



Code of Ethics on Interactions with Health Care Professionals

GOAL AND SCOPE OF CODE

SenoRx is committed to being recognized as a premier provider of innovative products for the diagnosis and treatment of breast cancer. As part of this vision, we are further committed to adhere to ethical and legal standards in our relationships with Health Care Professionals (as defined below). This Code of Ethics is intended to govern, on a world-wide basis, our interactions with those Health Care Professionals.

Note that in this Code, "Health Care Professionals" include all individual and entities involved in the product purchase decision, including persons licensed by state law to prescribe drugs or medical devices for human patients, medical students, and members of a drug formulary committee, office and hospital staff, governmental agencies and group purchasing entities. All references to "Company," "we," "us" or "our" refer to SenoRx. All references to "Employees," "you," or "your" refer to SenoRx' officers, directors, employees and consultants.

SenoRx's interactions with Health Care Professionals cover a broad range of activities, including:

- **Product and Clinical Related Education.** We offer instruction, education, training, service and technical support to Health Care Professionals to ensure the safe and effective use of our products.
- **Promotional Activities.** We promote the sale and use of our products directly, and indirectly through representatives and distributors, to Health Care Professionals.
- **Advancement of Medical Technology.** We collaborate with Health Care Professionals to demonstrate the effectiveness of our products, to improve the utility and clinical application of our products and to create new products.
- **Research and Education.** We support bona fide medical research and continuing medical education for Health Care Professionals to increase access to new technology and enhance the delivery of safe, efficacious and cost-effective health care.

SenoRx's reputation for honesty, integrity and fair dealing with our customers, others we do business with, our Employees, and the communities we serve is a core asset. Accordingly, we require that you act in a manner consistent with the letter and intent of this Code and its underlying policies. While this Code addresses many of the interactions we have with Health Care Professionals, it is impossible to provide specific guidance for every situation. Matters not specifically addressed in this Code, should be addressed in light of the following principle:

SenoRx insists on ethical business practices and responsible conduct and shall not use any unlawful inducement in order to sell, recommend, or arrange for the sale or use of its products.

Our failure to adhere to this Code could subject us to severe penalties, including disqualification of SenoRx as a vendor, civil fines and injunctions, and criminal prosecution, fines and imprisonment.

Each of you is expected to become familiar with these policies and to affirm your agreement to comply with these policies by signing the Compliance Certificate that appears at the end of this Code. The Company will require annual review and recertification of its ethics policies by its employees. Any questions regarding this Code or matters not covered by this Code should be referred to your immediate supervisor, Department Vice President, Compliance Officer or the Audit Committee of the Board.

PROMOTIONAL ACTIVITIES

We interact with Health Care Professionals to discuss product features, contract negotiations, and terms of sale, both in the Health Care Professionals' offices and at meetings and conferences. During the course of these interactions, certain promotional activities may occur as outlined below:

- **Gifts.** We may occasionally provide modest gifts to Health Care Professionals, but only if the gifts benefit patients or serve a genuine educational function. Other than gifts of medical textbooks or anatomical models used for educational purposes, no gift should have a fair market value of more than \$100. Under no circumstances may gifts be given in the form of cash or cash equivalents.
- **Hospitality.** We may pay for occasional hospitality only in the form of modest meals and receptions for Health Care

Professional that are conducive to the exchange of information. It is not appropriate to pay for meals of guests of Health Care Professionals or any other person who does not have a bona fide professional interest in the information being shared at the training or meeting.

- *Promotional Items.* We may occasionally give Health Care Professionals items of minimal value related to the Health Care Professional's work or for the benefit of patients.
- *Samples.* We may provide appropriate sample products and opportunities for product evaluation.

The total value of gifts, promotional materials or any other items or activities that we provide to a Health Care Professional shall not exceed \$1,500 per calendar year. This total applies to SenoRx as a company, not to an individual employee. This total does not include samples given to physicians and other Health Care Professionals intended for free distribution to patients, financial support for continuing medical education forums, including Company training events, and financial support for health educational scholarships. The Chief Financial Officer will provide instructions on the approved reporting and tracking of expenses related to these activities.

PRODUCT TRAINING AND EDUCATION

We conduct and sponsor programs focused on education and training in the safe and effective use of our products. Guidelines for product training and education are outlined below:

- *Location.* Programs should be conducted in clinical, educational, conference, or other settings, including hotel or other commercially available meeting facilities, conducive to the effective transmission of knowledge. Programs requiring "hands on" training in medical procedures should be held at training facilities, medical institutions, laboratories, or other appropriate facilities.
- *Training Staff.* The training staff should have the proper qualifications and expertise to conduct such training.
- *Hospitality.* We may provide Health Care Professional attendees with hospitality only in the form of modest meals and receptions in connection with these programs. Any such meals and receptions should be modest in value and subordinate in time and focus to the educational or training purpose of the meeting.
- *Travel and Lodging.* We may pay for reasonable travel and modest lodging costs incurred by attending Health Care Professionals but consistent with the expense and budget policies of the company.
- *Guests.* It is not appropriate for us to pay for the meals, hospitality, travel, or other expenses for guests of Health Care Professionals or for any other person who does not have a bona fide professional interest in the information being shared at the meeting.

