



# Terumo Global Compliance Violations Reporting and Anti-Retaliation Policy

**Effective Date of this Policy:** April 1<sup>st</sup> 2017

Terumo Corporation and each of its affiliates (hereinafter "Terumo" or "Company") are committed to doing business globally with integrity and in compliance with applicable laws, regulations and industry codes. This policy (the "Policy") outlines Terumo's expectations of Terumo's associates globally. Any wholly owned Company may enact other policies, procedures, documents that are more stringent than this Policy and if there is a conflict between this Policy and local law, the more stringent requirement must be followed.

## **1. PURPOSE.**

Terumo is committed to its global mission of "Contributing to Society through Healthcare" and operating at all times with integrity. In line with this commitment and to promote open communication, this Policy aims to provide an avenue for associates to raise concerns about violations of applicable laws (which for a purpose of this Policy includes applicable regulations and industrial codes) or Terumo policy.

In order to ensure that associates are comfortable with reporting such concerns, Terumo prohibits harassment of, or retaliation against, any associate who reports in good faith a known or suspected violation of law or of Terumo policies. Malicious complaints that are not made in good faith are prohibited and malicious reporters may be subject to discipline, up to and including termination.

## **2. REQUIREMENTS.**

**2.1 Duty to Come Forward:** Each Terumo associate is strongly encouraged to report any actual or apparent violations of law or Terumo policy to the Company as permitted by local law so that they can be investigated and dealt with appropriately. This extends to any instance where one suspects, but is uncertain whether a violation may be occurring. Such reports are referred to in this Policy as a "Report" or "Reports".

**2.2 Reportable Issues:** Examples of violation of law or Terumo policy reportable under this Policy include, but are not limited to:

- (1) Incorrect financial reporting/Fraud/Theft/Accounting Irregularities/Audit Irregularities;
- (2) A violation of any law or industry code;

- (3) A violation of any Company internal policy, procedure and/or guideline (for example: the Terumo Group Code of Conduct);
- (4) Harassment;
- (5) Otherwise serious improper conduct.

**2.3 Anti-Retaliation:** An associate who in good faith makes a Report shall not suffer harassment, retaliation, or adverse employment consequences. Any associate who retaliates against someone who has reported a violation in good faith may be subject to discipline up to and including termination of employment or as otherwise permitted by applicable law. This Policy is intended to help ensure that Terumo continues to operate with integrity by encouraging and enabling associates to raise serious concerns within Terumo.

**2.4 Reporting Procedure:** A Report may be reported in any of the following ways: 1. to an associate's manager; 2. to Human Resources; 3. to a Company Executive; 4. to Chief Legal Officer, a Company General Counsel or any other Company attorney; 5. to an Area Compliance Officer, a Company Compliance Officer or Promoter; and/or 6. to the Third Party Web and Phone Reporting Platform ("Terumo Helpline"). This Policy does not prohibit any Company to create its own hotline, either internal or external, provided that any such hotline must not be in conflict with this Policy and must be approved by Terumo Corporation's Internal Control Committee. Based on the information received in a Report, Terumo shall do its best efforts to avoid a conflict of interest during the reporting procedure.

**2.5 Terumo Helpline:** Terumo has established Terumo Helpline for receiving Reports. Terumo Helpline is operated by an independent third party. Terumo Helpline can be used on a confidential and anonymous basis. Terumo Helpline may be accessed through an internet site that shall have a link available on the Terumo/Terumo Company intranet site or by a toll free telephone number provided. The Compliance Officer will work with the helpline operating company to make other toll free numbers available in the countries where Terumo maintains a significant office presence.

**2.6 Confidentiality:** Terumo will take reasonable measures to protect the confidentiality and anonymity of the associate making such Report when so requested, to the extent possible under applicable laws and regulations and Terumo's need to conduct a good faith investigation into the issue.

