

# INTEGRITY



## Code of Conduct

Compliance W.I.N.S – Worldwide Integrity is Necessary for Success

Effective January 2013



# INTEGRITY

*“Integrity is  
doing the right  
thing, even if  
nobody is  
watching.”*

*Franklin Gold Smith*

*Dear Colleague,*

*Bayer HealthCare LLC is committed to the highest level of ethical conduct, placing its priority on healthcare and the well-being of patients, which includes complying with all applicable laws and regulations governing the sale and marketing of healthcare products in the United States, the laws and regulations governing U.S. government-reimbursed products, the November 25, 2008 Bayer HealthCare Corporate Integrity Agreement (“CIA”), as well as the Foreign Corrupt Practices Act (FCPA) governing interactions with non-U.S. government officials, political parties and candidates, and officials of international organizations. It is the responsibility of every Bayer HealthCare employee, contractor, consultant and agent to conduct the Company’s business in conformity with the principles set forth in this Code of Conduct (“Code”), which relate to issues associated with the Food and Drug Administration (“FDA”), the Centers for Medicare and Medicaid Services (“CMS”), the Office of Inspector General (“OIG”) of the Department of Health and Human Services, and other healthcare regulatory agencies.*

*The principles set forth in this Code represent a broad outline of the standards of business conduct that Bayer HealthCare expects its employees, contractors, consultants and agents to follow. This Code cannot cover every circumstance that Bayer HealthCare employees, contractors, consultants and agents may confront in the day-to-day conduct of business. Nevertheless, this Code will provide basic guidance and sensitize employees, contractors, consultants and agents to the need to ask the right questions and act in compliance with federal, state, and other requirements in the conduct of Bayer HealthCare business. Compliance is a component of each employee’s performance objectives, and adherence to this Code will be considered in connection with employee performance evaluations. Each of us in Bayer HealthCare will be asked to sign a statement indicating that we have received, read, understood, and shall abide by this Code. Additionally, many of you will receive additional training about compliance-related issues.*

*Any Bayer HealthCare employee, contractor, consultant or agent who violates, or encourages others to violate, this Code is subject to a broad range of discipline, up to and including termination of employment. Furthermore, individual employees, contractors, consultants and agents, Bayer HealthCare*



LLC as a company, and Bayer HealthCare customers (including hospitals and physicians) may be subject to criminal, civil and administrative penalties for failure to comply with applicable laws and regulations. Violations may result in jail sentences, large fines, or exclusion from participation in federal and state programs, such as Medicare, Medicaid and Department of Defense programs. Thus, all employees, contractors, consultants and agents have a responsibility to comply with all legal requirements and need to quickly report suspected violations of this Code to their supervisors, the Law and Patents Department, the Bayer HealthCare Compliance Officer or via the confidential disclosure telephone line (the "Bayer IntegrityLine" 1-888-765-3846). Reports may be made anonymously. Any employee, contractor, consultant or agent who in good faith reports a suspected violation of the law or company policy, or raises any compliance matter, will not be subject to any retaliation or adverse action based upon such report. Bayer HealthCare will keep all such reports confidential to the full extent of the law.

Thank you for your commitment to and compliance with this Code.



Daniel Apel  
Head of US Bayer HealthCare & CAO

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# ETHICS & COMPLIANCE



*“Everything you do sends a message about who you are and what you value.”*

*Michael Josephson*

## 1. Compliance with Federal Laws and Regulations

It is the policy of Bayer HealthCare that all employees, contractors, consultants and agents comply fully with all applicable federal and state laws and regulations in every aspect of their business, including marketing, promoting, selling, advertising, contracting for, researching, developing, reporting adverse events and other safety information, providing information about and, as required, reporting prices for, products that are reimbursed by the government and private insurers. All employees, contractors, consultants and agents are expected to comply with all applicable federal and state healthcare programs and FDA requirements, as well as Bayer HealthCare's own policies and procedures including, but not limited to, those contained in each business' Compliance Policies and Procedures.

### Additional Guidance

Failure to comply with Federal regulations and your business' Compliance Policies and Procedures can have direct and severe consequences both to you and to Bayer HealthCare.

You may face disciplinary action from Bayer HealthCare, up to and including termination for violating the law or Bayer HealthCare's Compliance Policies and Procedures. In addition, you could be fined, precluded from working with federal healthcare programs, or sent to jail for failure to comply with federal healthcare programs and/or FDA requirements.

