

Esaote

Code of Conduct



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Esaote Code of Conduct

Provided by Esaote Legal Office

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Code of Conduct

Our Code of Conduct is a representation and collection of the behaviours that we must demonstrate when doing our jobs.



Franco Fontana
CEO

Dear reader,

each day, we share a common vital space made up of our daily choices and decisions, living in a continuous balance between our motivations, which fuel our actions and suggestions, and our critical sense which makes us reflect and give up. It is very clear to us that the fruit of our labour, as small as it may seem, is part of a much larger tree, which impedes on the vital space of another person, not only within an organisation but also within the society that we all aim to contribute to.

When looking for solutions and answers, it can be helpful to look for clear and transparent rules, which will help define the boundaries in which we can move freely, especially during such difficult and stimulating efforts. Whatever our role, our freedom is intertwined with the freedom of others and therefore sets limits which help reassure us and underline our responsibilities.

Our ethical code is built on common values, making decisions easier for us when we are faced with ambiguous situations, to anticipate possible solutions in the case of unexpected events.

As a group, we have given ourselves a common language, which interprets the correctness of our choices in our common vital space.

On this page, you will find examples of behaviours considered to be consistent with those of belonging to a group, those which allow us to present ourselves to the market and to stakeholders as single reliable interlocutors, even with the awareness of the uniqueness and exceptional nature of every single bit of energy we have to offer, as people, to this business project.

I would like to thank you for having made the choice to share your expertise with the Esaote brand and I would like to invite you to read this code, thinking about how each chapter protects your work and the quality of your relationships.



Be the custodians of these rules of coexistence, which unite us culturally, without any geographical or other distinctions.

Franco Fontana



Introduction to the Code

- 7 The purpose of the Code
- 7 Who must follow the Code
- 7 The Code is mandatory
- 7 Additional expectations of managers



Violations of the Code

- 9 Discipline and consequences
- 9 Code monitoring and reviewing



Speak up: how to raise concerns

- 12 Promise of non-retaliation
- 13 **Esaote's 5 core values**



Teamwork

- 18 Workplace safety
- 19 Harassment and discrimination
- 21 Working with suppliers
- 22 Social media



Commitment

- 26 Antitrust and competition
- 28 Prevention of bribery and corruption
- 31 Gifts and entertainment
- 33 Conflicts of interest



Integrity

- 36 Confidentiality and data privacy
- 36 Insider trading
- 36 Privacy of employee information
- 37 Respecting intellectual property
- 37 Political and charitable contributions
- 38 Interacting with health care professionals



Results

- 42 Accuracy of records
- 45 Interacting with shareholders



Customer focus

- 48 Fair sales and marketing practices
- 48 Product quality
- 49 Commitment to environmental stewardship



Introduction to the Code

The purpose of the Code
Who must follow the Code
The Code is mandatory
Additional expectations of managers

The purpose of the Code

At Esaote, we make products and provide services that can change and improve people's lives. Our commitment to high ethical standards is reflected in our success as a medical device and health care company that is respected around the world. This Code of Conduct encompasses our past and guides us into the future. It is not merely a set of rules but a reflection of our shared values for doing business the right way. Our Code gives us practical guidance when faced with difficult situations and helps us continue to meet and exceed the high expectations that we all share.

Who must follow the Code

This Code applies to everyone working for Esaote as well as subsidiaries and joint ventures, including employees (full-time, part-time and temporary), managers, executives, board members and control bodies. Our third-party business partners (including suppliers, vendors, contractors, distributors, agents, etc.) are also expected to act in line with the Code when doing business with Esaote.

The Code is mandatory

Compliance with this Code and all other relevant laws, policies and regulations is a mandatory requirement for all of us. Wherever we work in the world and whatever our role is within the Company, we share the same responsibilities for ethical conduct at all times.

Additional expectations of managers

We count on our managers to live the Code, leading by example and creating a positive culture of ethics and integrity that will resonate throughout the entire Company. If you are a manager, please realize that you are one of the keys to making this Code a reality for those that look up to you and learn from you.

Managers are held to a higher standard. They are expected to serve as a resource and educate their fellow employees about the policies and regulations that guide our work. In accordance with our open-door policy, managers are also responsible for responding to questions and concerns about how to act ethically, as well as reports of possible Code violations. It is a manager's responsibility to seek additional help when a solution is not clear.





