

Responsible Conduct in the Healthcare Sector

B. Braun Code of Conduct
for working with customers



HOW WE UNDERSTAND RESPONSIBILITY



Dear Readers,

Reliability, reputability, transparency and openness – all of these combine to form the basis of B. Braun's business practices. As a family company, our aim is to create sustainable value and to meet our responsibility to customers, employees and society at large. Accordingly, a trust-based working relationship with all parties concerned is part of the backbone of our everyday activities.

Close ties with medical institutions and organizations and their employees are absolutely vital for developing new products and therapies. This is an important prerequisite for medical progress and for continuously improving the quality of healthcare provided to patients.

When working with customers and partners, we adhere closely to our own clear rules and standards, particularly with regard to the various forms of benefits. In this regard, we work according to both legal and self-imposed requirements – in the form of internal guidelines and industry codes – that aim to promote fair competition in the healthcare sector.

These conditions establish a legally sound basis with which we protect both ourselves and our customers. To this end, we formulated a set of guidelines as far back as 1996; our employees are obliged to adhere to these requirements, which are verified by internal control systems. The rules contained within these guidelines had a significant influence on the self-imposed requirements later introduced in the health-care sector, for example the Kodex Medizinprodukte code for medical devices. This means that our guidelines are in the best interests of all concerned.

In this way, we can focus all our energies on the task at hand: to develop innovative products and concepts with which we can improve medical care on a continual basis.

Yours sincerely,



Prof. Dr. h.c. Ludwig Georg Braun

OUR GUIDELINES FOR RESPONSIBLE CONDUCT IN THE HEALTHCARE SECTOR

For more than 10 years, our guidelines have been based on clear, unambiguous principles, the content of which is explained in the following sections.

These principles relate to all key areas of activity and to the different forms of cooperation that exist between companies and persons or institutions in the healthcare sector.

Regardless of whether this involves donations, sponsoring measures, payment of travel and entertainment expenses, contracts with consultants or corporate gifts, the principles outlined here are all to be adhered to in the interests of all concerned:

SEPARATION PRINCIPLE




No benefits of any kind are ever provided in connection with sales transactions.

Only through the strict separation of benefits and sales transactions are we able to avoid suspicions of granting/accepting an advantage, bribery and/or corruptibility at the outset.

For example, the inclusion of this "separation principle" in our guidelines prohibits a B. Braun employee from providing financial support to a physician as part of a surveillance study, if he/she promises in return to increase the number of our products bought and used.

At the same time, we ensure that procurement decisions are free of bias, which is in the interests of our customers.



TRANSPARENCY PRINCIPLE




Every benefit is to be disclosed to the beneficiary's employer.

B. Braun discloses the direct support it provides to medical institutions such as hospitals, clinics and research institutions.

Benefits that are provided to employed persons in the healthcare sector solely in anticipation of a return will be disclosed without exception to the employer in question. Furthermore, in compliance with the transparency principle, the written agreement of the employer – with regard to both the remuneration agreed and the quid pro quo – is required before the latter can be provided.

For example, if a physician employed by a hospital is commissioned by B. Braun to give a lecture on a specialist subject, the following conditions must be fulfilled:

Firstly, a written agreement between the physician and B. Braun is required in which the quid pro quo (lecture on a particular topic) and the benefit (agreed fee) are specified.



Secondly, the prior written consent of the physician's employer is required with regard to the agreement concluded with the physician.

This ensures that the physician is not in breach of any rules and regulations relating to labor legislation, and that the parties involved are not open to accusations of bribery or corruptibility.

To comply with the transparency principle, our internal guidelines therefore require that B. Braun employees only conclude agreements with employees in the healthcare sector with the prior written consent of the employer(s) in question.

The same applies to remuneration due within the framework of trials or surveillance studies, which may only be paid to the medical institution itself or to a specified third-party account belonging to the clinic.

DOCUMENTATION PRINCIPLE




All kinds of benefits will be documented in writing.

Regardless of what form the benefits take (**fee agreements, license agreements for the development of products, donations, sponsoring measures, payment of travel or training costs, provision of gifts or free products**), all agreements between B. Braun and beneficiaries will be determined in writing.

This complies with the documentation principle in that the agreement details – in a way that can be easily understood by third parties – the purpose for which a benefit is provided, and also specifies which quid pro quo this entails. Also subject to the documentation requirements are statements of expenses and receipts for entertainment expenses which must always make specific reference to the occasion on which the benefit was provided.

For example, if a medical specialist gives an expert opinion on a certain B. Braun product, the underlying agreement will specify in writing the specialist area, the nature of the quid pro quo and the agreed fee.

This makes it impossible to conclude agreements without clearly defining the reason for providing the benefit or what is expected in return.



APPROPRIATENESS PRINCIPLE ■ ■ ■

Benefits must always be appropriate to the quid pro quo.

The appropriateness principle aims to avoid both "sham agreements" and the suspicion that the beneficiary is economically dependent on B. Braun, including with regard to professional standards.

For example, if a physician conducts a surveillance study for B. Braun, his/her fee will reflect the amount of work actually involved. This can be derived, for instance, from the documentation to be produced by the physician as part of the study. The same applies when a physician provides an expert opinion for B. Braun; here, the expected work involved will be taken as a basis for the amount of the fee at the outset. In both of the above cases, the German medical fee schedule (GOÄ) will be taken as the benchmark for determining the appropriateness of fees.

Of course, whether a benefit (e.g. in the form of a fee) is appropriate to the quid pro quo depends on the specific nature of the situation.

However, in the interest of adhering to the appropriateness principle, B. Braun employees may only conclude written agreements in which the scope of the respective benefits and services are described in as much detail as possible.

COMPLIANCE PRINCIPLE




By means of internal control systems, B. Braun ensures that guidelines and other normative specifications are adhered to.

In order to guarantee that our guidelines are respected, our employees are trained on an ongoing basis. In addition, we have established effective control systems as part of our company organization.

To this end, we use specially developed standard forms for the different cases; these have been verified by legal experts.

In addition, the legality of every payment authorized by a B. Braun employee is examined by our legal department, which acts as an internal compliance watchdog.

These organizational measures help us to avoid potential conflicts of interest with B. Braun employees who are in direct contact with customers.



In our view, working together in a spirit of partnership and acting responsibly in the healthcare sector include avoiding legal risks right from the outset. This objective is the reason for informing you about our key principles regarding the provision of benefits in the form of this brochure.

In view of the intricate nature and legal complexity of this subject, the information given here can only serve as a rough guide. Nonetheless, the principles illustrated and the criteria named in the examples can be used as a "checklist" for examining the legal validity of agreements between B. Braun and persons and institutions in the healthcare sector.

Should you have any questions about our Code of Conduct, please ask your contact at B. Braun.



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