Bayer HealthCare could also be fined or could be excluded from participation in federal healthcare programs, such as Medicare, Medicaid, Department of Veterans Affairs, and Department of Defense programs.

Bayer HealthCare employees, contractors, consultants and agents are required to report actual or suspected violations of any federal healthcare program requirements, FDA requirements, or of Bayer HealthCare's policies and procedures. All actual or suspected violations should be reported to your supervisor, the Law and Patents Department, the Bayer HealthCare Compliance Officer, or via the Bayer IntegrityLine (toll free 1-888-765-3846). Reports may be made anonymously. Any employee, contractor, consultant or agent who in good faith reports a suspected violation of the law or company policy, or raises any compliance matter, will not be subject to any retaliation or adverse action based upon such report. Bayer HealthCare will keep all such reports confidential to the full extent of the law.

## 2. Compliance with Bayer AG Corporate Compliance Policy and the Bayer HealthCare AG Compliance Manual

Bayer HealthCare, as part of the Bayer group, complies fully with all applicable corporate policies and procedures. All Bayer HealthCare employees, contractors, consultants and agents must comply with the Bayer AG Corporate Compliance Policy and the Bayer HealthCare AG Compliance Manual. Bayer HealthCare employees, contractors, consultants and agents must also comply with the Bayer HealthCare US Compliance Program.

Although the scopes of these programs differ, Bayer's commitment to ethical behavior is consistent throughout all of the compliance programs, and Bayer employees, contractors and agents are required to comply with all applicable Bayer Compliance Policies and Procedures. In cases where your business' Compliance Policies and Procedures reflect more stringent or more restrictive requirements or activities than other corporate policies, the more stringent or more restrictive policies and procedures apply.

### Additional Guidance

Bayer AG has established global standards of conduct to provide employees, suppliers, customers, and members of the general public with a clear indication of how it and each of its employees, contractors and agents will conduct itself and themselves, both internally and in the marketplace. The policies of the Bayer AG Corporate Compliance Policy are not intended to encompass all areas of business conduct but, as with other company policies, they establish general guidelines. These standards are more fully described in each business' Compliance Policies and Procedures.

The principles set forth in the Bayer HealthCare AG Compliance Manual also represent a broad outline of the standards of business conduct that Bayer HealthCare AG expects each of its employees, globally, to follow. These fundamental principles and standards are derived from globally applicable laws, industry codes and internal regulations, and are consistent with the laws, regulations, guidelines and Compliance Policies and Procedures applicable in the US. However, where stricter local standards exist, the stricter laws apply.

The provisions of each business's Compliance Policies and Procedures are not intended to alter the employment-at-will relationship in any way. The employee or Bayer may terminate the employment relationship at any time, with or without notice, and for any or no particular cause or reason. Moreover, the business's Compliance Policies and Procedures of the Bayer HealthCare Compliance Program neither create an employment contract or term, nor limit the reasons or procedures for termination or modification of the employment relationship, nor do they create any substantive or procedural rights for Bayer personnel. In addition, the company reserves the right, in its sole discretion and without notice, to add, amend, delete or terminate any provision of this Code or any of the respective business Compliance Policies and Procedures at any time.

## 3. Compliance with Bayer HealthCare Compliance Program and Business Compliance Policies and Procedures

It is the policy of Bayer HealthCare that its employees, contractors, consultants and agents comply fully with all applicable Bayer HealthCare Compliance Program elements, including the employee's business' Compliance Policies and Procedures and this Code.

### Additional Guidance

If the Bayer HealthCare Compliance Policies and Procedures are more restrictive than other policies and procedures, the more restrictive policies and procedures apply.

If your supervisor or other individual within your supervisory line of authority has established a directive or departmental procedure with more restrictive requirements or activities, then the more stringent or more restrictive policies and procedures apply.

Deviations from any Bayer policy or procedure without appropriate review and documented approval will subject employees, contractors, consultants or agents to disciplinary action.



#### 4. Advertising and Promotion of Bayer HealthCare Products

Bayer HealthCare employees, contractors, consultants and agents are prohibited from promoting any company product that has not been approved by the FDA.

Bayer HealthCare employees, contractors, consultants and agents must not advertise or promote any company product “off-label,” meaning for a use that has not been approved by the FDA or in a manner that is inconsistent with the labeling for such product.

