

OSTEOMED

Corporate Compliance Guide

Code of Conduct

Message on Corporate Responsibility

OsteoMed is committed to maintaining the highest level of professional and ethical standards in the conduct of its business affairs. The Company's reputation depends on its employees' honesty and unquestionable ethical standards and is embraced in OsteoMed's core values:

- Integrity
- Accountability
- Culture of Continuous Improvement
- Teamwork Based On Trust, Respect & Communication
- Uncompromised Quality, Innovation & Service
- Fiscal Responsibility
- Recognition of Employee Excellence

"Corporate Compliance" for OsteoMed means adherence to all applicable laws, regulations and Company policies relating to standards of conduct that may affect the Company's business operations or public image in light of applicable government and industry standards as well as legal and business trends and public policy issues.

We believe that conducting our business in accordance with high standards of conduct is fundamental to our ability to succeed in the marketplace. OsteoMed's Mission is to:

Improve patient outcomes through the design, manufacture and service of high quality, innovative and cost-effective surgical products.

The only way to achieve this commitment is by providing a high standard of leadership, along with unquestionable integrity. Honest and ethical conduct will earn OsteoMed the trust of customers, patients, investors, suppliers, regulators and fellow employees. The key to corporate integrity lies with all of us. As employees of OsteoMed, you have a responsibility to uphold this dedication to corporate ethics and compliance on a daily basis. You are expected to:

- Know and follow the Code of Conduct.
- Take responsibility for your own conduct.
- Report suspected violations of the Code of Conduct to the Compliance Officer.
- Cooperate with any investigation of an alleged violation of the Code of Conduct.

OSTEOMED

Corporate Compliance Guide

Personal integrity, upheld on a day-to-day basis, is the unshakable foundation for corporate Integrity. This Code Conduct, which has been approved by OsteoMed Executive Management, is provided to outline appropriate conduct and the process available for addressing issues and questions. It is essential that you take time to read and understand the Code of Conduct. Your dedication to these principles will enhance our corporate reputation for excellence and quality, and provide you with a sense of pride in the service we provide and what we have accomplished together.

Legal and Regulatory Compliance

OsteoMed's success in the global marketplace depends on you knowing and adhering to legal and regulatory requirements. Operating within legal guidelines and cooperating with local, national and international authorities lays a solid foundation for our corporate values.

Compliance

Healthcare is a highly regulated industry. Regulation affects virtually every functional area of our business. Regardless of what job you do, there are legal, regulatory and ethical standards that must be considered and upheld. You must strive to be aware of and understand the national, state and local laws as well as the business requirements and practices that affect the company, your business unit and area of responsibility. Similarly, supervisors and managers must help ensure familiarity with requirements for persons in positions that report to them.

Disregard of the law or regulatory requirements cannot and will not be tolerated. Violation of domestic or foreign laws or regulations may subject you, as well as OsteoMed, to civil and criminal penalties. You should be aware that conduct and records are subject to internal and external audits. Therefore, it is essential that you know and comply with OsteoMed's legal obligations.

Medical Device Laws and Regulations

Because the laws and regulations that affect the design, manufacture and sale of medical devices are quite broad and complex, you must be aware of the laws and regulations that affect your specific responsibilities. These regulations include but are not limited to:

- Occupational Safety and Health Administration (OSHA) Regulations
- Food and Drug Administration (FDA) Regulations
- Health Insurance Portability and Accountability Act (HIPAA)
- Foreign Corrupt Practices Act

It is your responsibility to understand and comply with these requirements as they apply to your specific job and to ensure that documentation regarding training and compliance with internal procedures and processes is complete and accurate.

OsteoMed, its directors, employees, consultants and any other representatives acting for OsteoMed, must comply with all such laws and regulations. Failure to do so may result in disciplinary action or termination of employment, in addition to government imposed criminal, civil or administrative penalties for OsteoMed or you.

OSTEOMED

Corporate Compliance Guide

You are obligated to report any complaint or adverse event that may be related to OsteoMed product by contacting the compliance team, or the Compliance Officer. This includes information that you have observed first-hand or that you receive from another source. It should be pointed out that the FDCA has been interpreted by the courts to be a strict liability criminal statute. In other words, you can be found to have violated the Act even though there is no proof of an actual intent to violate the law. The failure of someone with the responsibility or authority either to prevent a violation or to correct it promptly upon discovery can expose the company and the individual to liability.

