RESEARCH GRANTS, EDUCATIONAL GRANTS AND CHARITABLE DONATIONS

I. PURPOSE

Salient Surgical Technologies, Inc. and its subsidiaries (‘Salient’) are committed to supporting genuine independent medical research (IMR) for the advancement of medical science, independent medical education (IME), improve health care, to promote the development of new treatments, indigent care, patient and public education, and/or the sponsorship of charitable events. It is not appropriate for Salient to make donations for the purpose of unlawfully inducing Health Care Professionals (‘HCP’) to purchase, lease, recommend, use or arrange for the purchase or lease of, or prescribe Salient’s medical technologies in the USA. Therefore, Salient has: (1) adopted objective criteria for providing such grants and donations that do not take into account the volume or value of purchases made by, or anticipated from the recipient; (2) implemented appropriate procedures to ensure that such grants and donations are not used as an unlawful inducement; and (3) ensures that all such grants and donations are appropriately documented. This policy sets forth guidelines for the types of grants and donations that will be considered by the Compliance Officer.

II. KEY DEFINITIONS

A. Health Care Professional (‘HCP’): Includes individuals and entities that:
   i. Are involved in the provision of health care services and/or items to patients; and,
   ii. Purchase, lease, recommend, use, arrange for the purchase or lease of, or prescribe Salient’s medical technologies in the USA.

HCPs include clinical and non-clinical people who make or influence product-related decisions like purchasing agents, physician’s practice managers and management within group purchasing organizations (‘GPO’).

B. Grants: Includes grants, donations, contributions or payments, in cash or in kind made by Salient, to further an educational, scientific or other charitable purpose, and made to a Qualified Recipient.

C. Qualified Recipients: Qualified Recipients of grants made by Salient include the following categories:
   i. Hospitals, community health centers or other similar health care facilities (not physician group practices);
ii. Academic medical centers and universities;
iii. Patient groups;
iv. Organizations exempt from federal income tax under Internal Revenue Code Sections 501(c)(3) non-profit organizations, 501(c)(4) social welfare organizations, and 501(c)(6) trade and professional associations; and
v. Conference sponsors, training institutions (to allow attendance by medical students, residents, fellows, and others who are HCPs in training).

III. POLICY

All grants and donations provided by Salient must receive the prior approval of the Compliance Officer. All requests should be received at least four (4) weeks prior to the date required.

A. Permissible Grant Categories: Salient will consider making grants to Qualified Recipients in support of the following purposes and activities:

a. Independent medical education;
b. Third Party Educational conference grants;
c. Genuine independent medical research with scientific merit;
d. Disease awareness programs or events;
e. Patient education activities or materials;
f. Indigent care; and,
g. Other genuine philanthropic and charitable activities that demonstrate good corporate citizenship and represent a benefit to society.

B. Prohibited Grants: Under no circumstances will Salient make grants to:

a. Individuals; or,
b. Qualified Recipients at the request of individual HCPs.

C. Criteria: All grants made by Salient must meet the following criteria:

a. Grants must not be linked, directly or indirectly to an agreement to use, purchase, recommend, or refer Salient products, or be used to reward past, present, or future business;
b. Grants must not fund expenses already incurred by the Qualified Recipient;
c. Grants may not be used, in any way, to defray the grant requestor’s ordinary business operating expenses;
d. Grants may not be used to fund payments for items or services rendered to Salient;
e. Grants should not be used for lobbying purposes;
f. Grants should support activities related to the disease state and medical conditions of interest to Salient; grants must primarily benefit the Qualified Recipient and not result in more than an incidental personal
g. Grants should not be unreasonable in light of the amount of other previous grants to the Qualified Recipient for other activities during the prior twelve months;

h. If a grant is made to a charitable organization, the grant must be intended and used to further the organization’s charitable purpose;

i. Grants may not be hand delivered by sales representatives.