Prohibited “off-label” promotion includes such practices as:

- Using any approved or unapproved materials to promote products for uses that are not approved by the FDA.
- Conducting speaker programs or other educational presentations on off-label uses of Bayer HealthCare products. Bayer HealthCare may support CE/CME programs that discuss off-label uses of Bayer HealthCare products, but Bayer HealthCare employees, contractors, consultants and agents may not, directly or indirectly, control or influence the content, selection of faculty or attendees, educational methods or program materials of such programs.
- Targeting healthcare professionals who do not have a reasonable opportunity to use a product for a use approved by the FDA.

Bayer HealthCare employees, contractors, consultants and agents may not use any materials for the advertising or promotion of any Bayer HealthCare product unless those materials have been reviewed and approved for such use through the Legal, Medical and Regulatory (LMR) process governing the review and approval of such materials.

*“Action indeed is the sole medium of expression for ethics.” Jane Addams*

#### 5. Promotion and Government Reimbursement

Bayer HealthCare employees, contractors, consultants and agents must comply with all applicable laws pertaining to federal healthcare programs and FDA requirements in marketing, advertising and promoting Bayer HealthCare products. Bayer HealthCare promotes its products based upon their established efficacy and safety, as well as their health related value. Bayer HealthCare does not promote products by comparing Medicare or Medicaid payment amounts to purchase prices, determining the customer’s potential profit margin, or encouraging purchases based on the “spread.”





## 6. Incentives to Purchase, Use, Order, Recommend, Refer or Prescribe Bayer HealthCare Products

Bayer HealthCare employees, contractors, consultants and agents must not offer any remuneration, or anything of value, to induce, influence, encourage or reward any individual or customer to purchase, use, order, recommend, refer or prescribe Bayer HealthCare products in violation of the Federal Anti-Kickback Statute, or other applicable laws. Remuneration can include anything of value (such as educational grants, clinical research funding, charitable contributions, speaker payments, cash, promotional funds, educational items, business meals, etc.) offered or provided to an individual, customer, prospective customer, or referral source. The offer, payment, request or receipt, directly or indirectly, of any remuneration to purchase, use, order, recommend, refer or prescribe Bayer HealthCare products could constitute a kickback and thus be considered a violation of the Federal Anti-Kickback Statute or, as applicable, the Foreign Corrupt Practices Act. No actual knowledge of a violation of the law or specific intent to violate the law is required in order to commit a violation of the Federal Anti-Kickback Statute. The government may consider it a violation of the Federal Anti-Kickback Statute if even one purpose of a payment or offer of payment is to induce the recipient to purchase, use, order, recommend, refer or prescribe Bayer HealthCare products. Discounts and rebates are considered remuneration and must be properly disclosed so that they can be appropriately reflected by healthcare providers as reductions in claims submitted to government healthcare programs (e.g., Medicare or Medicaid).

*“In civilized life, law floats in a sea of ethics.” Earl Warren*

## 7. Business Meals and Educational Items

Business meals and educational items may not be offered or provided to induce, influence or encourage any individual or customer to purchase, order, refer, use, prescribe or recommend Bayer HealthCare products or to reward a healthcare professional, individual or customer for doing so. Healthcare professionals should select and use Bayer HealthCare products based solely upon medical considerations and patient needs.

### Additional Guidance

Meals may only be provided to healthcare professionals if they are: (1) occasional, (2) modest, (3) incidental to a *bona fide* presentation or discussion of Bayer HealthCare products, disease states relevant to Bayer HealthCare products, medical education, or other legitimate business discussions related to Bayer HealthCare products, (4) take place in a setting conducive to such discussion, and (5) involve only individuals who are necessary for the conduct of Bayer HealthCare business.

Only items that are designed primarily for the education of patients or healthcare professionals, have no value outside of the healthcare professional's professional responsibility and are permitted by law can be offered or provided to healthcare professionals. Examples of permissible items include medical textbooks, patient educational materials, and anatomical models.

Federal law governing the provision of items of value, including business meals and educational items, provided to federal government employees (including part-time federal government employees) is much stricter than the laws and regulations for private customers. In order to ensure that Bayer HealthCare complies with federal law, it is Bayer HealthCare's policy not to provide any items of value, including meals or educational items, to federal government employees. You should consult your business' Compliance Policies and Procedures for details.

Some states have separate and very strict laws regarding the provision and/or disclosure of business meals and educational items that are more restrictive than Bayer HealthCare's general policy. You should consult your business' Compliance Policies and Procedures for details on which states are affected and whether the law applies to your business. If you interact with healthcare professionals from any of these states, you must consult the relevant Bayer HealthCare Compliance Policies and Procedures prior to providing any item of value to those healthcare professionals.

