

CODE OF CONDUCT

Please note that this Code of Conduct applies to the Diagnostic Imaging and Oncology Care sectors. The Pharmaceutical sector is governed by the ABPI Code of Practice for the Pharmaceutical Industry 2011.

1. Introduction

This Code of Conduct governs AXREM members' ("Members") interactions with Healthcare Professionals. It supersedes all previous editions and becomes effective from 20 December 2013

"Healthcare Professionals" refers to individuals (and the institutions for which they work) involved in decision making processes relevant to the procurement of Members' products or services. This includes medical staff, professions associated to medicine, nurses, healthcare managers, procurement agencies and external consultants employed by hospitals in the UK.

As participants in an industry largely funded from public funds, AXREM members recognise that adherence to the highest levels of integrity and ethical standards and compliance with all industry and procurement laws are critical and essential for the conduct of business.

Members welcome the guidance provided to Health Service staff by the Department of Health and the Common Service Agencies for Scotland, Wales and Northern Ireland in documents such as HSG(93)5: Standards of Business Conduct for NHS Staff. Members also fully endorse the Code of Conduct issued by COCIR, the European umbrella trade association for the industry, and have incorporated its provisions into this national code.

Members agree to commit any of their dealers and agents to abide by the principles contained in this Code.

This Code sets a minimum standard of conduct, but is not intended to supplant or supersede supranational, national or local laws or regulations or professional codes (including company codes) that may impose particular requirements upon Members or Healthcare Professionals.

2. Basic Principles

The following fundamental principles form the foundation of this Code:

2.1. The Principle of Separation - A clear separation must exist between any advantages or benefits granted by Members to Healthcare Professionals or Procurement staff, and the decision making process resulting in the procurement of Members' products or services. The purpose of this principle is to ensure that such advantages or benefits do not influence business transactions between Members and Healthcare Professionals or Procurement staff.

2.2 The Principle of Transparency - Advantages or benefits to Healthcare Professionals or Procurement staff should be disclosed to their institution's administration or management.

2.3 The Principle of Proportionality - Any consideration given to a Healthcare Professional in exchange for a service provided or other performance should not exceed normal market value. Also, with respect to entertainment, the value must be reasonable and appropriate to the position

and circumstances of the recipient, and the occasion on which it is given.

2.4 The Documentation Principle - The granting of any advantages or benefits to Healthcare Professionals by Members should be documented.

Members are aware of the provisions of the UK Bribery Act (2010), and the following clauses (whilst not being exhaustive) shall also serve as a reference with regard to the expected and acceptable approach compliant with this Act.

3. Meetings¹⁾

3.1 Meeting locations. All Member organized meetings should be conducted at an appropriate location and venue.

3.2 Permitted Expenses. Members may pay for reasonable travel and lodging costs incurred by Healthcare Professionals for attending Member organized meetings or meetings organized by third parties.

3.3 It will always be inappropriate for members to pay for Healthcare Professionals travel and lodging costs for third party meetings where there is no formal research, development or educational delivery agreement in place between the Healthcare Professional's employers and the member company

3.4 Subordinate Hospitality. Members may pay for reasonable hospitality in the form of meals, receptions, and entertainment (e.g. a music, sports or theatre event) in connection with the programme of a meeting. However, any such hospitality should be subordinate in both time and focus to the educational or training purpose of any meeting.

3.5 It is recommended that Members include the following paragraph with any Meeting:

A. Commensurate with the AXREM (Association of Healthcare Technology Providers for Imaging, Radiotherapy and Care) Code of Conduct, <<INSERT COMPANY NAME>> would like to stress that this invitation has not been extended to you for purposes of influencing your actions or persuading you to do or fail to do any act in violation of your lawful duties, in order for <<INSERT COMPANY NAME>> to obtain or retain business or gain any other improper advantage or benefit in the conduct of business.

B. In accepting this invitation, we understand that you have verified your compliance with all applicable legal requirements.

C. Where appropriate, we also recommend, as a precautionary measure and only insofar as you consider it to be reasonable, that you seek approval from your Employer relating to your acceptance of this invitation.