Violations of the Code

Discipline and consequences
Code monitoring and reviewing

Discipline and consequences

This Code is meant to be a guide and can serve as a road map when you are faced with an ethical dilemma. Compliance with the Code protects us all, and violations of the Code will have real and serious consequences.

Violations of our Code or policies may result in disciplinary actions up to and including termination of employment and/or of relevant contractual relationship, as well as possible fines and/or imprisonment for serious violations. Business partners who violate the Code could be barred from working with Esaote in the future, among other consequences.

Code monitoring and reviewing

While our Code applies equally to us all, there is a Supervisory Board that is in charge of monitoring, administering, updating, and approving the content and guidelines in the code. This Supervisory Board includes our Chief Internal Auditor and two independent members appointed by the Esaote board of directors.

Independent ownership of our Code ensures an uncompromised level of vigilance and responsibility for upholding our Code in all that we do.

We also have an independent external professional who has the duty to receive and review all reports of misconduct related to the Code as better specified in the Speak up section below.





Speak up: how to raise concerns

Promise of non-retaliation

If you observe, suspect or become aware of behaviour that may violate our Code, policies and procedures, or any other laws or regulations, you must report it. Our open-door policy ensures that you can report concerns at any time and that you will always receive a swift and detailed response.

We have a confidential way to speak up:

Email address:

ethics.reports@esaote.com

Postal address:

Esaote SpA
Ethics Reports
Via Enrico Melen 77, 16152 Genova
Italy



Please know that confidentiality and anonymity will be maintained in accordance with local laws and regulations.

Promise of non-retaliation

At Esaote we have zero tolerance for retaliation or retribution against any employee who speaks up in good faith about potential misconduct. You will not be penalized for raising concerns or otherwise participating in any ethics investigation in good faith.

Making a report in “good faith” means that you believe it to be true and are not abusing the ethics and compliance programme to spread lies, unfairly harm others or unjustly damage another person’s reputation.

Retaliation can take many forms, such as excluding people from projects, harassment, bullying or other negative behaviours. There is no place for retaliation in Esaote.

We consider retaliation to be an act of misconduct to be met with disciplinary action in compliance with applicable laws and regulations. As with all other Code violations, we take reports of retaliation seriously. All reports will be thoroughly investigated and, if substantiated, retaliators will be disciplined up to and including termination of employment and/or contractual relationship.



 Teamwork

Commitment 

Integrity 

 Results

 Customer focus

Our Code is designed to protect and support the best interests of our customers, co-workers, business partners and communities. We create medical devices that have a direct impact on the lives of patients and with this comes a special responsibility. We must protect the health of the public in all of our operations and keep in mind the impact of our work. To achieve our long-term vision of being the premier respected leader in our industry, our work must always be in support of our 5 core values:

- Teamwork
- Commitment
- Integrity
- Results
- Customer focus

To reinforce our core values, we have structured our Code around them. While reading the sections, think about how our actions can contribute to embedding these values in all that we do.



Teamwork

Workplace safety
Harassment and discrimination
Working with suppliers
Social media

Our people are our greatest asset. Working in a team means that every team member strives to achieve their own goals as well as the goals of their co-workers.



Our people are our greatest asset. Our policies are founded on the understanding that we work best when we feel safe and respected. We foster diversity within Esaote, knowing that a wide range of skills is essential to Esaote's ability to thrive. Working in a team means that every team member strives to achieve their own goals as well as the goals of their co-workers. Through successful teamwork, we can achieve Esaote's strategic vision. When we work as a team to attain success for Esaote, we will enrich ourselves, each other, our customers and the communities we operate in.

Workplace safety

We believe that all occupational and environmental incidents can be prevented. We adhere to our rigorous system of health, safety and environmental procedures in pursuit of that goal. A safe workplace maximizes productivity and reduces losses. By learning the necessary skills and following all procedures to prevent accidents, you reduce the risk of injury to yourself and your co-workers.

Whether you work in an office, in a production facility, or anywhere else, you are responsible for maintaining a safe work environment. Managers are additionally responsible for ensuring that all employees have access to all relevant manuals and regulations, and we are all responsible for putting those protocols into action and reporting hazards as soon as they become apparent.