## 8. Support of Educational Programs

Bayer HealthCare provides financial support for educational grants in compliance with applicable laws, FDA regulations, OIG guidance, and industry guidelines. All educational grants must be made for the purpose of fostering the increased understanding of scientific, clinical or healthcare issues that contribute to the improvement of patient care. The website for submissions of requests for educational grants is: <http://grants-contributions.bayerweb.com/en/home/>.

A grant cannot be made in order to induce, influence, encourage or reward a healthcare professional to prescribe, purchase, order, refer, use or recommend Bayer HealthCare products or to encourage off-label use of such products. Educational grants may not be provided if one of the purposes is to encourage or reward referrals for Bayer HealthCare products.

Educational programs may either be controlled by Bayer HealthCare or controlled by an independent third-party, such as a Continuing Medical Education (CME) or Continuing Education (CE) vendor.

### Promotional Programs

Bayer HealthCare-controlled promotional programs are educational programs where Bayer HealthCare employees, contractors, consultants and agents are permitted to control or influence elements of the program, such as content and audience selection. These types of promotional programs generally take the form of Bayer HealthCare sponsored speaker events where Bayer HealthCare contracts with the speakers and selects the invitees. These programs must only discuss uses of Bayer HealthCare products that are consistent with the FDA-approved labeling. Sales personnel may attend and conduct promotional activities at such programs. Materials used in the program must be reviewed and approved through the Bayer HealthCare LMR process governing the review and approval of promotional materials.

### Third-Party Programs (Including CME/CE)

Bayer HealthCare may provide support for CME, CE 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. Support for medical education programs that relate to unapproved product uses must be handled through a grant to a third party sponsor, in accordance with your business' Compliance Policies and Procedures, in order to ensure that the programs are independent of Bayer HealthCare and are non-promotional in nature.

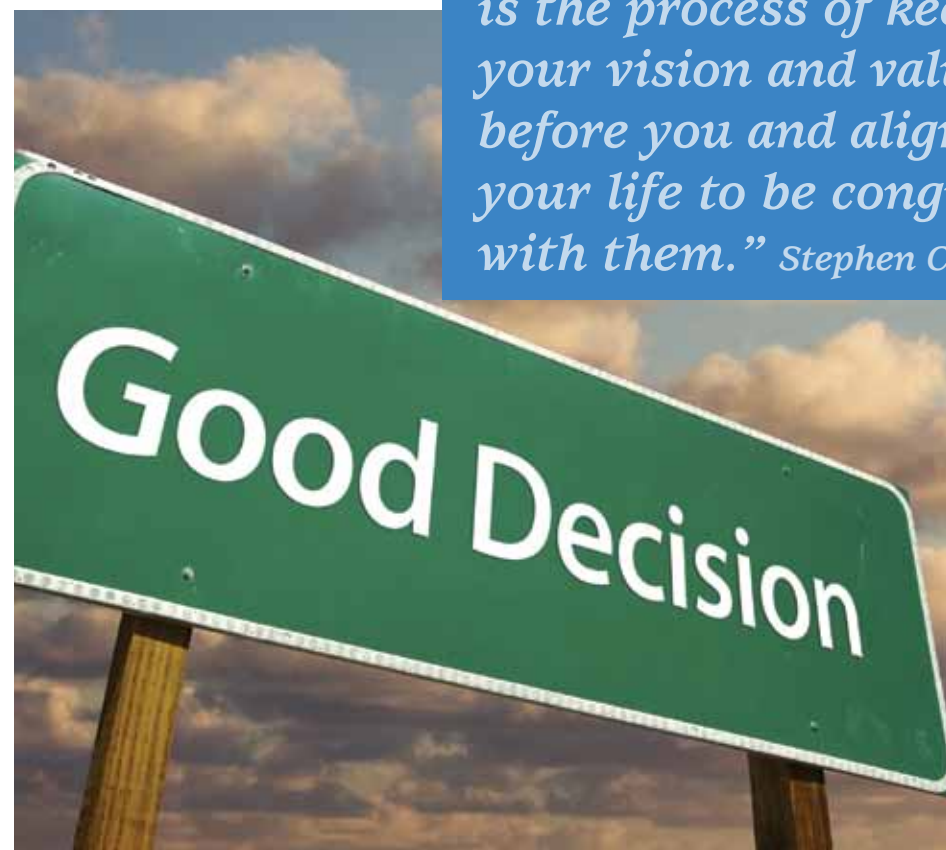
Bayer HealthCare employees, contractors, consultants and agents must not, directly or indirectly, control or influence the content, selection of faculty or attendees, educational methods or materials of a CME, CE or other third-party educational program. Under certain limited circumstances, sales personnel may attend third-party educational programs, including

CME or CE, but may not conduct promotional activities during or after these programs. Bayer sales personnel who do not attend the program may conduct appropriate promotional activities outside the program meeting rooms, such as at an adjacent exhibit hall, to the extent these activities are permitted by the conference sponsor.

