

# MENTOR CORPORATION

## Code of Business Conduct and Ethics

### 1. PURPOSE

- 1.1. This Corporate Code of Business Conduct and Ethics policy (“Policy”) defines Mentor’s Code of Business Conduct and Ethics Program and outlines the methods by which Mentor Corporation (the “Company” or “Mentor”) will ensure compliance with the laws, regulations, and ethical standards applicable to its business activities.

### 2. PERSONS AND AREAS AFFECTED

- 2.1. This Policy applies to all Mentor Corporation employees and officers, including employees and officers of the Company’s subsidiaries (“Employees”) as well as each member of the Company’s Board of Directors (“Directors”).

### 3. POLICY

- 3.1. Mentor is committed to conducting its business with integrity and in accordance with all federal, state, national, and local laws to which its business activities are subject. It is the long standing policy of Mentor to prevent the occurrence of unethical or unlawful behavior, to halt such behavior as soon as reasonably possible after its discovery, to discipline personnel who violate Mentor policies, and to implement any required changes in policy and procedure necessary to prevent recurrences of a violation.
- 3.2. This Policy outlines the means by which Mentor’s policies are to be implemented and monitored. All Mentor Employees and Directors are required to comply with the standards contained in this Policy and other Mentor policies and procedures, immediately report any suspected violation of policies or procedures, and assist Mentor Employees, Directors, and authorized outside personnel in investigating any alleged violations.

### 4. DEFINITIONS

- 4.1. Compliance Officer: The person designated by Mentor to implement and oversee the Compliance Program. The Compliance Officer function is the responsibility of the General Counsel or designee (an attorney) in the Legal Department.
- 4.2. Code of Business Conduct and Ethics policy: This document defines Mentor’s Code of Business Conduct and Ethics Program and outlines the process that will be used to ensure compliance with Mentor’s policies and procedures, and applicable laws and regulations.
- 4.3. Mentor Policies and Procedures: Corporate Policies, Standard Operating Procedures, and Department Operating Procedures instituted at corporate headquarters or any other Mentor facilities.

### 5. RESPONSIBILITIES

- 5.1. The Compliance Officer has ultimate responsibility for overseeing compliance with all applicable laws, this Policy and other Mentor policies and procedures, and for reporting on compliance activities on a regular basis to the CEO and when necessary to the Board of Directors. For those duties that are delegated to other management personnel, the Compliance Officer will retain oversight authority, unless otherwise indicated. Waivers of this Code of Business Conduct and Ethics for executive officers and Directors may be made only by the Board of Directors or a Board Committee and shall be promptly disclosed to shareholders.

- 5.2. The designation of a Compliance Officer in no way diminishes or vitiates the responsibility of all Employees and Directors to comply with the law and all Mentor's policies and procedures, nor does it diminish any member of management's responsibility to ensure that those Employees for which he or she has responsibility comply with the law and Mentor's policies and procedures.
- 5.3. All Employees
  - 5.3.1. Read and comply with all Mentor Policies and Procedures applicable to the employee's job function and department.
  - 5.3.2. Fulfill any specific responsibilities assigned by this Corporate Compliance and Ethics Policy.
- 5.4. Directors and Executive Officers
  - 5.4.1. Ensure all business activities are conducted in an honest and ethical manner, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
  - 5.4.2. Ensure full, fair, accurate, and understandable disclosure in reports and documents that the Company files with, or, submits to the United States Securities and Exchange Commission (the "SEC") and in other public communications.
  - 5.4.3. Compliance with applicable governmental laws, rules, and regulations.
  - 5.4.4. The prompt internal reporting of violations of this policy; and,
  - 5.4.5. Accountability for adherence to this policy.
- 5.5. Chief Executive Officer (CEO) and/or Chief Operating Officer (COO)
  - 5.5.1. Ensure sufficient allocation of resources to implement and maintain this Corporate Compliance and Ethics Policy.
  - 5.5.2. Ensure that the Compliance Officer and other executive officers fulfill the responsibilities assigned by this Code of Business Conduct and Ethics.
- 5.6. All Vice-Presidents
  - 5.6.1. Ensure that all Employees under the Vice-President's supervision receive appropriate training in this Policy and other applicable policies and procedures.
  - 5.6.2. Ensure that all management under the Vice-President's supervision fulfills any specific responsibilities assigned by this Corporate Compliance and Ethics Policy.
  - 5.6.3. Set an example for Employees under the Vice-Presidents' supervision by conducting him/herself in compliance with this Policy and other applicable policies and procedures.
- 5.7. All Management Personnel
  - 5.7.1. Ensure compliance with this Policy and other Mentor policies and procedures by those Employees under the Manager's supervision.
  - 5.7.2. Set an example for Employees under the Manager's supervision by conducting him/herself in compliance with this Policy and other applicable policies and procedures.
  - 5.7.3. Implement an "open door" policy that encourages Employees to report any suspected violation of this Policy or other Mentor policies and procedures.