In keeping with our commitment to safety, we follow all Esaote policies and local restrictions on the use of alcohol and controlled substances. Esaote prohibits the illegal use, sale, transfer, purchase or possession of controlled substances on Esaote premises or while doing work for Esaote. To be safe, we must not be impaired by any substances when doing our job.



Harassment and discrimination

Knowing that the diversity of our employees is one of our greatest strengths, we are committed to fostering a culture of mutual respect and a work environment that is free of discrimination and harassment.

At Esaote, all of our employment decisions are made in accordance with the principles of equal opportunity and based solely on an individual's qualifications to meet job requirements. We recruit, hire, train, promote, develop and compensate personnel in all job classifications without regard to race, religion, age, colour, gender, national origin, disability, veteran's status or any other protected status, in accordance with our policies. By basing our decisions for employee development and retention on merit, we can ensure that the best possible people are at Esaote.

We forbid all forms of harassment, including bullying and sexual harassment. Harassment can create an intimidating, hostile or offensive work environment that may unreasonably interfere with an individual's work performance or employment opportunities. Harassment consists of verbal or physical conduct that puts down or shows hostility toward an individual. Acts of harassment can take many forms, including the following:

- Name calling
- Use of slurs or negative stereotyping
- Threatening, intimidating or hostile acts
- Offensive jokes or written/graphic material
- Sexual jokes, comments, innuendo or touching
- Obscene comments or gestures



Sexual harassment, in particular, consists of unwelcome sexual advances, requests for sexual favours and other verbal or physical conduct made either explicitly or implicitly as a condition of an individual's employment or the basis for employment decisions. Sexual harassment can occur through not only physical interaction, but also words and gestures.

A CLEAR ETHICAL VISION

Q: *Robert builds Ultrasound scanners. One day, he overhears one of his managers talking about a fellow builder, Sandra. He can overhear them say "We need to stop putting women like Sandra on the important projects; she can't keep up with the rest of the team. We should just try to get rid of her!" Robert is shocked to hear this, as he knows that Sandra has been with the Company a long time and does great work. What should Robert do?*

A: Esaote is committed to providing a work environment where everyone is respected, valued and free from harassment and discrimination. The conversation that Robert heard is not in line with our values and can lead to serious issues. Robert should report what happened to a manager or if he's not comfortable doing so, use another avenue to speak up. Anyone who speaks up in good faith about an issue related to harassment or discrimination will be protected against any acts of retaliation.



Working with suppliers

At Esaote we purchase from our suppliers and vendors based on what is best for Esaote, our clients and our communities. We balance price with the ability of suppliers to deliver quality goods in a quick and reliable way. We also consider the social and environmental impacts when procuring our goods and services in an ethically responsibility manner. This means that we will:

- Partner and purchase from suppliers in accordance with our purchasing procedures
- Only select business partners and suppliers that share our values and high ethical standards
- Value diversity of suppliers and business partners

When selecting suppliers and other business partners, we rely on factors of merit (price, quality, etc.) in making our decisions and not on any improper gift or entertainment. We must refuse to accept anything of value from suppliers or potential suppliers that could create a conflict of interest or improperly influence our business decisions.

We only work with suppliers and business partners that share our values and high ethical standards. We never partner with other companies that engage in ethical misconduct such as human right violations, unsafe working conditions, bribery or corruption. As the acts of our business partners and suppliers can have a direct impact on Esaote, we must be sure to partner with the right companies and people.



Social media

Using social media sites such as Facebook, Twitter, LinkedIn, YouTube, etc. can be a great way to interact with our customers and create awareness around what Esaote is doing. Esaote employees are our ambassadors and their engagement to foster Esaote's culture and activities is encouraged. However, we need to be careful when using social media as the messages we share create a permanent record and can be seen by a global audience.

Only certain employees, with prior written approval, may correspond with or speak directly to the media or correspond through social media on behalf of the Company. Our strict guidelines regarding confidentiality and data privacy require us to be extra careful when using social media sites. The content you post on social media sites must represent your own personal views, and not those of Esaote. Be sure never to post confidential, private Company information on message boards or social media sites. For more information on our guidelines related to social media, please reference, Esaote Communication and Social Media Policy.