## 9. Clinical Research, Development and Clinical Study Support

All clinical research and development as well as clinical studies supported by Bayer HealthCare must promote legitimate research goals. Support for any research, development or clinical study cannot be provided to induce, influence, encourage or reward the purchase, order, referral, use, prescription or recommendation of Bayer HealthCare products. Any research, development or clinical study supported by Bayer HealthCare must be conducted pursuant to a written agreement approved by the Law and Patents Department.

*“Personal leadership is the process of keeping your vision and values before you and aligning your life to be congruent with them.” Stephen Covey*





## 10. Reports of Adverse Events Involving Bayer HealthCare Products

As an employee, contractor, consultant or agent of Bayer HealthCare if you become aware of adverse event information involving a Bayer HealthCare product, you must immediately (within 24 hours) report it. FDA regulations require Bayer HealthCare to report such adverse events to the FDA under strict timelines. Because you are an employee, contractor, consultant or agent of Bayer HealthCare, the date you learned of the adverse information is imputed to Bayer HealthCare. You must report adverse event information regardless of whether you believe that a facility or healthcare professional will report it and regardless of whether the adverse event appears to have been caused by, or related to, the use of a Bayer HealthCare product. For the complete details on what and how to report adverse events, please refer to your business' Compliance Policies and Procedures and other applicable policies and procedures.

## 11. Confidential Disclosure Program

Bayer HealthCare maintains a confidential disclosure program, referred to as the "Bayer IntegrityLine," that allows employees, contractors, consultants and agents to report to the Bayer HealthCare Compliance Officer suspected violations of federal or state healthcare programs, FDA requirements or Bayer HealthCare's policies and procedures. Bayer HealthCare has established a toll free number (1-888-765-3846) that can be used for confidential, anonymous reporting. Bayer HealthCare will keep all such reports confidential to the full extent of the law. The Bayer HealthCare Compliance Officer (or designee) will make a good faith inquiry into any reported violation. Any employee, contractor, consultant or agent who in good faith reports a suspected violation of the law or company policy, or raises any compliance matter, will not be subject to any retaliation or adverse action based upon such report.

*"A people that values its privileges above its principles soon loses both." Dwight D. Eisenhower*



Ethics

## 12. Compliance Training

All Bayer HealthCare employees, contractors, consultants and agents will be asked to sign a statement certifying that they have received, read, understood, and shall abide by the Bayer HealthCare Code of Conduct. In addition, each business may mandate training on more comprehensive Compliance topics.

Employees, contractors, consultants and agents must certify their completion of all training.

### Additional Guidance on required CIA Training

Bayer HealthCare directors, officers and employees, contractors, consultants or agents (other than officers and employees of Animal Health and Consumer Care who do not engage in manufacturing, marketing, distribution, sales, promotion or pricing of Government Reimbursed Products and certain employees, contractors, consultants or agents engaged solely in manufacturing operations) are considered “Covered Persons” under the CIA. Covered Persons also include certain contractors, subcontractors, agents and other persons who perform Promotional and Product Services Related Functions, which include: (a) the promotion, advertising, distribution, marketing and sale of Government Reimbursed Products; and (b) the development or dissemination of materials or information about, or the provision of services relating to, Government Reimbursed Products. Covered Persons must complete two hours of General Training in their first year as a Covered Person under the CIA, and at least one hour of General Training in each subsequent year. General Training covers Bayer HealthCare’s obligations under the CIA and Bayer HealthCare’s Compliance Program, including this Code and your business’ Compliance Policies and Procedures as they relate to general compliance issues.

