

CODE OF ETHICS AND CONDUCT - 2017

Brazilian Association of Importers and Health Products Distributors



abraidi

Associação Brasileira de Importadores
e Distribuidores de Produtos para Saúde

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WHY HAVE AN ABRAIDI CODE OF ETHICS?

The ABRAIDI Code of Ethics consolidates a long process in which values and ethical standards of conduct have settled in to the very fabric of the industry which distributes health-related products. The constant search for ways to act ethically and within set norms has, little by little, created a clear framework of values which need to be met by everyone within the healthcare purview not only because of ethics themselves but also because, when it comes to healthcare, the chief focus for everyone must always be the patient, the individual human being who depends on health services.

ABRAIDI understands--and, indeed, this has become gradually clear to all--what the consequences are for patients, for communities and for society as a whole when these values are not followed. When unethical practices become the norm, everyone suffers: Distributors, Importers, Manufacturers, Health Plans, Hospitals, and, more than anyone, patients and Brazilian society as a whole.

On the other hand, moral and ethical principles are, in themselves, extremely valuable. They represent the golden mean when it comes to the aggregate value of our organizations. They constitute the pillars that give us stability and which set the fundamental conditions for good citizenship. These, unfortunately, are absent in many areas of our society today but they are absolutely necessary for the development of our country.

Therefore, to follow the present Code is the condition sine qua non for any member of ABRAIDI; and adherence to the Code of Ethics positions each ABRAIDI associate as an entity out to make a difference when it comes to health. As a consequence, it is extremely important that all associates become familiar with the present Code and, in addition, make known their own values and orientations regarding ethical conduct to everyone within the entity as well as all third parties so as to assure that all act in the interest of ethics and reap the benefits thereof.

Entities that make a difference are a parameter to be followed. BE RESPECTED!

Gláucio Pegurin Libório

President of the ABRAIDI Administrative Council

2014/ 2017 Term

ABRAIDI Code of Ethics and Conduct

Preamble The first obligation under the responsibilities of citizenship is to obey the laws of the land in every respect, be they tax laws, labor laws or any other. While, at the same time, pursuing moral and ethical standards of behavior. In the healthcare segment, especially, there must be a clear focus on norms established by the Health Ministry and by the National Health Inspection Agency.

Acting in a manner which is ethical and responsible within the health sphere means making a positive contribution to the community in which we conduct our business; it means keeping to fundamental principles of safety and acting in good conscience in the knowledge that the ultimate objective of our labors is the health of the patient, the individual in need who is using our products.

The ABRAIDI Code of Ethics defines, as the basic responsibility of each Associate, conduct that rejects any and all actions or attitudes that are potentially unethical and illegal practiced by any associated company, as well as rejecting any unethical or illegal action undertaken by suppliers, clients, competitors, employees or any and all others who act in the name or for the benefit of the associate.

The ABRAIDI Associate will not deal with suppliers who decline to operate in accordance with ANVISA regulations, or rules set down by the Health Ministry or applicable laws; and the associate will conduct business in the marketplace, with clients and in relation to competitors, in a manner that is just and which protects the ethical and moral integrity of clients and the market freedoms of competitors.

It is the responsibility of the Associate to make sure that his employees are aware of, practice and disseminate an ethical culture and act in conformity with the laws, including the ABRAIDI Code of Conduct. ABRAIDI understands that adherence to ethical standards and compliance with legislation are vital to maintaining balanced operations among members.

ABRAIDI also defends the idea that marketing practices based on illegal and unethical foundations are corrosive, pernicious and will, gradually, not only inflate costs for the nation's entire healthcare system but also

contribute to the maintenance of distortions that hurt everyone in the sector but, especially, the most important person the patient.

Consequently, the Administrative Council has instituted the present Code of Ethics as an integral part of its Code of Conduct under terms of Article 13 of the Statute, defining ethical rules which are the obligation of all of its members.

The ABRAIDI Code of Ethics is the indispensable tool for building a just, sovereign and developed Brazil.

