



micrus[®]
endovascular

Code of Conduct



Dear Micrus Colleagues,

As employees of Micrus, we can take significant pride in the daily contributions our people and products make in the treatment of patients tragically afflicted with hemorrhagic or ischemic stroke. Similar to our ongoing goal to develop superior products, we must also continually strive to seek the higher ground and to demonstrate privately and publically that we are a company of dedication, honesty, integrity, and service.

As a recognized leader in our industry, I want Micrus to be a place where we have ongoing conversations about integrity and ethics, and recognize that complying with the law and our policies is pivotal to our success. This responsibility rests with each and every one of us. I understand the line between right and wrong isn't always clear, and it can be hard to know how to proceed at times, particularly in a highly regulated environment like ours. I also understand the pressures to make our financial commitments; to satisfy an important customer, our boss or win an account can be significant. However, I want to be clear that we cannot allow pressures of not making our financial commitments, competitive instincts, or a direct order from a superior to compromise our commitment to ethical behavior.

Micrus' Code of Conduct explains this commitment to integrity and to compliance with the law, and it is a strong statement about how we must behave in a wide range of business settings. With clear policies and guidance for our business practices and interactions with Health Care Providers, our Code is the foundation for our ethics and compliance program. Following our Code is mandatory for all Micrus employees worldwide.

We all share responsibility for promoting a culture of integrity throughout Micrus and with our customers. Part of that responsibility is about individually complying with our Code, as well as calling attention to violations. Managers must address employees' concerns about appropriate conduct promptly and with sensitivity. Our Code includes strong language prohibiting retaliation against anyone who raises a concern, and I am personally committed to creating an environment that encourages people to question conduct and behavior. If you see or become aware of a violation of our Code of Conduct, you should take individual responsibility and report it to your manager, a member of the compliance or audit committee, or you may contact me directly.

Please take a few minutes to read our Code, and to think about what these requirements mean for you in your work. Remember that compliance with our Code is everyone's responsibility, every day.

Sincerely,

A handwritten signature in black ink that reads "John Kilcoyne". The signature is fluid and cursive, with a large loop at the end.

John Kilcoyne
Chairman and CEO

TABLE OF CONTENTS:

Our Mission	1
Our Responsibilities	1
Applicability	1
Accountability	1
Reporting Code Concerns	1
Retaliation Policy	2
Our Values	3
Our Business Relationships	3
Customers	3
Improper Payment	3
Gifts, Gratuities and Entertainment	4
Protection of Third Party Confidential Information	4
Our Commitment to Quality	5
Quality Policy	5
Regulatory Compliance	5
Our People	5
Work Environment	5
Health and Safety	6
Our Policies and Procedures	6
Our Obligation to Comply with the Law	7
Truthfulness	7
Insider Trading	7
Environmental Law	7
Accuracy and Completeness of Books and Records	8
Our Assets	9
Confidentiality	9
Conflicts of Interest	9
Our Corporate Citizenship	10
Political Contributions and Partnership	10

MICRUS' MISSION

To lead in the innovation, commercialization and education of novel, less-invasive neurointerventional solutions that empower physicians to effectively treat patients with cerebral vascular disease.

OUR RESPONSIBILITIES

Applicability

This “Code” applies to all employees of Micrus Endovascular Corporation (“Micrus” or the “Company”), as well as those of its foreign subsidiaries and affiliates (“employees”), and is also applicable to all agents and any third party working on behalf of, at the direction of or in the interest of Micrus. No one may “personally” do something in the interest of, or for the benefit of Micrus which this Code prohibits Micrus from doing.

Accountability

Always behave in a way which reflects the values of Micrus, and upholds the integrity of Micrus;

- Micrus employees must be conscious that any action they take will reflect on the Company. Always act in a manner which is thoughtful, ethical, and which shows good taste, high values and integrity.
- It is your responsibility to report any violations of this Code of Conduct.
- All managers have the responsibility to teach and enforce this Code with their employees.

Reporting Code Concerns

This Code must serve as a guide for how you conduct business activities for or in the name of Micrus. However it cannot cover every situation you might face on the job. When faced with situations that are not covered in the guidance provided in the Code, you should ask for assistance. In addition, every Micrus employee has a duty to communicate through appropriate channels any activities which they feel are or may be out of compliance.