A CLEAR ETHICAL VISION

Q: *While accessing LinkedIn, Sam, notices a rumour about how Esaote is about to build a new office and facility. Sam works in the Esaote department that is being discussed, and he knows some of the information isn't correct. He wants to correct this misinformation, but some of the plans that he wants to discuss aren't public information yet. If he doesn't use his work email or computer, is it okay to clear up the rumours?*

A: No, this would not be okay. Our confidential information is one of our most valuable assets. Even though Sam will not be using his work computer or email address, it is still never okay to share Esaote's confidential information without preapproval. Disclosure of our proprietary information can cause damage to the Company, our customers and employees. Social media can be a powerful tool but should be used responsibly and in line with Company guidelines.





Commitment

Antitrust and competition
Prevention of bribery and corruption
Gifts and entertainment
Conflicts of interest

We are proud of Esaote's reputation as a socially responsible Company that has a strong commitment to the communities where we live and the customers that we serve.



We are proud of Esaote's reputation as a socially responsible Company that has a strong commitment to the communities where we live and the customers that we serve. We are proud that our success is built on a foundation that promotes a fair and free marketplace for our customers and fellow competitors. We ensure our future success by sustaining these relationships with continued positive, ethical actions.

Antitrust and competition

We work in full compliance with all antitrust and fair competition laws, meaning that we only use fair, legal and ethical means to obtain or retain customers and sales. There are many ways that companies attempt to engage in illegal antitrust activities, such as:

- Price-fixing is an illegal practice that occurs when competitors agree to set prices artificially high to get more money from customers.
- Market-sharing happens when competitors agree to stay out of a particular territory or market segment, thereby forcing customers to rely on one company for their needs.

We do not enter into anti-competitive agreements or collude with competitors in cartels, and therefore we don't engage in price-fixing, market-sharing or similar misconduct. No short-term gain is worth sacrificing our long-term success.

In all of our communications with competitors, we take great care to avoid even the appearance of impropriety. Communications with competitors can be a troublesome area and must be documented very carefully. It's important to remember that agreements don't need to be in writing; they can also be spoken or expressed with "a wink and a nod." Therefore, we use caution in all of our communications, always careful about what we are communicating directly or implying.



A CLEAR ETHICAL VISION

Q: *Bonnie works in sales at Esaote and she is attending an annual health care conference. While at the conference, Bonnie meets experts in the medical device industry and with potential clients. After one session, a vice president of sales at a rival company approaches Bonnie and starts talking about how he is enjoying the conference. However, the conversation quickly changes subject when the competitor says, "Listen, there is a lot of money to be made if we keep out of each other's business. If you don't bid on a project in the Country A, we'll stay out of Country B. Think about it." What should Bonnie do?*

A: Bonnie needs to immediately end this conversation, and then report the incident. The rival was trying to engage in antitrust activities that are damaging to Esaote, our customers, our marketplace and the communities in which we do business. All contacts with competitors have the potential to be troublesome and we need to be careful about what we say or imply. Any agreement to fix prices, allocate territories or any other anti-competitive behaviour is prohibited and has serious consequences.



Prevention of bribery and corruption

We must avoid even the appearance of bribery or corruption in our business dealings. We comply with all applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act (UKBA) as well as Italian Law 231/01 among other similar laws for the countries that we operate in. We follow these laws because we are committed to the highest ethical standards and do not tolerate corruption in any form. Companies and individuals who violate such laws can face severe punishment including fines and even imprisonment—not to mention serious damage to a company's and individual's reputation.

“Bribery” involves offering, promising or providing anything of value to government officials or private individuals in order to obtain an improper business advantage. Bribes can involve money, as well as non-monetary or intangible things like gifts, entertainment, contracts or favours. Sometimes the intent of bribes is masked by using an intermediary or calling the bribe a gift or donation. It does not matter whether a bribe is provided to a government official or to a private entity; both are against the law, our values and this Code.

Because bribes may be offered both directly and indirectly, through many different avenues and schemes, they can sometimes be difficult to identify. Always seek advice when you are unsure whether a particular request constitutes a bribe. If something doesn't feel right, don't do it.



“Government officials” can include government officers, heads of government ministries, political representatives and candidates, customs agents, workers at government-owned businesses, clerks and other similar government workers. Since government officials are very broadly defined, it can be difficult to identify them, so be sure to ask questions and seek advice anytime you believe you are working with a government official.