Fair Competition

Fair competition laws have been designed to ensure that a person who purchases goods in the marketplace is able to select from a variety of products at competitive prices, unrestricted by improper constraints, such as price fixing, illegal monopolies or tie-ins. It is OsteoMed's policy to adhere strictly to all applicable fair competition laws. While antitrust and fair competition laws can be highly technical and may vary from country to country, the following principles provide a useful summary of when you might encounter antitrust-related situations. For specific questions or interpretations on antitrust laws, contact your business unit management or the Compliance Officer.

- In general, discussions with competitors regarding pricing, bids, discounts, promotions, profits, costs, terms or conditions of sale, royalties, warranties, production plans or inventories are prohibited. Agreements with competitors to allocate customers, divide territories or limit production or innovation also are strictly prohibited. OsteoMed determines prices and terms of sale for its products independently, and any exchange of information with competitors that may cast doubt upon that fact must be avoided. Such sharing of information can be construed as an attempt to limit competition regardless of whether the discussions relate to OsteoMed or the competition's products, or however innocent or casual the exchange may be.
- Trade association meetings create antitrust risk because they involve contacts with competitors. Consequently, such meetings are continually scrutinized by government officials. If you encounter formal or informal discussions of pricing, terms of sale (or other terms that relate to the sale of goods), refusal to sell to a customer or other prohibited topics, you should leave immediately and bring the matter to the attention of OsteoMed via your business unit management or the Compliance Officer. Executive Management must be consulted before you join any trade association or participate in standards development activities, since the development of such standards may have fair competition or antitrust implications.
- In general, companies are not allowed to discriminate in favor of, or against, any of their customers. OsteoMed is free to select its own customers; however, terminations and refusals to sell can lead to real or claimed antitrust violations. Before creating or terminating a relationship with a dealer or distributor, consult with your business unit management or the Compliance officer.
- OsteoMed policy prohibits making purchases from a supplier dependent on the supplier's agreement to purchase from OsteoMed. Such purchases could violate the antitrust laws if the supplier is coerced into making the purchase as a condition of acquiring or maintaining the account.
- Unfair methods of competition and deceptive acts or practices are prohibited. Examples of these include false or deceptive statements or comparisons about OsteoMed products, falsely disparaging a competitor or its products, making product claims without data to substantiate them, and representing one's own product as that of another, such as by simulating a competitor's packaging or trademarks.

OSTEOMED

Corporate Compliance Guide

Advertising and Promotion

It is OsteoMed's policy to promote and market its products in a lawful and truthful manner. You must be careful to offer a balanced, accurate and legal representation of product capabilities and benefits. In addition to the laws outlined in Fair Competition, advertising and promotion of OsteoMed products are also subject to regulation. Device manufacturers may not promote medical device products or product indications that are not approved by regulatory authorities. These regulations also require that you represent OsteoMed products in a manner consistent with the applicable labeling and market approvals. All information provided to customers whether in print or via the Internet, must be accurate, complete, and legal and approved by the appropriate business unit.

Business with Government Agencies

At times, governments not only regulate OsteoMed products, but also purchase them. You are prohibited from providing gifts or anything of value to government officials or employees or members of their families. In receiving gifts, you must ask yourself whether one purpose of a gift is intended to influence, or appear to influence, business decisions and would thereby compromise your ability to act in the best interests of OsteoMed. The same tests of integrity should be applied to gifts you are considering offering to a customer. You must avoid not only actual impropriety, but also the appearance of impropriety.

In the medical device industry, OsteoMed may have opportunities to further medical practice and knowledge of corporate products by providing seminar sponsorship, research grants, speaker honoraria, training events and so on. Payments and reimbursements for such activities are being increasingly scrutinized and should be made only in accordance with applicable laws, regulations and medical/industry association guidelines, following appropriate review and approval processes. Any honoraria received by you for a speaking or consulting arrangement related to OsteoMed work should be donated to charity.

In many countries, including the United States, government employees and their families are prohibited from accepting items or benefits for which fair-market value is not paid by the recipient. Questions about the appropriateness of business courtesies and possible misinterpretation of them as bribes, particularly in foreign countries or in transactions with government officials, should be discussed with OsteoMed's Compliance Committee.