3.6 Separation from Sales. It is always inappropriate for Members to organize hospitality for the purpose of inducing Healthcare Professionals to enter into a business transaction. It is also inappropriate for Members to arrange hospitality linked to past, present or future business transactions.

1) This section applies to business events that also involve Hospitality or Entertainment. This does not apply to business meetings that in the normal course of business do not include Entertainment or Hospitality. Attendance at a business meeting with meal would not be covered by this Code, unless the meal was accompanied by attendance at a Hospitality or Entertainment event, and the nominal value of the Hospitality or Entertainment component exceeded the value of the meal

3.7 Guests. It is inappropriate for Members to invite to a meeting any other person without a professional interest in the meeting, such as the spouse or guest of a Healthcare Professional. Members should clearly state in all cases that invitations to Healthcare Professionals do not extend to such individuals. It will always be inappropriate for Members to pay for the travel, lodging or meal expenses for such individuals.

3.8 Sponsoring Conferences. Members may support conferences organized by third parties. They may provide financial grants to conference organizers to cover costs such as venue hire or catering, under the following conditions: (a) the conference is primarily dedicated to promoting objective scientific and educational activities; (b) the conference organizer is responsible for and controls the selection of program content, faculty, educational methods, and materials; (c) the support of a conference by a Member is clearly stated in advance of and at the meeting.

3.9 Honoraria. Members may make grants for reasonable honoraria for Healthcare Professionals who are contributing to conference proceedings.

4. Hospitality Unconnected with Meetings

The Institute of Purchasing and Supply acknowledges that, “Modest hospitality is an accepted courtesy of a business relationship”.

Members shall be permitted to pay for meals and drinks, which are unconnected with a meeting of the kind described in Section 3. However, Members may not pay for any other kind of hospitality, for example in the form of entertainment (e.g. a music, sports or theatre event), that is unconnected with such a meeting.

5. Clinical/Supplier Site Visits

The industry recognises the need to provide, for potential users, procurement officers or their scientific and technical advisers, opportunities to visit working installations of innovative equipment for the purpose of assessing, testing or forming subjective opinions on the suitability of the equipment to meet clinical needs. Such visits may include attending Supplier’s research and/or manufacturing facilities.

Bearing in mind that manufacturers and suppliers are committed at all times to minimise costs as an essential part of ensuring optimum value for money in providing equipment to the Health Service, AXREM member companies have established procedural guidelines for such visits:

1 Before any action is taken with regard to a proposed visit, permission will be requested from the management of the institution/customer contemplating purchase, that the manufacturer may proceed with the arrangements.

2 Should permission be given, the institution/customer will be asked whether it wishes to pay the costs, e.g. travel and hotel accommodation, or, if that should not be the case, that it is in order for the manufacturer to bear these costs. Generally the most economical means of transport shall be booked, as appropriate for the distance travelled, i.e. Economy within UK and Europe, Premium Economy for long-haul.

3 The industry recognises the changing nature of procurement and the complexity of multi-unit and multi-site procurements of complex technical solutions. AXREM recognises the growing breadth of technical solutions offered by member companies. The number of visitors shall always be restricted to the absolute minimum compatible with achieving the objective of the visit. This is important, not only for the potential users but also for, and in respect of the hosting site/facility.

The number of visitors accommodated by members will vary dependent on the nature and complexity of the proposed procurement, however to ensure consistency amongst member companies and to meet our stated commitment of minimising costs, the number of visitors funded by members will not exceed three unless the equipment is radiotherapy equipment where this could be increased to four to accommodate an engineering presence.

The costs of additional visitors will be borne by the institution/customer. Deviations to member funding of visitors for specific unique procurements will be dealt with on an exception basis and should be escalated by members to the AXREM Secretariat.

4 For each project only one supplier funded visit per equipment shall usually be made to a clinical or reference site.

6. Consultancy Agreements

6.1 Agreements in Writing. Consultancy agreements between Members and Healthcare Professionals must be written, signed by both parties, and specify all services to be provided.

6.2 Separation from Sales. Consultancy agreements between Members and Healthcare Professionals should not be made on the basis of the volume or value of business generated by the consultants or their affiliates.