We must also be aware of any interactions we have with politically exposed persons. These are people that have been authorised to conduct work in prominent government roles. It can also include close relatives, acquaintances or friends of the politically exposed person. As these people can have great influence over government purchasing and legislation that could affect Esaote, we should be especially careful to avoid any actions that could be considered corrupt.

In our efforts to avoid bribes, we must be particularly careful regarding “facilitating payments,” or “grease payments,” which are payments made to lower-level government officials for the purpose of expediting or securing the performance of routine governmental actions (for example, obtaining permits, licenses, work orders, visas, etc.). We do not pay facilitating or grease payments under any circumstances.

All requests for facilitating payments or bribes must be reported, even if they go unpaid. For more detailed information, please see Esaote anti-corruption compliance program named MSG Anti-Corruption (“MSGA”).



A CLEAR ETHICAL VISION

Q: *Andrea, an Esaote employee, is working on logistics for getting a dozen Esaote MRI systems into a new country. At the port of entry, a government worker states that Andrea needs to pay a special processing and administrative fee in cash before the machines can enter the country. Andrea can find no record of this fee on the official schedule of fees and the government worker is being aggressive in collecting the money. What should Andrea do?*

A: Paying this “fee” would most likely be a bribe. It is suspicious because there are not official documents about the fee and the demand to pay in cash. Andrea should not agree to or actually make this payment to the government official. Andrea should report the incident to his manager. Esaote will find a way to proceed with getting the MRI systems into the country legally, without becoming involved in bribery.

It is also important to know that the actions of our suppliers, sales agents, intermediaries and others can have an impact on Esaote. If one of our business partners commits misconduct, Esaote can be held responsible for those actions if the partner was acting on our behalf. Therefore, it is important to communicate our standards and values to these partners and ensure that partners are operating in accordance with the Code.



Gifts and entertainment

We take pride in developing long-lasting relationships with our customers. Sharing a meal or exchanging a token of appreciation can help reinforce a positive working relationship. While some forms of gifts and entertainment are okay to give or receive, not all of them meet the detailed limitations set by our policies and the law. Some gifts and entertainment are never acceptable. We need to ensure that all gifts and entertainment that we provide or receive are reasonable and do not create a conflict of interest.

Here are some, but not all, examples of appropriate gifts and entertainment:

- Certain small gifts or tokens of esteem or gratitude—such as gift baskets, non-lavish meals or promotional items including mugs, pens or hats featuring the Company’s logo.
- Gifts, meals and entertainment involving government officials are often very different from those provided to private, commercial entities.
Employees should seek preapproval before providing any gift, meal or entertainment to government officials.

Similarly here are some, but not all, examples of prohibited gifts and entertainment:

- Cash or cash-equivalent gifts (such as gifts cards, travel checks and vouchers) are not allowed. Entertainment and meals must be reasonable, in good taste and in line with local customs.
- Lavish, expensive and frequent gifts, meals and entertainment are never allowed. While we have some firm dollar limits on what can be given and accepted in each region, we should always use our good judgment.
- Esaote employees are forbidden from accepting, giving or promising to give, directly or indirectly, any gifts, meals or entertainment in exchange for improper business advantages.

For detailed guidance and information please refer to the Esaote anti-corruption compliance program named MSG Anticorruption (“MSGA”).



A CLEAR ETHICAL VISION

Q: *A big project is coming to a conclusion and Lisa has worked very closely with one of Esaote's key suppliers to complete the project on time and within budget. As a thank you gift at the end of the project, the supplier has offered to take Lisa and her family on a trip to the World Cup. Lisa is a huge fan of football and would love to go. Can she?*

A: No. The offer of a trip to the World Cup is lavish and could cause problems for Esaote and Lisa. It is important that we base all of our hiring and sourcing decisions on what is best for the Company, including factors such as value, reliability and quality. If we accept lavish gifts and entertainment, we compromise our integrity and create a conflict of interest. Lisa should politely refuse the offer, report the incident and remind the supplier about Esaote's policy on gifts and entertainment.

