

## **POLICIES**

### **I. Compliance Program**

#### **1. Compliance Officer and Compliance Committee**

Bayer's Compliance Officer is a member of senior management who oversees all compliance activities. The Compliance Officer is responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with federal health care programs. The Compliance Officer makes periodic reports regarding compliance activities directly to the President and Chief Executive Officer of Bayer HealthCare Pharmaceuticals Inc.

The Compliance Officer chairs the Compliance Committee, which is comprised of senior managers from various departments, such as Sales, Marketing, Contracting, Human Resources, and Internal Audit. The Compliance Committee meets regularly and supports the Compliance Officer in all activities of the Compliance Program.

#### **2. Written Standards of Conduct**

Bayer has established written standards of conduct, including the Code of Conduct posted on this website, that are designed to ensure compliance with the requirements associated with federal healthcare programs. The Code of Conduct is reviewed annually and updated as necessary. Relevant employees are required to certify on an annual basis that they have read, and understood these written standards. Bayer uses audits to assess and monitor compliance with these written standards, to identify areas of potential concern, and to assist in the reduction of identified problems.

#### **3. Confidential Disclosure Program**

Bayer maintains a confidential disclosure program, which includes a toll-free telephone line, which allows employees to report to the Compliance Officer suspected violations of federal or state health care program requirements or of Bayer's policies and procedures. Reports may be made anonymously. The Compliance Officer (or designee) will make a good faith inquiry into any reported violation. It is Bayer's policy not to retaliate against any employee for reporting suspected violations.

#### **4. Compliance Training**

Relevant employees receive annual training that covers Bayer policies and procedures and the legal rules that apply to those programs. Employees who have direct responsibility for establishing or reporting prices for Government reimbursed products or who set policy for or supervise marketing and sales of those products receive additional annual training covering the reporting of accurate pricing information; the obligation to ensure that

prices are accurately reported; and examples of proper and improper drug price reporting and marketing/sales practices. Employees must certify completion of all training.

#### 5. Ineligible Persons

It is Bayer's policy not to hire Ineligible Persons -- individuals who are excluded, suspended, debarred or otherwise ineligible to participate in Government reimbursement programs or who have been convicted of a criminal offense related to federal health care programs -- for positions involving marketing, selling, contracting for or reporting prices for Bayer products. If an individual becomes an Ineligible Person while employed with Bayer, Bayer will, at a minimum, remove the employee from work involving Government reimbursement programs.

### **II. Government Price Reporting**

#### 6. Promotion and Government Reimbursement

Bayer employees must comply with all applicable laws and federal health care program requirements in marketing and promoting drug and biologic products. It is Bayer's policy not to promote based on the "spread" -- or the difference between what a customer pays for a product and the amount the customer receives in government reimbursement.

#### 7. Reporting Product Prices to the Government

It is Bayer's policy to comply with all applicable laws and regulations in determining the way products are priced and how prices are reported to the Government. Everything that could affect the net pricing of Bayer products, including discounts, rebates, and all other price concessions, must be taken into account in reporting prices to the Government in accordance with the laws and regulations of Medicare, Medicaid and other Government reimbursement programs.

### **III. Interactions with Healthcare Professionals**

#### 8. Incentives to Prescribe or Use Bayer Products

No Bayer employee may offer any remuneration -- that is, anything of value -- to induce or encourage prescriptions or purchases of Bayer products. Certain discounts and other price concessions may be provided in conformance with the PhRMA Code and the Discount Safe Harbor to the Anti-Kickback Statute.

#### 9. Customer Assistance Programs/Product Support Services

Bayer may support programs that foster increased understanding of scientific or clinical issues in order to improve patient care. No program may be supported in exchange for an agreement to prescribe or order Bayer products or be given in place of a discount on product price.

## 10. Educational Grants

Bayer provides grants to fund educational activities that foster increased understanding of scientific, clinical, or health care issues that contribute to the improvement of patient care. Grants may not be provided to encourage recipients to prescribe, purchase, order, or recommend Bayer products or provided in place of a product discount.

## 11. Sponsorship of Medical Educational Programs

Bayer provides financial support for educational programs in accordance with the U.S. Food and Drug Administration (“FDA”) and industry guidelines. Bayer employees may not, directly or indirectly, control or influence the content of a program if that program contains references to unapproved uses. Bayer employees may control and influence the content of a program only when approved uses of Bayer prescription drugs or biologics are discussed.

Bayer may support continuing medical education (CME) or other third-party educational conferences or professional meetings that contribute to the improvement of patient care by providing educational grant funds to the conference sponsor or by contracting with a third-party to plan and execute the event. Bayer does not provide financial support for travel or lodging for non-faculty members at third-party educational events and does not compensate attendees for time spent at the event. Bayer may provide financial support to the event sponsor to defray the costs of registration, modest meals, or receptions for all attendees.

## 12. Research and Clinical Study Support

All research and clinical studies supported by Bayer must promote legitimate research goals and must be conducted pursuant to a written agreement. Support for any research or clinical study cannot be provided with the requirement or expectation that Bayer’s support will induce or encourage the prescribing, purchasing or ordering of Bayer products.

## 13. Advertising and Promotion of Bayer Products

No Bayer employee may promote any company product for uses that are not addressed in the approved product labeling or package insert or otherwise approved.

## 14. Gifts and Meals Provided to Healthcare Professionals

As required by the PhRMA Code, all gifts or promotional items must primarily benefit patients or be primarily associated with a health care professional’s work. Bayer may provide occasional modest meals to healthcare professionals in connection with informational presentations and discussions that occur in a venue and manner that is conducive to educational and scientific communication.

Bayer currently has a \$1,000 annual dollar limit on gifts, promotional material, and business meals that Bayer may provide to an individual healthcare professional. Bayer reserves the right to adjust this annual limit as appropriate.

#### 15. Consultants

Bayer may engage healthcare professionals as consultants or advisors to furnish important and needed information to Bayer. Bayer selects consultants based on their relevant qualifications, experience, and expertise and pays them fair market value for their legitimate services, pursuant to written contracts.

### **IV. Other Policies**

#### 16. Samples

Bayer employees must comply with the Prescription Drug Marketing Act (“PDMA”), including documentation requirements, when distributing drug samples to physicians for free distribution to patients.

#### 17. Reports of Adverse Experiences Involving Bayer Products

If Bayer employees are told about an adverse experience involving a patient receiving a Bayer product, Bayer employees must report it to Clinical Communications as promptly as possible. Bayer employees must report this information regardless of whether the adverse event appears to have been caused by, or related to, the administration of the Bayer product.

#### 18. Discipline

Violations of Bayer’s compliance policies and procedures subject employees to disciplinary action. Employees who fail to comply with these policies, or who negligently or willfully fail to detect and report violations of these policies, will be subject to a variety of sanctions, up to and including termination.