TITLE I

VALUES

Article 1: The values adopted by ABRAIDI and, therefore, by its associates are: :

- a. Responsibility;
- b. Commitment;
- c. Transparency in commercial practices;;
- d. Integrity in dealings with health professionals;
- e. Respect for competitor practices;
- f. Ethics;
- g. Focus on the patient.

TITLE II

NORMS OF CONDUCT

CHAPTER I: Responsibility

Article 2: All ABRAIDI Associates must:

- a. Reject corrupt practices, including bribery and illegal remuneration;
- b. Adhere to systems and practices promoting secure, reliable working conditions aimed at producing quality outcomes;
- c. Conduct themselves in a way that promotes safety and respect for the environment;
- d. Show integrity, open communication and ethics in the conduct of their businesses;
- e. Compete vigorously, but in a manner which is just and legal;
- f. Demand of all third parties, acting in the interest or for the benefit of Associates, to operate along the lines outlined in our Code of Ethics;
- g. Comply with standards of safety and quality established by ANVISA, by the Health Ministry, by respective manufacturers and by ABRAIDI;
- h. Refuse, in no uncertain terms, to compensate any medical professional or institution in any way in exchange for purchase of your products;
- i. Respect all laws and norms applicable generally to your activity;

- j. Comply with all taxation and other fiscal determinations applicable to your sector;
- k. Cooperate with other associates in the creation and maintenance of a solid and prosperous marketplace.

CHAPTER II: Commitment

Article 3: All ABRAIDI Associates must:

- a. Constitute themselves as centers for the spread and dissemination of a culture of ethics and Compliance within the scope of their business dealings;
- b. Combat, on a permanent basis, practices such as bribery, tax fraud and non-compliance with legal requirements in the introduction and marketing of products;
- c. Make donations to serve clients who are, effectively, berift of their own resources.

CHAPTER III: Transparency in Commercial Practices

Article 4: Companies associated with ABRAIDI must:

- a. Guarantee the safe and adequate use of all products sold;
- b. Certify that conditions for warehousing and handling, at installations where products are stored on consignment, meet manufacturer specifications;
- c. Furnish pertinent documents attesting to the origin and proven fiscal integrity of products;
- d. Know and respect Codes of Ethics and Codes of Conduct of manufacturers;
- e. Establish control mechanisms to avoid inappropriate re-use and/or re-processing of products;
- f. Show clients, and demand of them, compliance with legal requirements for registration, validity and Good Practice Standards in conformity with norms established by ANVISA and by the Health Ministry.

CHAPTER IV: Integrity in dealings with Health Professionals

Article 5: Under no circumstances will an ABRAIDI Associate take the following actions:

- a. Offer, either directly or indirectly, an unwarranted or financial advantage of any kind whatsoever in exchange for favorable mention of a medical product;

- b. Offer, either directly or indirectly, an unwarranted or financial advantage of any kind whatsoever to a medical professional, including public employees and public officials, especially those operating in public hospitals or in other public functions in situations that could violate the competitive character of demonstrations, bidding procedures or public procurement in general.

Article 6: All associated companies commit themselves to adopting, in whole, all of the precepts contained in the “Code of Ethics for interactions involving Healthcare Professionals,” as published by Advamed.

Stand Alone Paragraph. The “Code of Ethics for interactions involving Healthcare Professionals” is an integral part of the present ABRAIDI Code of Ethics.

CHAPTER V: Respect for competitor practices

Article 7: All ABRAIDI Associates must:

- a. Promote competition based on technology, the aggregate value of the organization, and the quality of the product and the operational support offered for it;
- b. Guarantee that, under no circumstances, will they use predatory business practices against competitors.

Article 8: All ABRAIDI Associates are prohibited from the following practices:

- a. Participating in actions of a predatory nature such as formation of cartels, fixing of supply chains, prices or compensation in relation to institutions and/or professionals;
- b. Referring, under any circumstances, to persons, management styles or operational conditions of competitors in a public and negative manner;
- c. Promoting, within the association or through inter-mediation or outside of ABRAIDI, actions designed to control market prices or to stimulate creation of cartels, through practices such as exchange of sensitive information among competitors;
- d. Presenting proposals that cover, rotate or otherwise violate the competitive character of demonstrations, bidding rounds or public procurement in general.