- 5.7.4. Ensure that Mentor's confidential and proprietary information is safeguarded from disclosure by those Employees under the Manager's supervision.
- 5.7.5. Conduct and/or oversee employee training on the policies and procedures applicable to the job functions of the Employees under the Manager's supervision.
- 5.8. Compliance Officer
  - 5.8.1. Implement this Policy.
  - 5.8.2. Develop and disseminate publications explaining the Corporate Compliance and Ethics Policy and the associated procedures.
  - 5.8.3. Coordinate compliance activities and personnel issues with appropriate departments that have a responsibility for ensuring compliance, including, without limitation, Human Resources and Finance.
  - 5.8.4. Oversee compliance with this Policy, other Mentor policies and procedures and applicable laws.
  - 5.8.5. Ensure appropriate policies and procedures are in place throughout the Company to ensure compliance with this Policy.
  - 5.8.6. Establish programs, policies, procedures, and guidelines to assure that contractual relationships are negotiated and conducted consistent with this Policy.
  - 5.8.7. Implement and ensure compliance with procedures to respond to government inquiries.
  - 5.8.8. Establish procedures to ensure that Employees and Directors are familiar with this Policy and applicable policies and procedures.
  - 5.8.9. Conduct and/or oversee employee training on this Policy and other applicable policies and procedures.
  - 5.8.10. Implement and publicize in writing to all Employees the required reporting procedures.
  - 5.8.11. Conduct and/or oversee investigations into complaints or reports of suspected violations, unless otherwise indicated. The Compliance Officer will transfer any suspected violation within the Legal function to the Human Resource function for investigation.
  - 5.8.12. Develop and coordinate corrective actions or other measures necessary to ensure compliance with this Policy and Mentor's other Policies and Procedures.
  - 5.8.13. Coordinate compliance activities with external parties, including legal counsel and financial consultants.
  - 5.8.14. Ensure correct handling and reporting of all accounting allegations that are made directly to management or the Compliance Officer, whether openly, confidentially, or anonymously, and then are promptly reported to the Audit Committee as required by CP/COP-FIN-002 (Financial Reporting Compliant Handling).
  - 5.8.15. Ensure regular audits are conducted to verify compliance with this Policy and Mentor's other policies and procedures.
  - 5.8.16. Report annually to the Chief Executive Officer and to the Directors on Mentor's state of compliance.
  - 5.8.17. Review at least annually, and update when necessary, this Policy, documenting such review.

5.9. Head of Clinical and Regulatory Submissions

- 5.9.1. Ensure that clinical studies sponsored by Mentor are in compliance with applicable laws, regulations, and corporate procedures.
- 5.9.2. Implement and ensure compliance with procedures related to filing of premarket and other submissions with the FDA and comparable foreign regulatory agencies
- 5.9.3. Implement and ensure compliance with procedures intended to meet FDA and other regulatory requirements on labeling.
- 5.9.4. Implement and ensure compliance with procedures related to filing of premarket and other submissions with the Food and Drug Administration (FDA) and comparable foreign regulatory agencies.

5.10. Head of Research and Development

- 5.10.1. Oversee all Mentor research and development activities, including preclinical testing, to ensure all such activities are performed in accordance with applicable laws, regulations, and Company procedures.