A CLEAR ETHICAL VISION

Q: *Lucy and Clark are talking with a client at Esaote's offices. The clients are new and work for a private, non-government-owned company. They suggest meeting with the client at the restaurant in their hotel to discuss their ongoing project and to develop a closer relationship with the client. Is it okay for Lucy and Clark to pay for the client's meal?*

A: Yes, as long as the meal is reasonable and won't give the appearance of impropriety. It is a perfectly acceptable and normal business practice to have meals together to discuss projects and create goodwill. We understand that meals are a good opportunity to get to know our business partners and our Code is not meant to deter us from engaging in proper business activities. Lucy and Clark should also be sure to properly record the expense.

It's always important to remember that gift-giving can be a high-risk issue with ethical complexities, so please refer the MSGA for all the detailed regulations.



Conflicts of interest

As employees of Esaote, we must always put the best interests of the Company ahead of our own personal interests. A “conflict of interest” can occur when an employee’s action or involvement with an outside entity interfere—or even appear to interfere—with the interests of the Company.

Many possible situations can lead to conflicts of interest. Here are just a few examples:

- Having a financial interest in one of our customers or business partners
- Hiring family members or close friends
- Receiving gifts or entertainment from suppliers in exchange for an unfair business advantage
- Having another job outside of Esaote

We must avoid any situations that could affect our ability to exercise impartial judgment on the job or otherwise adversely affect Esaote’s interests. At our earliest opportunity, we must disclose potential conflicts to management.



A CLEAR ETHICAL VISION

Q: *Daniel works in Research and Development and is always trying to find new and exciting innovations for Esaote’s products. He hears that one of our main competitors could be close to making a breakthrough that could revolutionize the industry. He thinks that it could be very profitable to buy some stock in the competitor’s company. Would this be okay?*

A: No. Daniel’s investment in the competitor could create a conflict of interest. Although Daniel could not mean any harm to Esaote with his investment, it could have an effect on his ability to do his job in the best possibly way. With only limited exceptions, we must not invest in companies that compete with Esaote.



Integrity

Confidentiality and data privacy
Insider trading
Privacy of employee information
Respecting intellectual property
Political and charitable contributions
Interacting with health care professionals

Integrity means doing the right thing all the time, even when the right choice might not be easy to see or accomplish.



Integrity means doing the right thing all the time, even when the right choice might not be easy to see or accomplish. We have integrity with our customers, suppliers, communities, each other and all of our stakeholders.

Confidentiality and data privacy

We must protect Esaote's propriety information as well as the proprietary information of our customers, business partners and other third parties. This is information or knowledge which is not available to the public about Esaote's operations and is critical to our success and profitability. Proprietary information can include the following:

- Business plans and strategies
- Financial information
- Information about employee records, customers or vendors
- Marketing and sales plans
- Patent applications
- Processes and technical know-how
- Trade secrets

In the event that you receive inquiries from external parties such as the media, financial analysts, investors, or government regulators, please contact your manager about what to do. Only certain individuals are authorized to speak on behalf of Esaote.

Insider trading

At times, our work for Esaote gives us access to material non-public or "inside" information about Esaote, our business partners and clients that is not otherwise available to the public. It is against Company policy, as well as the law in many countries, to buy or sell securities while in possession of such inside information about Esaote or any of our business partners.

Privacy of employee information

We handle our fellow employees' personal information with care, taking active measures to protect its privacy. Private employee information includes government-issued identification numbers, birth dates and financial, medical, compensation and contact information. We never provide unauthorized access to such private information.

While we protect private information about our fellow employees, remember that not everything you do at Esaote is private. When using Company systems (computers, email, instant messaging, etc.) employees should have no expectation of privacy. Esaote reserves the right, in full compliance with local laws, to monitor the use of Company systems and access data on Company-owned computers and other devices.



Respecting intellectual property

We always use legal, ethical means to obtain information about competitors, customers and our business partners. We respect the confidentiality of all forms of intellectual property and proprietary information, including copyrighted and patented materials and inventions, financial data, trade secrets, software, know-how and strategies for sales and marketing.

We must always be honest and candid when learning more about others and never conceal our identities or provide half-truths about the nature of our intentions.

Similarly, we expect others to respect our own proprietary and confidential information. The use of Esaote proprietary information is taken very seriously and this includes the use of our patents, logos, trademarks and all other intellectual property. If you become aware of any unauthorized use of our intellectual property, please inform your manager.

