

# Sales and Marketing Code of Conduct

## I. Introduction

This Sales and Marketing Code of Conduct is to be used in conjunction with the Uroplasty Business Code of Conduct. Both have been developed to help ensure that all business activities are conducted in full compliance with the letter and spirit of applicable laws.

The Uroplasty management team is committed to providing training to all sales and marketing personnel to enable them to understand and comply with this Sales and Marketing Code of Conduct. This training will be at regular intervals and will accompany product specific training that will update appropriate sales and marketing personnel on the most recent FDA, legal and product updates.

All directors, officers, employees and sales agents have a responsibility to promptly report actual or suspected violations of this Marketing Code of Conduct to either the Human Resources Department Manager or to the company's [Whistleblower Hotline](#). Reports to the hotline may be made anonymously.

## II. Definitions

A. Covered Recipient means a person authorized to prescribe, dispense or purchase medical devices, including hospitals, nursing homes, pharmacists, health plan administrators and Health Care Practitioners.

B. Health Care Practitioner means a person who prescribes prescription drugs and is licensed to provide health care services including physicians, nurse practitioners, physician's assistants, pharmacists, occupational and physician therapists. This can include a partnership or corporation comprised of such persons, such as a physician group practice.

C. Manufacturing Sales Agent is defined as a direct sales employee of Uroplasty, Inc. (Area Manager, Regional Sales Director or Sales Trainer) or an Independent Manufacturer's Representative who promotes or otherwise markets medical devices to any Covered Recipient.

D. Sales and Marketing Activities means any advertising, promotion or other activity that is used to influence sales of a medical device, to influence or evaluate the prescribing behavior of a Covered Recipient, or to market a medical device. Sales and Marketing Activities also include any product education, training or research project (other than clinical trials specifically excluded below) that is designed or sponsored by Uroplasty, Inc.

E. Sales and Marketing Activities do not include: clinical trials to support an FDA submission; any clinical trial registered with [www.clinicaltrials.gov](http://www.clinicaltrials.gov); in-kind items used for charity care; or certain price concessions in contracts.

### **III. Payments to Health Care Practitioners**

#### **A. Prohibited Payments**

A Manufacturing Sales Agent may not make any of the following payments to Health Care Practitioners:

1. Grants, scholarships, subsidies, consulting contracts, educational items, or any other payment or value in exchange for prescribing, disbursing or using medical devices, for continuing to prescribe, disburse, or use medical devices, or to reward the past prescribing, disbursing, or using of medical devices. If one purpose (even if not the primary purpose) of the payment is to induce or reward the prescribing, disbursing, or using of medical devices, the payment is a violation of this Sales and Marketing Code of Conduct.
2. Entertainment or recreational items of any value. This includes tickets to sporting events, concerts, theaters, or other events, sporting equipment, or leisure or vacation trips.
3. Payments of cash or cash equivalents, equity in Uroplasty, Inc. either directly or indirectly, except as compensation for bona fide services.
4. Complimentary items such as pens, coffee mugs, gift cards, or flowers, except as compensation for bona fide services.

#### **B. Formal Agreements**

As noted above, Uroplasty, Inc. may pay Health Care Practitioners reasonable compensation for bona fide services, such as research and clinical trial services, advisory board participation, and training services. All payments to Health Care Practitioners for bona fide services must be formalized in a written agreement.

1. Only Uroplasty officers may sign a written agreement with a Health Care Practitioner for bona fide services.
2. All compensation under such written agreements must reflect the fair market value of the services provided, and must disregard any actual or potential future or past referrals or use of Uroplasty, Inc. devices. Uroplasty, Inc. may also reimburse Health Care Practitioners for reasonable out-of-pocket expenses incurred by Health Care Practitioners in providing such services when the reimbursement is specified in a written agreement.
3. All compensation arrangements with Health Care Practitioners must also meet the following criteria:
  - a. there is a legitimate need for the services clearly identified in advance;
  - b. there is a connection between the competence and expertise of the Health Care Practitioner and the purposes of the arrangement;
  - c. the number of Health Care Practitioners retained is no greater than reasonably necessary to achieve the identified purpose;

- d. records will be retained regarding the arrangement and the appropriate use of the services provided by the Health Care Practitioners;
  - e. the venue and circumstances of any meeting with Health Care Practitioners are conducive to the services and are the primary purpose focus of the meeting;
  - f. the retention of Health Care Practitioner is not unduly influenced by sales personnel.
4. In addition, this Marketing Code of Conduct does not prohibit payment to Health Care Practitioners of:
- a. reasonable quantities of medical device demonstration and evaluation units provided to Health Care Practitioners to assess the use and functionality of the devices;
  - b. the provision of reimbursement information such as coding or billing of medical devices to support accurate billing, provided such information is not offered or provided to induce Health Care Practitioners to use or recommend the medical device at issue;
  - c. price concessions, including rebates and discounts, when in the normal course of business;
  - d. donations to charitable organizations that are not meant to influence the prescribing patterns or other medical decisions of the organization; and
  - e. providing and distributing peer-reviewed information and the purchase of advertising in peer-reviewed journals.