5.11. Head of Regulatory Compliance-Quality Assurance / Management Representative

- 5.11.1. Implement, manage, and maintain the Quality System (SOP-019) throughout Mentor and its manufacturing and distribution facilities.
- 5.11.2. Conduct and/or oversee employee training on Quality System Policies and Procedures.
- 5.11.3. Implement and ensure compliance with procedures intended to meet FDA and other regulatory requirements on the labeling, promotion, and advertising of medical devices.

5.12. Head of Human Resources

- 5.12.1. Screen all new employees to ensure that they are not debarred or excluded, and HR should sign a statement that no exclusion procedures are left pending.
- 5.12.2. Ensure that every newly hired employee is given a copy of the Corporate Compliance and Ethics Program Employee Guide and the Mentor policies and procedures relevant to his/her employment.
- 5.12.3. Ensure that employees are trained in policies on harassment and discrimination and investigate complaints in this area.
- 5.12.4. Coordinate employee training on this Policy and other Mentor policies and procedures. Ensure the "Acknowledgement of Receipt" from the Corporate Compliance and Ethics Program Employee Guide is returned to the local Human Resources representative.
- 5.12.5. Ensure that employee training and discipline records are properly maintained.
- 5.12.6. Determine appropriate discipline, in consultation with the Compliance Officer and/or with General Counsel as appropriate, for violations of this Policy and other Mentor policies and procedures.
- 5.12.7. Implement and ensure compliance with procedures to prevent violation of applicable federal and state laws governing employment and the workplace.
- 5.12.8. Conduct and/or oversee employee training on employment and workplace compliance issues.

5.12.9. Head of Human Resources or designee will perform any investigation of a suspected violation reported by an employee in the Legal function.

5.13. Chief Financial Officer

5.13.1. Implement and ensure compliance with financial accounting controls, rules governing political contributions, rules governing insider trading, and procedures to safeguard Mentor assets.

5.13.2. Implement and ensure compliance with procedures to assure that accurate financial reports are made to state, federal, and national government agencies, including but not limited to income tax returns and SEC filings.

5.13.3. Conduct and/or oversee employee training on financial accounting controls, rules governing political contributions, rules governing insider trading, procedures to safeguard Mentor assets, and procedures to assure accurate financial reports are made to state and federal government agencies.

5.13.4. Implement and ensure compliance with procedures to safeguard the integrity and validity of Mentor's electronic data systems, including hardware, software, and data.

5.14. Head of Internal Audit

5.14.1. Conduct periodic financial and internal control audits to measure compliance with this Policy and other Mentor policies and procedures.

5.14.2. Report violations identified during audits to the Compliance Officer and the audit committee.

5.14.3. Investigates suspected violations as requested by the Compliance Officer or the audit committee.

5.14.4. Identify and report areas in need of further procedures and/or training to the Compliance Officer and the audit committee.

5.15. General Counsel

5.15.1. Conduct and/or oversee investigations into complaints or reports of suspected violations of any laws, rules, regulations, or Company policies including this policy. Oversee and/or develop all contracts (i.e., any contracts with suppliers, customers, clinical investigators, clinical sites, institutional review boards, buying groups, and acquisitions) consistent with this Policy and other applicable Procedures.

5.15.2. Manage potential and actual litigation activities and report status to the CFO and CEO as required.

5.15.3. Implement and ensure compliance with procedures and guidelines to prevent violations of the Medicare Fraud and Abuse Act, anti-trust laws, trade regulations, and other laws and regulations or policies.

5.15.4. Conduct and/or oversee employee and independent sales representative training on the Medicare Fraud and Abuse Act, anti-trust laws, trade regulation, and other laws, regulations, and ethical standards applicable to Marketing and Sales activities.

5.16. Head of Sales and Marketing

5.16.1. Ensure compliance with procedures and guidelines to prevent violations of the Medicare Fraud and Abuse Act, anti-trust laws, trade regulations, and other laws, regulations, and ethical standards applicable to Marketing and Sales activities.