For more information about respecting intellectual property please read our “Rules for the use of the trademarks and materials copyrighted by Esaote” and related policies.

Political and charitable contributions

While we are each welcome to participate in political causes as individuals, we must remember that such activity is a personal matter. As your political and charitable efforts are your own business, Esaote will not pressure or force employees to contribute to any political or charitable causes.

Esaote occasionally makes charitable contributions to bona fide not-for-profit, non-political and non-governmental charitable organizations. Such contributions are made only in accordance with our approval systems.

We must not use Esaote time, money, resources or facilities for political activities or charitable contributions without obtaining prior approval. Any contributions made on your own should not be connected with your work at Esaote.



Interacting with health care professionals

During all interactions with health care professionals (HCPs), accurate and balanced information must be provided. Any product information that is provided must be consistent with the pre-approved materials for promoting our products. Often times, HCPs can be government officials if they are employed by state-owned hospitals, universities, or state-funded health care organizations. As some HCPs can be government officials, we must be diligent in acting in accordance with our policies and our Code with all interactions.

We are subject to special laws that apply when doing business with or communicating with HCPs. These laws prohibit giving or offering anything of value to improperly influence purchasing decisions. Additionally, these laws prohibit the submission of false claims or statements to government sponsored health care programmes. Payments may be made to HCPs for bona fide services such as approved speaker programs and consulting time.

While there are many rules when interacting with HCPs, we must not be afraid to conduct legitimate business in an ethical and responsible way. For example, where it is allowed by applicable laws and regulations, we can provide product demonstrations, reasonable meals and refreshments, educational materials on our products and some low-value promotional items such as a pen, calendar or notepad. Working with government officials and HCPs can be complex but as long as we are fair and accurate in our dealings and ask questions if we aren't sure on what the correct course of action is, we can avoid most troublesome situations.

This is a complex area of the law with many important details so those interacting with HCPs receive special training on how to comply with the guidelines. While training and policies provide a good base of information to build on, they do not have all the answers to every situation we might face. If you are ever unsure, speak with your manager before acting.

Esaote is firmly committed to widely accepted industry best practices that promote our ethical dealings in the health care industry. We are proud to uphold the AdvaMed and EucoMed standards in all our dealings. Subscribing to these standards demonstrates our commitment to high ethical standards wherever we work.



A CLEAR ETHICAL VISION

Q: *I want to make our company look as good as possible when talking with health care professionals. I know that it is never okay to tell a lie, but what if I don't highlight all the possible downsides to our products? This information can be found other places and I'd rather not mention it. Is it important to explain all approved information regarding the product or can we just focus on the benefits?*

A: It is critical that discussions about our products start with an understanding that we will be honest and transparent in their merits and limitations. Over the course of several product discussions, all aspects of the product, including possible downsides, should be disclosed. We want everyone to fully understand our products before, during and after a purchase is made.





Results

Accuracy of records
Interacting with shareholders

Honest, accurate, factual and thorough record-keeping is essential to the success of our day-to-day operations.



Honest, accurate, factual and thorough record-keeping is essential to the success of our day-to-day operations. Our detailed policies and procedures streamline our efficiency and help us to maintain our reputation as an ethical and reliable Company, worthy of our customer's trust.

Accuracy of records

All entries in Esaote's books, records and accounts must be complete, accurate and fairly reflect our business transactions. It is never acceptable to create false or misleading records or otherwise conceal the truth from Esaote's management, auditors or regulators. Violations of record-keeping laws and policies can cause serious legal and financial problems for Esaote, and violators are subject to criminal prosecution and disciplinary action up to and including termination of employment.

We must have transparency in all of our business dealings. This means that we follow our processes, procedures and requirements as established in our guidelines. The integrity of our internal control systems means that we can properly manage our records, actions and decisions in a way that can be traced and audited, if necessary. By being accountable to our actions, we are more likely to follow our guidelines and avoid hidden misconduct.

All records, including hard-copy and electronic documents, must be appropriately maintained. Often, documents may be needed months or even years after they are created. We must never destroy any documents that are subject to a legal hold.