6.3 Management Approval. Consultancy agreements between Members and Healthcare Professionals must be approved by the administration/management of the institution with which the Healthcare Professional is affiliated.

6.4 Fair Market Compensation. Compensation paid to Healthcare Professionals for consultancy should be consistent with fair market value for the services provided.

6.5 Legitimate Need. Members should only enter into consultancy agreements where a legitimate need and purpose for the contracted services has been identified in advance.

6.6 Consultant Qualifications. Selection of consultants should be made on the basis of the Healthcare Professionals' qualifications and expertise to address the identified purpose. Selection should not be made on the basis of the volume or value of business generated by the consultants or their affiliates (see Section 6.2).

7. Gifts

Members may provide gifts such as branded promotional items to Healthcare Professionals. Any gift from a Member to a Healthcare Professional should be modest and occasional in nature and not exceed any amounts specified by the relevant law. Gifts may not be given in the form of cash or cash equivalents. 2)

8. Charitable Donations

8.1 Charitable Purpose & Recipient: Members may make donations for a charitable purpose. Donations should be made only to charitable organisations and never to individuals.

8.2 Separation from Sales. It is inappropriate for Members to make charitable donations for the purpose of inducing Healthcare Professionals to enter into a business transaction. It is also inappropriate for Members to make charitable donations linked to past, present or future business transactions.

8.3 Transparency. The recipient of the donation and the recipient's planned use of the donation should be documented. Members must be able to justify the reason for the donation at all times.

8.4 Evaluation & Documentation. It is recommended that Members will establish a process whereby they can ensure that requests for Charitable Donations are evaluated separately to the Member's commercial activities and are consistently documented.

9. Research Agreements

9.1 Research Services: When a Member contracts with a Healthcare Professional for research services, there must be a written agreement specifying all services to be provided and a written protocol for a genuine research purpose. Well-defined milestones and deliverables must be documented in detail.

9.2 Research to be Legitimate & Documented: The research should be legitimate scientific work. Well-defined milestones and deliverables must be documented in a detailed written agreement. Selection of the Healthcare Professional should be made on the basis of qualifications and expertise to address the identified purpose.

9.3 Separation from Sales: The research funding should not be linked to or contingent upon past, present or future sales of the Member's products or services to the Healthcare Professional. Conditions linking the research funding with the Health Professional's purchase of products or services from the Member are only permissible if the said products or services are being purchased for specific use within the research or are required to be linked by tender.

9.4 Management Approval: Research Agreements must be approved by the administration/management of the institution with which the Healthcare Professional is affiliated.

9.5 Fair Market Compensation. Compensation paid to Healthcare Professional should be consistent with fair market value for the services provided.

2) This section is not intended to address other types of interactions between Members and Healthcare Professionals that are addressed more specifically elsewhere in this Code or address the legitimate practice of providing appropriate sample products and opportunities for product evaluation

10. Loan equipment

Members may offer equipment for demonstration and evaluation to Healthcare Professionals for a reasonable period of time. Written approval by Healthcare Professionals' administration or management is required and should be filed alongside the appropriate loan documentation.

11. Monitoring the Code

Anyone concerned that a Member may have breached this Code should report such issues directly to the Director of AXREM. Such concerns will be referred to senior legal or compliance officers within the relevant Member for proper investigation, handling and resolution. AXREM shall be informed of the resolution and consider whether further activity is required which may include the formation of the Code of Conduct Committee [CCC] to consider the matter. At this stage the process is transparent, with all AXREM parties aware of the issue and those involved.

AXREM has established the structure and composition of the CCC. The AXREM Director shall chair the Committee and the other Members will be legal counsel representatives from two Member companies. The CCC may co-opt other healthcare professionals to support/advise the committee. Member companies forming the CCC shall not be directly involved in the matter to be adjudicated. Therefore the structure of the CCC is established but with the impartial representation organised by the Director of AXREM.

The CCC will continue to develop a policy to address non-compliance with this Code of Conduct. This policy has already enacted and will continue to include, publication of the CCC decision/rationale, as one of a range of sanctions, to ensure compliant behavior and sustain the reputation of the industry.