- 5.16.2. Work with General Counsel to ensure employee and independent sales representative are trained on the Medicare Fraud and Abuse Act, anti-trust laws, trade regulation, and other laws, regulations, and ethical standards applicable to Marketing and Sales activities.
- 5.16.3. Bring to the attention of General Counsel and senior management proposed marketing or sales programs which include but are not limited to cooperative advertising campaigns, promotional activities, and discount programs.
- 5.17. Heads of Manufacturing Subsidiaries
  - 5.17.1. Implement an Environmental, Health and Safety Programs to assure compliance with federal, state, and local environmental, health and safety laws and regulations, including but not limited to EPA and OSHA regulations.
  - 5.17.2. Conduct and/or oversee employee training on the Environmental, Health and Safety Programs.
  - 5.17.3. Manage Mentor's manufacturing operations in compliance with the Company's Quality System.

## **6. REQUIREMENTS**

- 6.1. Set forth below are summaries of Mentor's important policy areas that require compliance with the laws that most frequently and directly impact Mentor's business. This section is not intended to summarize any and all potential problem areas and is not a substitute for consulting with the Compliance Officer or the Human Resource Department where appropriate.
- 6.2. Basic Rules of Conduct
  - 6.2.1. All Employees must maintain adherence to all internal Mentor policies and procedures and become familiar with those internal policies and procedures relevant to their job. All Employees and Directors must conduct Mentor's business with integrity and operate in compliance with all applicable laws.
  - 6.2.2. Proper protection and use of Company assets, including proprietary information, is a fundamental responsibility of each employee. Employees must comply with each location's security programs to safeguard physical property and other assets against unauthorized use or removal, as well as against loss by criminal act or breach of trust.
  - 6.2.3. Employees should avoid any situation that may involve a conflict between their personal interests and Mentor's interests. In dealings with current or potential customers, suppliers, contractors, and competitors, Employees must act in Mentor's best interests to the exclusion of personal or family advantage. Considerations should include a contract or service agreement reviewed by management; is Mentor receiving a fair market value for the goods or services being received; have competitive bids been received for the goods or services needed. Employees shall make prompt disclosure to the Compliance Officer of any situation involving a conflict of interest.
  - 6.2.4. All Employees and Directors shall endeavor to deal fairly with Mentor's customers, suppliers, competitors, and employees and should not take unfair advantage of anyone through abuse of privileged information, misrepresentation of material facts or unfair-dealing practices.
  - 6.2.5. Appropriate employees have been designated as spokespeople for Mentor. All inquiries regarding Mentor must be referred to a designated spokesperson. Even though a personal opinion or comment may be sought, the opinion or comment may, nevertheless, be linked with Mentor by context or otherwise.

### 6.3. Quality Systems

- 6.3.1. Mentor is committed to developing, manufacturing, and selling high quality medical products. All Mentor Employees shall comply with the applicable Federal Food, Drug, and Cosmetic Act (“FFDCA”), and FDA regulatory and international requirements applicable to the testing, research and development, premarket review, manufacture, marketing, and sale of its products, (as well as other applicable foreign, state, and/or local laws and regulations that apply to the operations).
- 6.3.2. Mentor operates in compliance with a Quality System and other protocols designed to ensure consistent product quality and integrity and meet FDA Quality System Regulations and international requirements.
- 6.3.3. It is important that all Mentor Employees understand the Quality System as it relates to their job. Product quality is attained through teamwork. The manufacture of medical products to meet our standards is dependent on the efforts of every employee.

### 6.4. Compliance with Health Care Fraud and Abuse requirements

- 6.4.1. Mentor is committed to complying with all applicable fraud and abuse laws and regulations, including the federal Anti-Kickback Statute, False Claims Act, and state fraud and abuse statutes. All Employees and Directors shall refrain from soliciting or offering anything of value (i.e., event tickets, vacations, spousal travel, etc.) to an entity or person in order to induce that entity or person to purchase items or services from or refer business to Mentor, or as a reward for such purchase or referral. Employees and Directors shall not accept anything of value under similar circumstances. Also, Employees and Directors will not facilitate or assist in the filing of a claim for service(s) that was not medically necessary, or that contains information that is false; or, fail to report knowledge of such efforts to the Compliance Officer or helpline.

### 6.5. Reimbursement

- 6.5.1. Mentor’s customers bill government and private insurers and patients. Mentor is committed to facilitating accurate billing by its customers for Mentor items and services and ensuring that customers receive complete and accurate documentation from Mentor relative to its product, service(s), and dates. Employees and Directors are prohibited from making false or misleading statements to suppliers, agents, distributors, customers, government agencies, or private payers or any other person or entity concerning billing and reimbursement.

