

Date

Dear Health Care Professional (HCP)

As you may be aware the healthcare industry is one of the most carefully scrutinized industries in the world.

Recently ADVAMED and EUCOMED - the medical device industry bodies in the United States and Europe respectively - updated their Codes, and Multi National Companies doing business out of these regions have adjusted their Internal Codes of Business Practice accordingly. The FCPA (Foreign Corrupt Practices Act) is enforceable on US and foreign companies that are required to file reports under the Securities and Exchange Act of 1934.

As a result of this SAMED (The South African Medical Device Industry Association) has decided to align its Code of Business and Marketing Practice to be in harmonization with the rest of the world.

Any company that is a member of SAMED, is bound by this code. From the outset, it is important to emphasize that the updated Code underpins SAMED's vision i.e.:

'The responsible and ethical advancement of the interests of the medical devices industry within the SA healthcare environment while promoting better patient outcomes'.

The fundamental purpose of the Code is to promote and encourage among SAMED Members ethical principles and practices. The underpinning principle of the Code is that SAMED Members will not offer any inducement to a HCP or other customer in order to sell, lease, recommend, or arrange for the sale or lease of their products.

In particular we would like to draw your attention to the following clauses of the code relating to attendance at International and local congresses:

1. International Congresses

1.1 Members may sponsor HCPs, both qualified and in training, to attend international events like congresses, conferences and scientific meetings, subject to the following:

1.1.1 Members may pay registration fees and may only offer economy travel, modest accommodation and meals. The level of accommodation offered must be appropriate, modest in nature, and the costs involved must not exceed that level that the recipients would normally adopt when paying for themselves.

1.1.2 Spouses and other accompanying persons, unless qualified as HCPs and registered as delegates, may not attend the actual meeting and may not receive any associated meals and refreshment at the company's expense; the entire costs which their presence involves are the responsibility of those they accompany.

2. Local Congresses

Members may only sponsor HCPs in the public sector, HCP's in training, registrars, nursing staff, technicians and other deserving persons to attend local CPD accredited events like congresses, conferences and scientific meetings. In this regard, Members may pay registration fees and only offer economy (upgradeable) travel and modest accommodation.

3. Congress organized events and sporting activities

Members may sponsor only congress organized events e.g. an opening dinner, but not any add-on recreational events or entertainment, such as sporting events (ski, golf, etc), sight-seeing tours, etc.

In other words, members may not sponsor sporting activities which involve HCPs or pay for HCPs to participate in such activities at congresses or educational functions. Members may however pay for themselves to participate in such events.

4. Faculty

Members may pay for business class flights for incoming and outgoing faculty, but only if they are presenting on the day of arrival.

We trust that this communiqué offers a better insight into the dealings of our Members with yourselves, the HCP's that we deal with on a daily basis.

The full document is available at www.samed.org.za.

You are also welcome to contact your local representatives from all SAMED Member companies for a full copy of the code.

Sincerely,



T.M.Vogt

Chief Operating Officer

SAMED