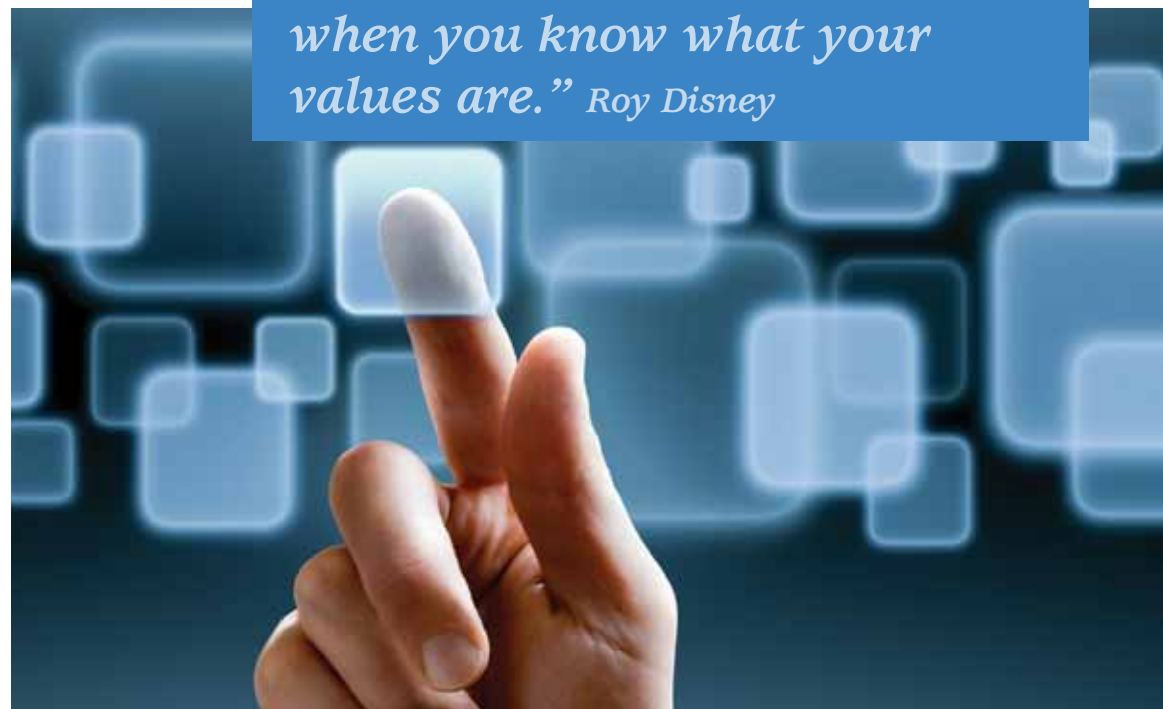
Covered Persons involved with the initiation, negotiation, proposal, development, approval, implementation, management, oversight (including accounting functions), or review of Bayer HealthCare’s Arrangements (e.g., educational grants, speaker agreements, clinical studies, product purchase contracts) are considered “Arrangements Covered Persons” under the CIA. Arrangements Covered Persons must complete three hours of Arrangements Training each year. Arrangements Training covers Bayer HealthCare’s Compliance Policies and Procedures and requirements relating to Arrangements including, but not limited to, the Focus Arrangements Database, the internal Arrangements review and approval process, and the tracking of remuneration to and from sources of referrals or sales to ensure the Arrangement does not violate the Federal Anti-Kickback Statute. In addition, Arrangements Training includes examples of violations of the Federal Anti-Kickback Statute, legal sanctions for such violations, as well as the personal obligation of each individual involved in the Arrangement process to understand the applicable laws and Bayer HealthCare Compliance Policies and Procedures concerning Arrangements.

## 13. Ineligible Persons

It is the policy of Bayer HealthCare not to hire Ineligible Persons. “Ineligible Persons” are individuals who are excluded, suspended, debarred or otherwise ineligible to participate in federal healthcare programs or in federal procurement or nonprocurement programs or who have been convicted of a criminal offense related to federal healthcare programs. If an individual becomes an Ineligible Person while employed with Bayer HealthCare, Bayer HealthCare will, at a minimum, remove the employee, contractor, consultant or agent from work involving government reimbursement programs and from any position for which the Ineligible Person’s compensation, or the items or services furnished, ordered, or prescribed by that person are paid, in whole or in part, directly or indirectly, by federal healthcare programs, or federal funds, until such time as the person is reinstated into participation in federal healthcare programs.

All Bayer HealthCare prospective employees, contractors, consultants and agents must certify whether they are Ineligible Persons. Current employees, contractors, consultants and agents must inform Human Resources and the Bayer HealthCare Compliance Officer (or designee) immediately in the event that they become ineligible during their employment.