### 6.6. Confidentiality

- 6.6.1. All Employees and Directors shall maintain the confidentiality of information entrusted to them by Mentor or its customers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be useful to competitors, or harmful to the Company or its customers, if disclosed.
- 6.6.2. Mentor understands that the use and disclosure of patient information is protected by federal laws, including, if and where applicable, the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and state confidentiality laws. All Employees and Directors are responsible for complying with applicable laws and regulations governing the confidentiality of patient health information and using or disclosing patient health information only as permitted by those laws and regulations.

## 6.7. Contract Negotiation

- 6.7.1. Mentor General Counsel is responsible for the development and/or review of all contracts either proposed or received for the Company to enter into, unless special allowances have been agreed upon, such as for international operations. This includes formal contracts, agreements, confidentiality statements, and letters committing the company to binding legal obligations.
- 6.7.2. Mentor discloses current, accurate, and complete cost and pricing data where such data is required under applicable federal or state laws or regulations. Mentor Employees involved in the pricing of contract proposals or in the negotiation of a contract must ensure the accuracy, completeness, and currency of all data generated and distributed to supervisors and other Employees. All representations made to customers and suppliers, both government and commercial, must be accurate, complete and current.

## 6.8. Marketing and Sales

- 6.8.1. Mentor does not seek to influence or gain any advantage through the improper use of business courtesies or other inducements. Specifically, Mentor does not seek to gain an improper advantage by offering business courtesies such as entertainment, meals, transportation or lodging to customers, suppliers, agents, or distributors. Good judgment and moderation must be exercised to avoid misinterpretation and adverse effect on Mentor's reputation or its Employees' reputations. Offering, giving, soliciting, or receiving any form of payment to induce business or referrals or as a reward for referrals is illegal and is against Mentor policy.
- 6.8.2. Honesty is the best policy when dealing with customers, suppliers, and others. Customer needs are the reason for Mentor's existence, and they should be met promptly, courteously, and efficiently. Mentor's best interest is served by providing quality products and services in an honest manner. The products and services our Company offers are not to be misrepresented. Thus, all advertising and sales contacts should be straightforward and honest in presenting information. Employees may not misrepresent pricing and cost information to our customers or anyone else.

## 6.9. Employee Rights

- 6.9.1. In the conduct of Mentor's business, Employees and Directors should respect the right and cultural differences of individuals. Mentor practices the principle of equal employment opportunity without regard to race, color, ancestry, national origin, religion, sex, age, marital status, sexual orientation, veteran status, or physical or mental handicap, except when a bona fide occupational qualification applies. Sexual harassment or any other form of illegal discrimination will not be tolerated. All Employees must conduct themselves in a professional manner with respect to their co-workers. Mentor policies relating to Employee Rights can be obtained on Mentor's employee website or from your Human Resources or the Compliance Officer.

## 6.10. Environmental Regulations

- 6.10.1. Mentor's policy is to provide all Employees with a safe and productive work environment. This means ensuring that the workplace is free from recognized hazards to employee health and complying with the laws of the countries, states, provinces, or counties in which business units are located. All Employees are responsible for reporting hazards to their supervisors in order to permit prompt remediation. Mentor's policies on this topic can be obtained from your Environmental Health and Safety Department, Human Resources, or the Compliance Officer.



6.10.2. All Employees, shall comply with all applicable environmental laws, rules, and regulations, including those dealing with emissions to the atmosphere, discharges to surface or underground works, such as, drinking water supplies, solid and hazardous waste management, releases of hazardous substances, community emergency response planning, and toxic substances control.

#### 6.11. Financial Accounting

6.11.1. Mentor has established accounting control standards and procedures to ensure that assets are protected and properly used and that financial records and reports are accurate and reliable. Those standards can be obtained through the Financial Accounting Department. All Employees share the responsibility for maintaining and complying with required internal controls.

6.11.2. All Mentor financial reports, accounting records, sales reports, expense accounts, time sheets, and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction. Improper or fraudulent accounting, documentation, or financial reporting are contrary to Mentor policy and are a violation of applicable laws and Generally Accepted Accounting Principles. Intentional accounting misclassifications (e.g., capital versus expense) and improperly accelerating or deferring expenses or revenues are examples of unacceptable reporting practices.