Talk to a Manager

You can ask questions about compliance or report suspected code violations to your direct supervisor, your manager, to a member of the Executive Staff or to the Corporate Compliance Officer or Compliance Staff.

Talk to HR

You can address questions about compliance, or concerns about behavior of Micrus employees, to any member of the Human Resources department.

Compliance Helpline

To ask a question about compliance and interpreting the code, or to report suspected Code violations or other compliance concerns, you can:

- Call 408-433-1498 or toll free from US and Canada 1-888-550-4120 X498
- Or e-mail compliancehelp@micruscorp.com

Whistleblower Hotline

If you wish to report code violations anonymously to the Company's audit committee, you may do so by calling the Financial Concerns Hotline.

To access the Hotline:

1. From the United States, Puerto Rico or Canada, dial 866-286-7314
2. In all other countries call the toll free number (402) 517-3524

You can also submit your report on line by visiting <http://www.openboard.info/mend/index.cfm>

Micrus will take reasonable steps to protect the identity of the reporter, unless otherwise required by law.

Micrus will diligently investigate every matter raised on code of conduct violations and concerns. Employees should not investigate code violations independently without reporting them to their manager, compliance or a member of the Executive Staff or the audit committee, using any of the methods outlined above.

Retaliation Policy

Micrus will not tolerate any form of retaliation against an individual because he or she made a good-faith report, or assisted in any investigations into actual or potential violations. Micrus expressly forbids retaliating against or threatening any individual who communicates policy or product concerns to attention of the Corporate Compliance Officer and/or any member of the Executive Staff. Any such retaliatory or threatening actions are taken very seriously, and will result in disciplinary action up to and including potential termination of employment.

Q: What specific steps should I take if I suspect wrongdoing?

A: Report the activity to any or all of the following: your manager, Human Resources Department, Legal Department, a member of the Executive team, your Compliance Officer or call the Hotline as instructed on "Our Responsibilities" section.

OUR VALUES

The immediate and long term value of a company is significantly based on its reputation for business integrity. As such, Micrus has developed this Code of Conduct to provide guidance on the manner in which we conduct our world-wide business activities. Integrity is only achieved through a continuous, committed and long-term program of knowledge, honesty, truthfulness and uprightness.

Micrus strives to maintain an excellent reputation with our employees, investors, customers, and the patients who rely on our products. We believe this can be achieved only by communicating our intentions, and then following through. Micrus seeks to provide a desirable work environment for all of our employees, a strong and growing business for our investors, and products of the highest quality and design for our customers and patients. It is up to every Micrus employee to maintain our reputation consistently and continuously. This Code sets forth the principles upon which our success is built.

OUR BUSINESS RELATIONSHIPS

Customers

No benefit may be given to customers with an explicit or implicit requirement to use or purchase Micrus products. "Customer" is defined as an individual or entity that is in a position to purchase or influence a decision to purchase Micrus products. Certain discounts, rebates, free products, demos and warranty services furnished in the ordinary course of business are permitted, provided such benefits comply with local laws and Micrus policies, including COP-0019.

Improper Payments

No bribes, kickbacks or other types of illegal or unethical payments may be made to or for the benefit of government employees or officials, customers or others. This policy extends not only to direct payments, but also to indirect payments made in any form through third parties.

Payments may be made to customers; however, these shall only be as compensation for services rendered (such as consulting or research performed per documented and approved contracts and/or agreements). Verbal contracts are forbidden and all agreements must be approved by the Legal Department. All payments will be documented through Micrus check or wire transfer, and must never be made in cash.

Q: A physician I work with is trying to get more patients in his practice. Can I fund a referral event so that other general physicians can get to know her and refer patients to her? Wouldn't this be considered good customer service by Micrus?

A: No. This is considered an inappropriate payment and it violates our COP-0005. Payments to help grow a physician's practice maybe considered inducement to buy Micrus products. Micrus can fund educational functions whose main purpose is to provide medical education to the health care community through the Micrus Grant Program.

Additional Company Operating Procedures (COP's) and policies apply in certain situations, such as the following:

- COP-0002 – Foreign Corrupt Practices Act Policy
- COP-0005 – Transactions with Health Care Professionals and Institutions
- COP-0009 – Pricing Policy in North America
- COP-0016 – Travel, Entertainment and Expense Reporting Policy
- COP-0021 – Pricing Policy in EMEA

For a complete listing of Company Operating Procedures, please refer to the Company's intranet or the Documents Control Department.

Gifts, Gratuities and Entertainment

Employees shall not seek, accept, offer, promise, or give (directly or indirectly) anything of value including payments, fees, loans, services, entertainment, favors or gifts from or to any person or entity as a condition of result of doing business with Micrus.

Gifts to customers are generally inappropriate and may be provided to customers only in accordance with COP-0005 Transactions with Health Care Professionals and Institutions.

Gifts from vendors may be received by Micrus employees as long as they are received infrequently and are modest in value. No gift should be accepted if its fair market value exceeds \$75.

No gifts may be given or accepted if they are not in complete compliance with applicable laws.

Protection of Third Party Confidential Information

Like Micrus, competitors, suppliers, customers and previous employers have dedicated significant time, effort and expense in developing their secrets. Not only is it unethical to use such secrets at Micrus, it is also illegal. All employees are reminded that they have most likely signed non-disclosure agreements with their previous employers, and that these agreements are binding for many years after termination of employment with those employers. Micrus mandates you respect your non-disclosure or confidentiality agreements with your previous employer(s), and that you do not inappropriately disclose any secrets to Micrus or anyone else.

If you become aware of any secrets of another company being used at Micrus, or if you receive any confidential documentation from another company, regardless of its source, you must immediately notify a member of Micrus' Executive Staff or the Corporate Compliance Officer. Do not photocopy any confidential material from another company and bring any original documents you may have received when reporting any such incident.

OUR COMMITMENT TO QUALITY

Quality Policy

Micrus employees are dedicated to:

- Providing focused and purposeful service to our customers with state-of-the-art, safe and effective products;
- Upholding compliance with all applicable regulations; and,
- Assuring the continual effectiveness of the Micrus Quality System.

Employees shall report any quality concerns in accordance to the Micrus Quality Manual or in accordance to this Code of Conduct.

Regulatory Compliance

Due to the critical nature of our products in improving, restoring or maintaining the health of our patients, Micrus, and the products it makes and sells, are strictly regulated worldwide. It is the ultimate responsibility of the Head of Regulatory Affairs to assure that Micrus' operations and products are in strict compliance with all applicable laws and regulations in every market where Micrus conducts business (manufactures or sells its products).

Employees shall maintain accurate and up-to-date documentation of all licenses, clearances and approvals to demonstrate regulatory compliance. Additionally, Regulatory Affairs personnel shall ensure that no Micrus products are sold in any specific geography until all mandatory licenses, clearances or approvals are obtained. Micrus' dealings with regulators in all worldwide geographies shall be open, cooperative, honest and complete. It is the duty of any Micrus employee who becomes aware of an actual or potential regulatory issue to report this to their manager, and/or to the Vice President, Regulatory/Clinical Affairs and Quality.

OUR PEOPLE

Micrus supports a workplace which fosters an environment in which employees treat each other with respect, courtesy, fairness and dignity.

Work Environment

Micrus is committed to providing a work environment free of unlawful harassment. Micrus prohibits harassment of any kind including verbal, visual or physical harassment on the basis of sex (including gender, pregnancy, childbirth or related medical conditions), race, religious creed, color, national origin or ancestry, physical or mental disability, medical condition, marital status, registered domestic partner status, veteran status, age, sexual orientation, gender identity or any other basis protected under applicable federal, state, local law or ordinance. Micrus also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

This applies to all agents and employees of Micrus, as well as non-employees, whether vendors or persons providing services, clients, applicants, etc. It also applies to off-premise business-related activities and/or activities conducted in conjunction with the business.

Employees must also adhere to the following additional policies and procedures:

- Unlawful Harassment Policy
- Equal Employment Opportunity and Unlawful Discrimination
- Policies and procedures included in the employee handbook issued by Human Resources.

Q: What if I am harassed or witness harassing behavior when I am away from my work site?

A: Micrus' non-harassment policy applies to any work-related event, whether or not the event is at a Micrus facility or another location. If you are harassed or witness harassing behavior when you are at a work-related event, you must report the incident immediately to Human Resources, or a member of the executive staff or your manager with whom you are comfortable. The incident will be investigated promptly, thoroughly and objectively and appropriate remedial action taken.

Health and Safety

Micrus is firmly committed to providing a healthy work environment and additionally ensuring a safe environment for all employees, visitors, and customers. All employees receive complete safety training in the areas of hazard communications, IIPP (injury illness prevention policy), general health and safety, including proper lifting techniques and ergonomics, as required. It is the responsibility of all employees, including contractors, temporary employees and visitors to comply with all posted corporate safety policies; including all OSHA, Federal, State and City/local safety standards. Micrus maintains a Safety Team with members from multiple departments who meet regularly to continually evaluate safety and health conditions, recommend improvements and implement enhancements to our evolving programs. Additionally, all safety team members are annually trained in CPR, advanced first-aid, BBP (Blood Borne Pathogens) and use of our on-site AED (automated external defibrillator).

OUR POLICIES AND PROCEDURES

All employees must comply with all applicable Micrus policies, procedures and practices issued by management including this code.

OUR OBLIGATION TO COMPLY WITH THE LAW

We are required to comply with all the laws, rules and regulations that apply in the areas within the scope of our work responsibilities. Contact the Legal Department for any questions you may have.

Truthfulness

Micrus employees shall never make false or misleading statements in response to a request for information by Government officials. Answer questions in a truthful and accurate manner. Do not guess at an answer if you do not know it. Do not make any false or misleading statements, even if you believe that doing so would be for the benefit of Micrus. If you do not know the answer to a question or if you do not feel comfortable answering a question, just state this, and ask that the question be raised to a supervisor, manager or a member of the Executive Staff instead.

Insider Trading

As an employee of the Company, you may have access to confidential information that may affect stock prices. It is unlawful for you to participate in insider trading. Insider trading is buying or selling stock if you have material, non-public information, or passing material, non-public information to someone else who trades in the stock (“tipping”).

Material, non-public information is information that has not been publicly disclosed, and if publicly disclosed would be expected to affect the stock’s price.

Insider trading, either directly or by tipping, of Micrus’ or any third party’s stock is prohibited. If you have any questions or concerns about insider trading, consult the Insider Trading and Disclosure Policy or contact the Legal Department.

Q: Can my spouse buy Micrus stock?

A: Your spouse or other family members can purchase Micrus stock only during the Micrus trading window as established by the Micrus Insider Trading Policy.

Environmental Law

Micrus has always maintained complete compliance with all federal, state and local environmental laws / standards. Additionally, Micrus constantly improves our business processes to reflect our environmental viewpoint. All Micrus employees are firmly committed to ensuring energy, natural resources and wastes are handled with the most environmentally beneficial methods. Conservation, waste reduction and recycling are just a few of the means of achieving our goal to be a green company that maintains our environment and natural resources for many future generations.

**Accuracy and Completeness of Books and Records
(including the Sarbanes-Oxley Act)**

- Micrus' financial books, records and accounts must be complete and accurate.
- Books and records include but are not limited to ledgers, vouchers, bills, invoices, time sheets, expense reports, payroll and benefit records and other essential company data.
- No undisclosed or unrecorded fund or asset will ever be created for any purpose.
- All payments shall be documented, recorded, and shall only be made when appropriate signature approval has been obtained.
- All payments shall be by Company check or wire transfer. No cash payments which exceed the Company's "Petty Cash" value may ever be made.
- All appropriate tax information for a contractor or customer shall be obtained, recorded and reported as required per applicable law(s).
- No transaction or arrangement shall be created to circumvent Micrus' internal control system.
- No payment shall be made, nor a purchase price agreed to, with the intention or understanding that any part of such payment is to be used for any purpose other than that described in the supporting documentation of the payment.
- The Company's financial transactions and books shall be audited by an accredited third-party audit firm on a regular basis, as determined by the Audit Committee of the Micrus Board of Directors.
- With respect to reporting complaints regarding accounting internal accounting controls, or auditing matters, see "Our Responsibilities" section of this Code as well as the Whistleblower Policy.

Micrus employees are also responsible for knowing, understanding and abiding by the laws of every region where they do business. This section of the Code also applies to laws domestic and international regarding all laws including Antitrust and Competition, Workplace Safety, Food and Drug, Government Health Care Program (including Anti-kickback Statute, False Claims, and Price Reporting Obligations), Foreign Corrupt Practices Act, Customs, Anti-boycott, Embargo and Trade Control Laws, Anti-money Laundering, Labor Laws and any other laws which are in effect in any geographic region where Micrus conducts business.

OUR ASSETS

Confidentiality

Each employee is responsible for safeguarding confidential information obtained during employment. In the course of your work, you may have access to confidential information regarding Micrus, its suppliers, its customers or perhaps even fellow employees. It is your responsibility to in no way reveal or divulge any such information, unless it is necessary for you to do so in the performance of your duties. Access to confidential information should be on a “need-to-know” basis and must be authorized by your manager. Breach of this policy will not be tolerated and legal action may be taken by the Company. You have additional confidentiality obligations set forth in your original employment agreement(s) with Micrus (including, for North American employees, your “Employee Proprietary Information, Assignment of Inventions, and Arbitration Agreement.”

In order to assure the protection of our intellectual property rights and other secrets, Company approved Non-Disclosure Agreements must be put into place with all contractors, agents, physicians, customers, etc. PRIOR to disclosing or discussing anything which may be considered, by either party, to be confidential.

Employees must avoid careless statements or actions that can jeopardize the confidentiality of sensitive information or harm Micrus’ reputation. Conversations, documents and electronic communications should all be handled in a manner that ensures that sensitive information will be disclosed only to Micrus personnel or authorized third parties, and only to those with a need to know the information. Inquiries from the press should, in all cases, be forwarded to the Chief Executive Officer or the President. You should not discuss Company information in chatrooms, blogs or other publicly-accessible forums.

- Q:** I want to have my departmental meeting during lunch at a local restaurant. Is that a good venue to discuss our preparation for new product pipeline meeting?
- A:** No. A public place is not the ideal place to hold confidential discussions of any kind. Consider a private location, a conference room within the company or a private room at a public location. Micrus employees must protect Micrus confidential information as agreed upon employment.

Conflicts of Interest

Take all reasonable steps to avoid any conflict of interest (real or perceived), and immediately disclose any situation which turns into a conflict of interest, regardless of the circumstances.

A conflict of interest is a situation where an employee(s) acts to gain personal benefit for themselves, their family or their friends during business transactions relating to Micrus.

All Micrus employees owe a duty of business loyalty to Micrus, and must act only in ways which allow the Company to succeed to its fullest potential. Situations where an employee, a family member, a friend or a competitor personally profits from a business relationship with Micrus which you may have established, is a breach of your loyalty to Micrus. Examples of conflicts of interest include but are not limited to:

- a. You direct a business relationship for Micrus to a company because it is fully or partially owned by a family member or friend, or because a family member or friend works there;
- b. You have a substantial ownership position in, are employed at, or have other relationships with a competitor, a customer or a supplier, which might impact your ability to make objective decisions at your job at Micrus;
- c. You supervise, or hire a family member;
- d. You have a direct financial interest (other than commission) in any sale by Micrus to a customer;
- e. You accept a gift which is not modest in value from a customer, supplier or competitor;
- f. You utilize any facilities, equipment, employees or secrets of Micrus for personal gain.

Do not improperly use inside information or your duties, status or authority in order to gain, or seek to gain, a benefit or advantage for yourself or any other person. Note that such actions are not only unethical and unlawful, but also result in a Conflict of Interest, as noted above. Understand that both real and perceived conflicts of interest are forbidden. It is your duty to report any real or perceived conflicts of interest, follow reporting instructions under “Our Responsibilities” section of this code.

OUR CORPORATE CITIZENSHIP

Political Contributions and Participation

Micrus fully supports the political process of fair and open elections. Micrus encourages its employees to vote so that their voices may be heard and counted, and it provides its employees the opportunity to do so on election days. Political discussions and solicitations for a particular political party, candidate or other ballot measure, however, may result in a workplace which environment which becomes uncomfortable for some employees. As such, all “electioneering” activities must be restricted to locations other than Micrus facilities. Micrus shall not make direct corporate contributions, nor does it allow any other direct corporate resources to be used in support of any specific candidate, political party, election fund, or ballot measure.

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