A CLEAR ETHICAL VISION

Q: *At the end of a long business trip, a marketing manager, Martin, sends his expense report for approval to Victoria, his Director. Victoria goes through all of the expenses and finds an odd item called "miscellaneous marketing expenses" for €500. Since there are no receipts to back up this expense, Victoria reaches out to Martin for further explanation. Martin is reluctant to talk about it, but he eventually explains that some issues came up during his trip and he had to pay for some meals and other expenses in cash and lost the receipts. Martin assures Victoria that the expenses are legitimate. What should Victoria do?*

A: Victoria needs to look into this more closely before authorizing the reimbursement, as the situation could be expense report fraud or other misconduct. The situation is very suspicious. Martin should have avoided paying in cash, and he certainly should have kept all necessary paperwork to back up his expenses. It is understood that sometimes receipts get lost, but we shouldn't try to cover that up by concealing the true nature of expenses. All our records, from annual reports to personal expense reports, need to be accurate and complete.



A CLEAR ETHICAL VISION

Q: *It is nearing the end of the year and Vanessa, a sales agent, has met her annual sales quota. She has a big contract coming in that should be signed and ready before the end of the final quarter. Vanessa knows that if she holds on to the signed contract for a couple of weeks, she can book it next year and get a huge head start on next year's quota. Is it okay for Vanessa to postpone submitting the contract?*

A: No, all business must be accurately recorded when it actually occurred. What Vanessa is thinking about doing is against our Code and will lead to inaccurate records. All of the decisions that we make must be based on facts, and ensuring that we accurately record our business transactions is fundamental to our success.



Interacting with shareholders

Our shareholders believe in the work that we are doing and choose to support our actions in many different ways. As our investors place a great deal of trust in Esaote, we must live up to their expectations and be trustworthy in all our actions. We have an obligation to protect the interests of our shareholders and provide a sound return on their investment.

All information provided to shareholders in annual and quarterly reports, marketing materials, presentations, meetings, calls, etc. must be accurate, truthful and timely. We never present any falsehoods or exaggerations in any of our materials including financial reports, forecasts and product developments.

If you are contacted by a shareholder for information, you should contact your manager to ensure that the request is handled in a timely and professional manner.





Customer Focus

- Fair sales and marketing practices
- Product quality
- Commitment to environmental stewardship

By focusing on customers in all that we do, we show that we respect their business and ensure that they will have future dealings with Esaote.



Our customers keep us in business and we need to be focused on them in all of our operations. By focusing on customers in all that we do, we show that we respect their business and ensure that they will have future dealings with Esaote.

Fair sales and marketing practices

Our sales and marketing activities must be accurate, fair and balanced. We must not discuss information about products that have not yet been proven or provide any information that is not consistent with approved marketing materials. When we engage in sales discussions and marketing events, we rely on the merits of our products to win business and not on half-truths or inaccuracies.

We make, sell and distribute the highest quality products and we do not need to resort to unfair sales or marketing tactics to be successful.

Product quality

We maintain rigorous production and quality-control standards to ensure that the materials we use and the products we make meet all applicable legal and regulatory requirements. Our products are ethically sourced and we do not use “conflict minerals” or other materials that might have been obtained using unethical means. We test our products in ways that are respectful of the environment and in accordance with all scientific, medical and ethical standards.



A CLEAR ETHICAL VISION

Q: *Megan is preparing a shipment of Ultrasound machines to a new customer when she sees one of the brand new machines fall off a forklift and come crashing onto a hard cement floor. The packaging materials are damaged but the actual machine doesn't appear to have been damaged. She isn't sure if she should delay the shipment and make sure that the equipment still functions properly and possibly miss a shipping deadline or ship the machine as it still looks okay. What should Megan do?*

A: We need to make sure that all of the products that we deliver to our customers are functional and as perfect as possible. This means that we take extra time to do rigorous quality control checks. Megan should not ship the Ultrasound machine until it has been properly checked against our high quality standards again.

Commitment to environmental stewardship

Esaote's commitment to success involves a commitment to sustainability. We protect the health and safety of our employees and the communities in which we work by complying with all country, state and local environmental laws. Each of us is responsible for reporting potential hazards as soon as we observe or suspect them, as well as stopping work to correct problems before they cause injury or damage. We are committed to doing our part for a sustainable environmental future and operating in a way that is respectful of the Earth's natural resources.





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