#### 6.12. Securities Law Requirements

6.12.1. Mentor is required to file periodic reports with the Security Exchange Commission (SEC). The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) are responsible for ensuring that the proper personnel are assigned the responsibility of preparing the reports required by the Securities Exchange Act of 1934, including the Annual Reports on Form 10K, Quarterly Reports on Form 10Q, and Current Reports on Form 8K. Mentor's CFO and General Counsel should be consulted if any extraordinary events are contemplated by Mentor to ensure proper compliance with the securities and corporate laws.

6.12.2. Mentor's policy prohibits the unauthorized disclosure of material, non-public information. The dissemination of material, non-public information within Mentor is monitored to insure that such information is restricted to the smallest practical group of persons. United States law prohibits trading in Mentor's securities while in the possession of material, non-public information.

6.12.3. All executive officers and Directors are obligated to file with the SEC the following reports: Form 3 when first elected an officer or director; reports on Form 4 within two business days of a transaction in Mentor shares; annual reports on Form 5 if a transaction in Mentor shares is inadvertently not reported on Form 4.

#### 6.13. Employee Training

6.13.1. A critical aspect of a compliance program is the effective communication of the Policy and related policies and procedures to every employee. All Employees will be given training materials explaining this Policy and other Mentor policies and procedures relevant to his/her employment, and will attend training seminars on these procedures at least annually. Every newly hired employee will be given such training materials and will attend a training seminar within the first 90 days of employment. Employees must acknowledge in writing that they have received training and will comply with all laws, policies and procedures applicable to their jobs.

#### 6.14. Suspected Violations

- 6.14.1. Mentor is committed to the policy that all Employees have a responsibility to report any suspected violation of this Policy or other Mentor policies and procedures. Employees should report suspected violations to their direct supervisor. In some cases, it will be more appropriate to make a report to the employee's local Human Resources representative or the Compliance Officer. An "800" number is available to make a report to the Compliance Officer. The number is 800-814-1880. Such cases include emergencies and concerns about objectivity and fairness.
  - 6.14.2. Members of management must report any suspected violation to the Compliance Officer. Employees are not subject to any reprisal for a good faith report of a suspected violation. See Attachment 1, a flow chart of the process for reporting issues.
    - 6.14.2.1. In the event the Compliance Officer has departmental responsibilities in addition to the responsibilities as Compliance Officer, the Compliance Officer will transfer the report of any suspected violation within his scope of responsibility to Human Resources or an appropriate department for investigation.
    - 6.14.2.2. Mentor Human Resources has access to the voice mail box, 800-814-1880, to obtain reports of suspected violations in the Legal function.
    - 6.14.2.3. Voice messages reporting suspect violation will be maintained in the system for up to two years following the completion of an investigation.
  - 6.14.3. The Compliance Officer, with assistance from personnel with expertise in the matter reported, will investigate all reports which merit further investigation. All Employees are expected to cooperate in the investigation of an alleged violation.
  - 6.14.4. Mentor will document all reasons for disciplinary actions taken against its personnel for violations of this Policy, Mentor's other policies and procedures, and applicable laws. The determination of the appropriate disciplinary action is made by Human Resources, in consultation with the Compliance Officer and legal counsel, as appropriate.
- 6.15. Auditing Compliance
- 6.15.1. In order to meaningfully judge the success of the Compliance Program, the Head of Internal Audits will conduct periodic audits. Much like the internal evaluations Mentor has conducted in the past, these audits will evaluate compliance with legal and internal requirements.
  - 6.15.2. Report of any audit observations will be reported to and investigated by the audit committee and others as directed by the audit committee. Reports will be provided to and reviewed by the Head of Internal Audit for determination of conformance to this procedure.
- 6.16. Compliance Program Oversight
- 6.16.1. This Code of Business Conduct and Ethics Policy will be reviewed and updated, if necessary, at least once per year by the Compliance Officer. The CEO and Directors will receive annual reports on the state of Mentor's compliance with this Policy, other Mentor policies and procedures, and applicable laws.

## **7. REFERENCES**

- 7.1. None