THIRD-PARTY EDUCATIONAL CONFERENCES

We support independent, educational or scientific conferences to promote scientific knowledge, medical advancement and the delivery of effective health care. These typically include conferences sponsored by national, regional, or specialty medical associations; and conferences sponsored by accredited continuing medical education providers.

Educational Grants. We may provide educational grants 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 Health Care Professionals who are in training. Such grants should be paid only to organizations with a genuine educational purpose or function, and may be used only to reimburse the legitimate expenses for bona fide educational activities. Such grants also should be consistent with relevant guidelines established by professional societies or organizations. While we may recommend faculty for a conference, the conference sponsor should be responsible for and control the selection of program content, faculty, educational methods, and materials. We may provide grants either directly to the conference sponsor to reduce conference costs, or to a training institution or the conference sponsor to allow attendance by medical students, residents, fellows, and others who are Health Care Professionals in training.

Meals and Hospitality. We may provide funding to the conference sponsor to support the conference's meals and hospitality. Also, we may provide meals and receptions for all Health Care Professional attendees, but only if it is provided in a manner that is also consistent with the sponsor's guidelines. Any meals, receptions, and hospitality should be modest in value and should be subordinate in time and focus to the purpose of the conference.

Faculty Expenses. We may make grants to conference sponsors for reasonable honoraria, travel, lodging, and meals for Health Care Professionals who are bona fide conference faculty members.

Advertisements and Demonstration. We may sponsor advertisements and lease booth space for our displays at conferences.

ARRANGEMENTS WITH CONSULTANTS, CLINICAL INVESTIGATORS

We may engage Health Care Professionals to serve as consultants (including as clinical investigators) to provide bona fide consulting services, including research, participation on advisory boards, presentations at our training or other professional

meetings, and product collaboration. It is appropriate to pay Health Care Professionals reasonable compensation for performing these services. Pertinent rules governing arrangements with consultants and clinical investigators are defined below:

- *Need and Qualification.* Consulting agreements may be entered into only where a legitimate need and purpose for the services is identified in advance. Selection of consultants should be on the basis of the consultant's qualifications and expertise to address the identified purpose, and may not be on the basis of the past or potential volume or value of business generated by the consultant.
- *Written Agreement and Protocol.* All consulting arrangements must be written, signed by the parties and specify all services to be provided. Where research services are provided, the agreement must contain a statement of work or research protocol. All consulting agreements must be signed by the Chief Executive or the Chief Technical Officer.
- *Compensation.* Compensation paid to consultants must be consistent with the fair market value for the services provided.
- *Meetings.* The venue and circumstances for meetings with consultants should be appropriate to the subject matter of the consultation. These meetings should be conducted in clinical, educational, conference, or other setting, including hotel or other commercially available meeting facilities, conducive to the effective exchange of information.
- *Hospitality.* Hospitality that occurs in conjunction with a consultant meeting or consultant's services should be modest in value and should be subordinate in time and focus to the primary purpose of the meeting or services.
- *Travel and Lodging.* We may pay for reasonable and actual expenses incurred by consultants in carrying out the subject of the consulting arrangement, including reasonable and actual travel, modest meals and lodging costs incurred by consultants attending meetings with, or on our behalf.
- *FDA and other Regulatory Restrictions for Clinical Investigators.* Our relationships with clinical investigators in trials to be submitted to the FDA or other regulatory agencies are governed by conflict of interest, disclosure and other rules. Nothing in this Code is intended to supersede or modify our strict compliance with such regulations.

Documentation of all expenses must be consistent with company policy.

PROVISION OF REIMBURSEMENT AND OTHER ECONOMIC INFORMATION

We may support accurate and responsible billing to Medicare and other payors by providing accurate reimbursement information to Health Care Professionals regarding our products, including identifying appropriate coverage, coding, or billing of products, or of procedures using those products. The information provided must be available in the public domain.

GRANTS AND OTHER CHARITABLE DONATIONS

We may make donations for a charitable purpose, such as supporting genuine independent medical research for the advancement of medical science or education, indigent care, patient education, public education, or the sponsorship of events where proceeds are intended for charitable purposes. We may not make such donations for the purpose of unlawfully inducing Health Care Professionals to purchase, recommend, use, or arrange for the purchase or use of our products.

INTERNATIONAL INTERACTIONS WITH HEALTH CARE PROFESSIONALS

We recognize that customs, practices, laws and regulations vary throughout the world. However, it is our intent that the underlying purposes of this Code, to ensure ethical and legal relationships with Health Care Professional, are equally applicable inside and outside the United States. Interactions that may be customary and not illegal in a particular country may still be unlawful under U.S. law and subject SenoRx and the persons involved to criminal liability. All SenoRx distributors must sign a declaration of compliance with the 'Corrupt Practices Act'.

I have read and understand the Company's Code of Ethics on Interactions with Health Care Professionals (the "Code"). I will adhere in all respects to the ethics and standards of conduct described in the Code. I further confirm my understanding that any violation of the Code will subject me to appropriate disciplinary action, which may include, but is not limited to, demotion or discharge.

I certify to the Company that I am not in violation of the Code, and I am not aware of any violation by others.

Date: _____ Name: _____
Title/Position: _____ Signature: _____