CHAPTER VI: Ethics

Article 9: All ABRAIDI Associates must:

- a. Act in a manner which brings aggregate value and quality to the nation's healthcare system;
- b. Respect and contribute to compliance with Codes of Ethics established by public organs, helping to strengthen such relationships;
- c. Disseminate a culture of ethics and ethical compliance in all companies and among respective third parties that act in their interest or for their benefit;
- d. Base all actions of any kind on the values described in the present Code;
- e. Create a Compliance program with the objective of developing a system of policies, procedures and internal controls that guarantee internal observance of the best international standards of Compliance in all relations with commercial partners and with other associated companies;
- f. Act like an ANVISA partner when it comes to fighting piracy and other practices circumscribed by regulations and all actions that tend to reduce the quality of products available in the marketplace.

CHAPTER VII: Focus on the patient

Article 10: The ABRAIDI Associate should always act in a way that puts the priority on the welfare and health of the patient, always seeking, in all initiatives of every kind, to find the best means of bringing benefit to patients, especially those whose health is the most vulnerable.

CHAPTER VIII: Penalties

Article 11: In conformity with provisions of the Statute, the Committee on Ethics and Procedures of ABRAIDI (CEP) can determine the application of the following penalties:

I – warning, for minor infractions;

II – suspension for thirty to ninety days, for grave infractions;

III – expulsion, for extremely grave infractions.

Article 12: Infractions considered minor are those which violate the values expressed in the present Code as practiced by Associates or by third parties acting in the interest or for the benefit of Associates and which do not result in any harm to real property or to goodwill as they pertain to ABRAIDI or to other Associates.

Article 13: The President of the CEP is empowered to apply a warning penalty independent of any appeal or the term of any appeal or any definitive ruling on appeal by the Administrative Council.

Article 14: Infractions considered grave are those which violate the values expressed in the present Code as practiced by Associates or by third parties acting in the interest or for the benefit of Associates and which cause material harm to real property or to goodwill as they pertain to ABRAIDI or to other Associates.

Article 15: The President of the Administrative Council is empowered, in light of a definitive decision, to apply the penalty of suspension, graduated in conformity with the following criteria:

- I – Thirty-days suspension for infractions causing small material damage to ABRAIDI or to its Associates, without reference to eventual sanctions due to unfair trade practices or infractions under prevailing laws, provided the infractor repays any and all damages;
- II – Suspension for a term of thirty one days to sixty days for infractions causing great material damage to ABRAIDI or to its Associates, without reference to eventual sanctions due to unfair trade practices or infractions under prevailing laws, provided the infractor repays any and all damages;
- III - Suspension for a term of sixty one to ninety days for infractions causing material and moral damage to ABRAIDI or to its Associates, without reference to eventual sanctions due to unfair trade practices or infractions under prevailing laws, provided the infractor repays any and all damages;

Article 16: The Extraordinary General Assembly is empowered to deliberate over the application of expulsion of an Associate as a penalty in cases of very grave infractions, understood as those which cause damage to fair competition, which involve the practice of crimes, damage to third parties, irreparable damage to real property or goodwill, failure to observe prevailing legislation, among other acts which go beyond the ethical and moral

precepts espoused by ABRAIDI.

Article 17: In the application of penalties, the CEP, the Administrative Council and the Extraordinary General Assembly should take into consideration cases of recidivism by the Associate under terms of Article 12, Paragraph 4 of the ABRAIDI Statute.

CHAPTER IX: General considerations

Article 18: The present Code will enter into effect upon its promulgation to associates, charging the Committee on Ethics and Procedures to promote its widespread dissemination, thereby revoking any and all clauses to the contrary.

São Paulo (SP), April 27, 2017

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