Olympus KeyMed is absolutely committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every one to know how they can “speak up”.

If you have a concern regarding a suspected instance of bribery or corruption, please speak up. Your information and assistance can only help.

The sooner you act the better for you and for the Company. To help, we have created multiple channels to allow you to do this.

If you are concerned that a corrupt act of some kind is being considered or carried out, either within Olympus KeyMed, by any of our third-parties or by any of our competitors, **you must report the issue/concern to your Line Manager and your Executive Committee member in the first instance.** If for some reason it is not possible to speak to your Line Manager or Executive Committee member, report it to **another Senior Manager, or the Compliance officer.**

If you are not comfortable with speaking directly to a colleague or anyone mentioned above, **Olympus KeyMed Group has anonymous methods for reporting. Employees can contact Personnel Administration in confidence, and third-parties can report via the company website.** These details are communicated at the induction and are available on the company intranet.

In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. Olympus KeyMed has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. If you have any questions about these procedures, please contact the Compliance officer.

For full details of the procedure and the various lines of reporting (**Whistle Blowing**), refer to the section ‘**Points of Contact**’ documented in the ‘**Olympus KeyMed Code of Ethics & Business Conduct**’.

10. Conclusion and Certification

It is the ultimate responsibility of the Olympus KeyMed Board of Directors to routinely refresh and reinforce this policy and its underlying principles and guidelines. The Compliance officer, under the direction of the Olympus KeyMed Board of Directors, is responsible for the establishment and ongoing monitoring of sections 6, 7 and 8 of this policy.

All Olympus KeyMed Group employees and relevant third-parties are responsible for annual certification as to the receipt and understanding of this policy as part of the annual on-line anti-bribery and corruption training.