

Five key **principles**



All contracts must comply with our five principles.

- **The Principle of Separation:**

- Any advantage or benefit granted or agreed between Philips and a health care professional must be clearly separated from any decision to purchase any Philips products. Such advantage or benefit must be appropriate and not intended to unduly influence purchasing decisions, nor should such advantage or benefit be contingent upon commercial transactions or upon the use or recommendation of Philips products, services, or solutions.

- **The Principle of Proportionality:**

- Any consideration provided to a health care professional in exchange for services or other activities must be defined based on fair market value. Fair market value is the amount a reasonable company would pay in similar circumstances, in an arm's length transaction, for the same service or activity to a person or organization that was not in a position to influence the purchase or utilization of Philips products, services or solutions. Further guidance on FMV can be found on the Intranet.

- **The Principle of Documentation:**

- Any arrangement between Philips and a health care professional must be duly documented. In case an agreement with the health care professional is required, such agreement should at least, set out the purpose of the interaction, the services or activities to be performed, the consideration to be paid, the method for reimbursement of expenses, and any other benefit or advantage that might be part of the arrangement.

- **The Principle of Transparency:**

- Interactions with health care professionals, including any advantage or benefit that is granted, must be disclosed to their institution's administration or management and also, if required, to patients or local authorities. Further guidance on transparency can be found on the Intranet.

- **The Principle of Image and Perception:**

- We should not participate in any activity, event or engagement that might have appearance of impropriety. We should only participate in events that are properly vetted and are reasonable within industry best practice standards.