*“It’s not hard to make decisions when you know what your values are.” Roy Disney*



## 14. Discipline

Violations of this Code or of the employee's business' Compliance Policies and Procedures will subject employees, contractors, consultants and agents to disciplinary action. Any Bayer employee, contractor, consultant or agent who fails to report an actual or suspected compliance issue or other inappropriate activity that has been brought to his or her attention may be subject to disciplinary action, including, but not limited to, the following:

- Written letter of reprimand;
- Monetary penalty;
- Suspension; or
- Termination.

All discipline will be subject to Bayer HealthCare's discretion.

**Nothing in this Code is intended to change the employment-at-will relationship in any way nor is it intended to create legal rights.**

*"The value of achieving lies in the achieving." Albert Einstein*



## 15. The Federal Anti-Kickback Statute

It is a violation of the law to offer or pay, directly or indirectly, "remuneration" - that is anything of value (such as discounts, rebates, educational grants, clinical research funding, charitable contributions, cash, educational items, promotional funds, fee-for-service arrangements, etc.) - to a healthcare professional, customer or prospective customer, with an improper intent to induce, influence, encourage or reward that healthcare professional's, customer's or prospective customer's purchase, order, referral, use, prescription or recommendation of a Bayer HealthCare product(s). No actual knowledge of a violation of the law or specific intent to violate the law is required in order to commit a violation of the Federal Anti-Kickback Statute. Even if a person has legitimate reasons to offer or pay something of value, if one purpose of the offer or payment is to induce the recipient to prescribe or order Bayer HealthCare products, the government may consider the offer or payment to be improper under the law. In addition, a violation of the Federal Anti-Kickback Statute is considered a false or fraudulent claim under the Civil False Claims Act.

There are some exceptions (commonly referred to as the "Statutory Exceptions" or "Regulatory Safe Harbors") to this general rule, which can be used only after review by and consultation with Bayer HealthCare's Law and Patents Department or other appropriate personnel.

The purpose of these rules is to keep companies such as Bayer HealthCare from improperly influencing the clinical judgment of healthcare professionals or decision making of its customers, which could result in increased costs to government payers from over-utilization of a Bayer HealthCare product or the inappropriate selection of one product over another.

Applying these rules can be complicated. If you are uncertain about a particular arrangement or practice, promptly bring it to the attention of the Business counsel.

### Practical Application of the Statute

Remuneration may be an illegal "kickback" if it:

- is provided to a person to induce, influence, encourage or reward that person (such as a physician, pharmacist or group buying agent) to prescribe, purchase, use, order, or recommend Bayer HealthCare products;
- is related to the volume or value of business generated by the recipient; or
- exceeds the fair market value of any good or service provided by the recipient.

Any remuneration that violates the Federal Anti-Kickback Statute may also create a financial arrangement that violates other federal or state laws, including, but not limited to, the Civil False Claims Act.



The most important issue to keep in mind in determining whether remuneration is an illegal “kickback” prohibited under the Federal Anti-Kickback Statute is whether something of value could be construed by the government as being given with the purpose of inducing, influencing, encouraging or rewarding the purchase, order, referral, use, prescription or recommendation of a Bayer HealthCare product. Law enforcement officials seldom find direct evidence of a reciprocal “deal,” so they determine the intent or purpose of the parties from the circumstances surrounding the transaction and the provision of remuneration. Bayer HealthCare’s Compliance Policies and Procedures are designed to avoid all circumstances where an improper intent or purpose might be inferred.

*“The only sustainable competitive advantage is the ability to learn faster than the competition.” Arie de Geus*

## 16. The Civil False Claims Act

It is a violation of the law for anyone knowingly to make or cause others to make false or fraudulent statements or claims for payment or approval. It is also a violation to knowingly conceal or knowingly and improperly avoid or decrease an obligation to pay money, such as Medicaid drug rebates, to the government. A manufacturer, or employees, contractors, consultants or agents acting on its behalf, may “knowingly” cause or contribute to the filing of a false statement or claim if it actually knows that the statement or claim is false or if it acts in “deliberate ignorance” of, or with “reckless disregard” for, whether the statement or claim is actually true or not.

### Practical Application of the Statute

Bayer HealthCare must ensure that information it provides to the government, including reimbursement and pricing information, is accurate and consistent with the requirements of federal and state healthcare programs, such as Medicare and Medicaid.