IV. GRANT APPROVAL PROCESS

All grants and donations provided by Salient must receive the prior approval of the Compliance Officer. No Salient employee or agent may make a commitment that Salient will fund a grant request or make any other charitable contribution. All requests for grant support should be directed to the Compliance Officer after completion of the attached form by the Qualified Recipient.

The Compliance Officer will solely communicate with the Qualified Recipient regarding approval/disapproval of the request. The Compliance Officer will communicate with the Manager of Medical Education or any other relevant budget manager to receive budget approval. The relevant budget manager will sign the form indicating their approval of the request and the requested amount. If the budget manager does not approve the amount requested, the budget manager will document their thoughts on the form accordingly. The Compliance Officer will communicate the approval/disapproval to the Qualified Recipient including the amount of the grant support or charitable donation.

All funds disbursed as educational conference support must be accounted for in accordance with prevailing standards of corporate accounting.

V. REQUIREMENTS FOR EDUCATIONAL GRANTS

Salient may provide an educational grant when: (1) the gathering is primarily dedicated to promoting objective scientific and educational activities and discourse; and (2) the training institution or the conference sponsor selects the attending HCPs who are in training. Such grants should be paid only to organizations with a genuine educational function and may be used to reimburse only the legitimate expenses for bona fide educational activities. Such grants also should be consistent with applicable standards established by the conference sponsor. The Qualified Recipient seeking a grant should include as much detail about the proposed program and its objectives as possible.

Educational grants may be provided to IME providers to reduce the costs of the conference.
Grants may also be provided to IME providers or training institutions to fund scholarships for medical students residents, fellows and other HCPs in training.

When scholarship grants are provided, the selection of subsidized attendees must be at the discretion of the training institution or the IME provider. The amount of the grant is reasonable in light of the overall characteristics of the program, including, but not limited to, location, size, quality of faculty and anticipated number of attendees, and is not determined in any way that takes into account the volume or value of purchases by or otherwise attributable to the grant recipient or its officers or directors.

Educational grants must be unrestricted. This means that Salient shall not direct or otherwise influence or have responsibility for the selection of program planning, program content, faculty, agenda, audience selection, educational methods or materials. In this regard, the sponsor shall be solely responsible for decisions relating to the use of unrestricted grants for advertising and promotion of the program, including decisions relating to content and distribution of brochures and other promotional materials.

The IME program must be held at a location and in surroundings that are conducive to its educational or scientific purpose.

The recipient of the Salient grant shall make a meaningful disclosure of Salient’s support of the program.

Salient will not engage in any ancillary sales or marketing activities in conjunction with a Salient grant funded educational program; except that, Salient sales and marketing representatives may set up displays or engage in related promotional activities in a ‘vendors hall’ or other area designated by the program sponsor for such displays or booths.

VI. REQUIREMENTS FOR CHARITABLE DONATIONS

a. Charitable organizations that request support from Salient are instructed to complete the attached form to this policy including a request letter on their letterhead that includes the following information:
   i. The signature of an authorized representative of the charitable organization;
   ii. The tax identification number of the charitable organization;
   iii. A statement of its charitable, tax-exempt status;
   iv. A description of the charitable organization and its charitable mission or purpose;
   v. If the charitable donation is requested in connection with a fundraising event, the following additional information is required:
      1. A description of the fundraising activity for which the contribution is requested;
      2. The location where the fundraising activity will be held;
3. the date of the fundraising activity (the request letter must be dated and received by Salient at least two weeks prior to the date of the fundraising activity for which the contribution is requested)

b. Salient may support fundraising events of charitable organizations if the following requirements are satisfied:
   
   i. The event is widely publicized;
   
   ii. The organization has a process for soliciting contributions from a broad range of potential donors and not merely Salient and other vendors of products and services that are reimbursed in whole or in part by Medicare and other federal health care programs;
   
   iii. At least a portion of the grant qualifies for a charitable tax deduction;
   
   iv. The event is supported by multiple donors; and,
   
   v. Salient does not pay for HCPs attendance at, or participation, the event unless the organization selects the attendees or participants without Salient input into the selection process.