### C. Meals

1. A Manufacturing Sales Agent may not provide meals to Health Care Practitioners as part of an entertainment or recreational event.
2. A Manufacturing Sales Agent may pay for modest and occasional meals in conjunction with informational sessions made by the Manufacturing Sales Agent in a Health Care Practitioner's office. Likewise, a Manufacturing Sales Agent may pay for modest and occasional meals in conjunction with Uroplasty, Inc.-sponsored training programs regarding Uroplasty, Inc. devices where the facility is appropriately designed to provide the medical training on Uroplasty, Inc. devices.
3. A Manufacturing Sales Agent may not provide meals to any spouse or guest of a Health Care Practitioner; even when providing a meal to the Health Care Practitioner in connection with the same event is appropriate

D. Continuing Medical Education and Professional Conferences

1. A Manufacturing Sales Agent may not make payments to Health Care Practitioners for:
  - a. the cost of travel, lodging, attendance, or other personal expenses of a non-faculty Health Care Practitioner in connection with continuing medical education (“CME”) events, conferences, or meetings;
  - b. funding to compensate for the time Health Care Practitioners spend at any CME event or professional/scientific conference;
  - c. meals directly to any Health Care Practitioner at any CME, third-party scientific/education/professional meetings;
  - d. sponsorship for CME events that do not meet the Standards for Commercial Support established by the Accreditation Council for Continuing Medical Education or standards of the relevant accrediting body; and
  - e. sponsorship for CME events directly paid to a Health Care Practitioner.
2. Uroplasty, Inc. may sponsor or provide payments for professional conferences, provided that the funding is made directly to the conference or meeting organizers and not to Health Care Practitioners, and the conference is organized by third-parties who remain solely responsible for the content, selection of speakers and distribution of monies.

E. Tracking of Payments

Uroplasty Inc, its officers, employees and sales agents must keep accurate and timely records of the value, nature, purpose and recipient of any payment or other economic benefit with a value of at least \$50.00 to a Covered Recipient in connection with any Sales and Marketing Activity or to any Health Care Practitioner. This includes reimbursement of expenses in conjunction with product training, serving as faculty at a CME or speaking event, and compensation for bona fide services, such as consulting services for research and participation on advisory boards. This recording requirement does not apply to licensing fees and royalties. Manufacturing Sales Agents must keep all records of Sales and Marketing Activities under this paragraph, which must be submitted quarterly to the Corporate Compliance Officer.

The recorded information will be disclosed annually to the appropriate state, local or federal government agency, as required by law.

For the purposes of computing the \$50.00 threshold, payments relating to separate events or services are considered separately, and are not aggregated. For example, if a Covered Recipient provides three separate services and is paid \$45.00 for each separate service in a given year, then the payments need not be recorded, because payment for each service was less than \$50.00. Manufacturing Sales Agents may not under any circumstances purposefully divide payments to Covered Recipients into increments of less than \$50.00 in order to avoid reporting.

#### **IV. Training and Monitoring**

All Manufacturing Sales Agents who visit Health Care Practitioners must have sufficient knowledge about this Marketing Code of Conduct, general science, and Uroplasty, Inc. products to furnish accurate, up-to-date information about those products consistent with state law, the approved labeling for such products, and FDA requirements. Accordingly, all Manufacturing Sales Agents will receive training upon hire and at least annually regarding this Marketing Code of Conduct and technical and scientific information regarding Uroplasty, Inc. products to ensure that information transmitted to Health Care Practitioners is consistent with applicable law and this Marketing Code of Conduct.

All Manufacturing Sales Agents will undergo annual assessments to ensure they comply with the requirements of this Marketing Code of Conduct, applicable laws and regulations, and any other applicable Uroplasty, Inc. policies.

#### **V. No Retaliation**

Uroplasty, Inc. will not discharge, refuse to hire, or in any manner retaliate or take any adverse action against any employee, applicant, Health Care Practitioner or Covered Recipient if such person takes or has taken any action to carry out the Marketing Code of Conduct or applicable laws and regulations.

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