**2.7 Receipt and Treatment of Reports:**

- (1) Attending to Reports and directing Serious Issues: An associate having received a Report shall first determine whether the matters raised in the Report constitute a Serious Issue (as defined by Terumo Group Internal Control System Regulations and listed in the end of this Policy). In making such determination, the recipient of the Report should consult with Chief Legal Officer, Company General Counsel or Area Compliance Officer (or his/her designee) as appropriate (the current list is provided on Terumo global intranet site). If the Report is determined not to involve a Serious Issue, the recipient of the Report should strive to address the Report and try to reach an appropriate resolution. However, in case of failure to reach an appropriate resolution within a reasonable time, or if the Report involves a Serious Issue, the recipient of the Report shall immediately direct the Report to Chief Legal Officer, Company General Counsel or Area Compliance Officer (or his/her designee) for screening and investigation (if appropriate), unless these individuals are named

as a subject of the Report, in which case the Report will be directed toward another qualified individual to ensure unbiased and independent evaluation.

- (2) Acknowledgement of Reports: An associate having received a Report will notify the reporter and acknowledge receipt of the Report within ten (10) business days unless the Report was received anonymously.

**2.8 Investigations and Corrective Actions:** Terumo will take appropriate action in response to each Report and the nature and extent of each action will depend, in part, on the nature of the concern. For Reports deserving investigation, Chief Legal Officer, Company General Counsel and Area Compliance Officer shall ensure independent investigation and may either assign the Report to be investigated by the appropriate investigators, or engage one or more outside experts or agencies to assist with or carry out the investigation. Serious Issues must be reported, investigated and responded to, as per the procedure set out in Guidelines for Responding to Serious Issues. After the issue of final investigation report (if investigation is carried out), the matter is handed over to appropriate management with recommendations of actions and appropriate corrective action is taken if warranted by the investigation. This includes reporting to the relevant governmental authority as required by applicable law.

**2.9 Feedback to Reporter:** Whether received directly or through the Terumo Helpline, as appropriate, Terumo will provide appropriate feedback to an identified reporter about follow-up on his/her Report, including progress and closing of the investigation (if any).

**2.10 Report to Terumo Corporation's Organization:** Chief Legal Officer shall provide updates of the status of operation of this Policy to Terumo Corporation's Chief Executive Officer, the Board of Directors, the Internal Control Committee and the Audit/Supervisory Committee (or its selected member) periodically or as appropriate.

**2.11 Retention of Records:** All Reports and documents relating to such Reports made through the procedures outlined herein shall be retained for the period of time required by the applicable document retention period described in the affected Company's records retention policy.

**2.12 Policy Provisions:** The provisions of this Policy do not:

- (1) Require the Company to compensate an associate for participation in a court action or in an investigation, hearing, or inquiry by a public body;
- (2) Prohibit the Company from compensating an associate for participation in a court action or in an investigation, hearing, or inquiry by a public body; or
- (3) Authorize the disclosure of information that is legally required to be kept confidential.

**2.13 Limitation of Protections:**

- (1) An associate is not entitled to the protections under this Policy unless he or she reasonably believes that the information reported is accurate; and reports the information in good faith.
- (2) An associate is entitled to the protections under this Policy only if the matter reported is not the result of conduct by the individual seeking protection, unless it is the result of conduct by the associate that was required by the Company.

### **Supplementary provision**

Article 2.5 and the reference to the Terumo Helpline in Article 2.4. will take effect on relevant notification by the group companies.

## Serious Issues

1. Significant claims on quality
2. Significant production impediment
3. Violation of law which may cause heavy sanction on Terumo
4. Material violation of law by directors, officers and employees
5. Work-related fraud, bribery, cartel and bid-rigging and deception committed by directors, officers and employees, regardless of its scale (fraud meaning any illegal act characterized by deceit, concealment or breach of trust)
6. Events corresponding to disciplinary dismissal, or resignation at the request of Terumo, of directors, officers and employees (Note: decision and implementation of dismissal or resignation are not subject to the report under this Guideline.)
7. Significant accidents and incidents concerning safety, disaster prevention, and environment such as significant physical injury, traffic accidents involving gross negligence, work-related death or critical injury, pressure, attack and acts of terror by anti-social forces, significant failure in IT system, infectious disease, significant natural disaster
8. Material disputes such as intellectual property disputes
9. Leakage of classified or personal information
10. Investigation, audit and inspection by authorities (such as governmental or administrative agencies) excluding usual or routine audit and inspection
11. Negative or critical media coverage of Terumo, harmful rumor against Terumo that affects management
12. Any event falling under any of the following:
  - (a) Damage of tangible assets over JPY 500 million
  - (b) Event damaging Terumo brand, regardless of its amount
  - (c) Event having a social impact