Confidentiality

You are obligated to protect the company's confidential information and processes as well as that of its customers, patients, suppliers, fellow employees and third parties who disclose information to OsteoMed in confidence. It is OsteoMed's policy that all information developed or shared as a result of the business process is proprietary to OsteoMed and must be treated as confidential except when disclosure is authorized or legally mandated. Such confidential information includes pricing, financial data, research and development information, marketing and sales programs, employment records, potential contracts or ventures, customer data, protected health information and patient records. It also includes internal correspondence, regulatory reports and computer passwords or software. Materials that contain confidential information, such as memos, notebooks and computer disks, should be stored securely and shared only with OsteoMed personnel who have a need to know and third parties who are under a contractual obligation to protect the confidentiality of the information.

You should be especially careful not to disclose, even inadvertently, confidential information through electronic media, such as e-mail, telephone voice mail or Internet chat rooms. You should not discuss company matters or respond to messages about company matters on Internet chat rooms. Only authorized persons may respond on behalf of OsteoMed. In addition, you should refrain from discussing sensitive company information in public places like airports and restaurants or "quasi-public" areas within OsteoMed such as cafeterias

OSTEOMED

Corporate Compliance Guide

Confidential information must not be disclosed to a new employer or others after ceasing to provide services to OsteoMed. In addition, your previous employer's confidential information must not be disclosed to OsteoMed. Of course, you may use general skills and knowledge acquired during your previous employment.

Intellectual Property

Patents, trademarks, copyrights and trade secrets—all considered intellectual property—are valuable company assets, and you have an obligation to protect them. This obligation continues even if you leave the services of OsteoMed for any reason.

OsteoMed will respect the intellectual property of others, and OsteoMed will not knowingly infringe valid patents held by others. If you believe that another company is infringing on a OsteoMed patent or that OsteoMed may be infringing the valid patent of another, you must promptly contact OsteoMed Compliance Officer.

Corporate Records

Company documents and records (in any form or media) are part of the company's assets, and you are charged with maintaining their accuracy and safety. Destruction of such records, even if inadvertent, could seriously prejudice the company. If you have any questions regarding whether a particular record pertains to a pending or contemplated investigation or litigation or may be responsive to a subpoena or regarding how to preserve particular types of records, you should preserve the records in question and ask OsteoMed Compliance Officer for advice.

Conflict of Interest

A conflict of interest occurs when your private interest interferes in any way, or even appears to interfere, with the interests of the company as a whole. A conflict situation can arise when you take actions or have interests that may make it difficult to perform your company work objectively and effectively. Conflicts of interest also arise when you, or a member of your family, receive improper personal benefits as a result of your position in the company. Your obligation to conduct the company's business in an honest and ethical manner includes the ethical handling of actual or apparent conflicts of interest between personal and business relationships.

Corporate Assets

You are obligated to protect the assets of OsteoMed and ensure their efficient use. Theft, carelessness and waste have a direct impact on the company's profitability. Except as specifically authorized, company property, such as office supplies, production equipment, products and buildings must be used only for business purposes. When you leave OsteoMed, all company property must be returned to the company. Any misuse or misappropriation of corporate funds, information, equipment, facilities or other assets may be considered criminal behavior and can bring severe consequences. Expenses may not be charged to the company unless they are for OsteoMed business purposes.

OSTEOMED

Corporate Compliance Guide

Computer and Communication Resources

When you use company resources to send e-mail, voicemail or to access Internet services, you are acting as representatives of the company. Any improper use of these resources may reflect poorly on the company, damage its reputation, and expose you and the company to legal liability. All of the computing resources used to provide computing and network connections throughout the organization are the property of the company and are intended for use by OsteoMed employees to conduct the company's business.

Accountability for Job

You are responsible for knowing and executing the responsibilities of your job. This means that you are held accountable for the quality of the work you produce and for the accuracy and confidentiality of the applicable documentation.

Respect for People

OsteoMed is dedicated to dignity and respect for the lives of our patients, and we owe nothing less to each other. This high level of respect for one another enters into every aspect of our dealings with colleagues and those we come into contact with in each working day, and reflects greatly on how our corporate culture is perceived.

Health and Safety

OsteoMed seeks to provide each employee with a clean, safe and healthy place to work. To achieve that goal, all employees must understand the shared responsibilities of abiding by all safety rules and practices, taking the necessary precautions to protect one and coworkers, and reporting immediately any unsafe conditions, practices or accidents.

Diversity

OsteoMed respects and welcomes diversity in its employees, customers, suppliers and others in the marketplace. OsteoMed is committed to equal employment opportunity without regard to race, color, religion, sex, national origin, age, medical condition or disability, veteran status or any other characteristic protected by law.

Workplace Harassment

Everyone has the right to work in an environment free of harassment. