

DJO, LLC
Corporate Compliance & Ethics Program
Summary

DJO, LLC, (“DJO”) has a comprehensive Compliance & Ethics program that is designed to promote compliance with the ethical, legal and regulatory standards that govern its operations and relationships with healthcare professionals, employees, customers, vendors, government and other third-party payors, and stockholders. The company is dedicated to conducting itself in compliance with these standards.

I. Introduction

The DJO Compliance & Ethics Program incorporates the 7 Elements recommended by the Department of Health and Human Services Office of the Inspector General (OIG). The elements are as follows:

- ◆ Element 1 – Policies and Procedures
- ◆ Element 2 – Corporate Compliance Officer
- ◆ Element 3 – Conducting Effective Training and Education
- ◆ Element 4 – Developing Effective Lines of Communication
- ◆ Element 5 – Auditing and Monitoring
- ◆ Element 6 – Enforcing Standards through Well-Publicized Disciplinary Guidelines
- ◆ Element 7 – Responding to Detected Offenses and Developing Corrective Action Initiatives

II. Policies and Procedures

DJO has established a comprehensive set of written policies and procedures that address those compliance risks applicable to the company and help to ensure compliance with the applicable laws, regulations and standards governing the marketing and promotion of our products. Among these standards are recognized industry codes of conduct, including the Code of Ethics on Interactions with Health Care Professionals published by the Advanced Medical Technology Association (“AdvaMed”). As part of our effort to follow these standards, DJO has established the following policy on gift giving to Health Care Professionals.

Policy on Gift Giving

Company Personnel may not offer cash or cash equivalents (such as gift certificates) to Health Care Professionals either directly or indirectly, except as compensation for bona fide services provided pursuant to a written agreement.

Company Personnel may occasionally provide Health Care Professionals modest gifts if the gift benefits patients or serves a genuine educational function, and has a fair market value of less than \$100.

Examples of minimal value branded promotional items that are appropriate as gifts include pens and notepads that could be used in the Health Care Professional’s work environment.

Company Personnel are prohibited from offering items that are intended for the personal benefit of the Health Care Professional.

Examples of gifts that are not allowed include tee shirts, golf balls, greens fees, and tickets to ball games, etc., as they are neither related to the Health Care Professional's work, nor do they benefit patients.

Gifts such as flowers, gift baskets, meals, snacks, wine or other refreshments are not considered related to the Health Care Professional's work nor are they of benefit to the patient, therefore, they are not acceptable as gifts. However, if food is provided in connection with company sponsored training, third party educational conferences, or sales and promotional meetings, it may be acceptable if the criteria outlined in the corresponding sections above are met.

Notwithstanding the aforementioned, there may be specific legal restrictions on providing gifts and other benefits to government employees that might otherwise be considered acceptable under the AdvaMed guidelines and this policy. The Company General Counsel should be consulted in these instances.

The Company has established dollar limits on gifts and hospitality related to company sponsored product training and education, third party educational conferences, and sales and promotional materials.

III. Corporate Compliance Officer and Committee

DJO has designated a Corporate Compliance Officer who has the appropriate authority to exercise independent judgment in the management and oversight of the program.

DJO has also established a Compliance & Ethics Committee. The Committee is comprised of the Corporate Compliance Officer and key members of the company's management team.

IV. Training

DJO conducts employee compliance training and testing that covers applicable guidelines governing our CCP. Employees are also trained on the consequences of failure to comply with the requirements of the CCP.

V. Communication

DJO encourages open and candid discussion between management and employees regarding any compliance concerns. Employees are encouraged to report their concerns to a supervisor, the Human Resources Department, the Corporate Compliance Officer, the Privacy Officer, the Security Officer or to a confidential compliance hotline (877.888.0002).

VI. Auditing and Monitoring

DJO self-assesses and periodically audits compliance with its policies and procedures.

VII. Enforcement and Disciplinary Action

DJO will take disciplinary actions in response to violation of the company's compliance policies and procedures. Actions in response to detected problems may include modification of policies and procedures, training, counseling, monitoring, or disciplinary action to prevent future violations.