The government may charge companies or employees, contractors, consultants and agents with violating the Civil False Claims Act when they do the following:

- Make little or no effort to verify the truth or accuracy of their statements or claims so that it appears that they were acting recklessly even if they did not know for certain that the information was false;
- Act to avoid finding out whether their statements or claims are true or false, like the proverbial ostrich sticking its head in the sand;
- Make incorrect or inaccurate statements or claims over and over again, so that it appears they just do not care about getting it right;
- Help someone else (such as a customer or physician) make a false claim or statement to the government; or
- Fail to report and return an overpayment of federal healthcare program funds (e.g., Medicare or Medicaid funds) to which they are not entitled to a government agency or contractor within 60 days after the date on which the overpayment is identified or the date any corresponding cost report is due, if applicable.
- Innocent or inadvertent mistakes occasionally do happen in the course of work. Those types of errors generally should not violate the Civil False Claims Act. However, care must be taken so that those mistakes are identified, corrected and prevented.

## 17. Employee Education About the Civil False Claims Act

The federal government has enacted laws to prevent, detect, and punish healthcare fraud and abuse, such as the Federal Anti-Kickback Statute, the Federal Civil False Claims Act, and other civil and criminal laws. Many states have enacted similar laws. The Federal Civil False Claims Act, and some state False Claims Acts, also include provisions under which individual citizens with evidence of fraud against the government may sue on behalf of the government to recover the lost funds. These laws also prohibit retaliation against persons who file such suits (e.g., “whistleblower suits”). More information about these laws, and the company’s Compliance Policies and Procedures, can be obtained from your business’ online Compliance Policies and Procedures, the Bayer HealthCare Compliance Department, or the Law and Patents Department.

Bayer HealthCare has established a comprehensive Compliance Program, including policies and procedures to prevent, detect, and correct violations of law and company policy. Bayer HealthCare employees, contractors, consultants and agents are required to report actual or potential violations of the law or company policy. You can report compliance concerns to your supervisor, the Law and Patents Department, the Compliance Department, or via Bayer HealthCare’s confidential disclosure process, the Bayer IntegrityLine at 1-888-765-3846. Company policy prohibits retaliation against employees, contractors, consultants and agents for reporting in good faith suspected violations of law or company policy.

*“Knowledge is of no value unless you put it into practice.” Heber J. Grant*

## 18. Antitrust Laws

It is the long-standing policy of Bayer Corporation that its operations, in all respects, are conducted in full compliance with all applicable laws, including federal and state Antitrust Laws, and that its affairs are conducted in keeping with the highest legal and ethical standards. Antitrust laws are fundamental to our free enterprise system. They provide the environment in which we can achieve our profit and growth objectives unrestricted by anti-competitive practices.

The principal Federal Antitrust Laws are the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act and the Hart-Scott-Rodino Act. Their purpose is to maintain the fundamental business conditions necessary for the proper functioning of a free enterprise system by prohibiting unreasonable restraints on competition and discriminatory business practices having anti-competitive effects. Basically, these laws require that each company act independently and sell its products fairly and honestly on the basis of price, quality and service.

All employees, contractors, consultants and agents are responsible for complying with this policy and must not inadvertently give the appearance of having violated the law or engaging in questionable conduct.



## 19. The Foreign Corrupt Practices Act (FCPA)

Bayer HealthCare conducts its business with the highest legal and ethical standards and will not tolerate corruption. Each employee, contractor, consultant and agent must perform his/her job in full compliance with the Foreign Corrupt Practices Act (FCPA) and must never conduct business through unlawful payments, bribes, kickbacks, gifts, or other questionable inducements.

The FCPA specifically prohibits Bayer HealthCare employees, contractors, consultants and agents from offering, promising, making, authorizing, or providing, directly or indirectly, any payments, gifts, or anything of value to a non-U.S. government official (such as physicians at public hospitals or regulatory authorities), political party or candidate, or an official of an international organization (such as the World Bank or the World Health Organization), with the intent to:

- improperly influence or reward the official's actions;
- improperly influence decision-making in order to obtain or retain business; or
- secure an improper advantage.

Each Bayer HealthCare employee, contractor, consultant and agent has the responsibility to ensure that his/her dealings with non-U.S. government officials, including state-employed healthcare professionals, comply with the FCPA. Likewise, each employee, contractor, consultant and agent is prohibited from making payments to any third party whom the employee, contractor, consultant or agent knows will, or believes is likely to, make an unlawful payment related to, or on behalf of, Bayer HealthCare's business.

*“Ethics is knowing the difference between what you have a right to do and what is right to do.”*

*Potter Stewart*







1.888.765.3846

Toll-Free, Confidential, Simple and Effective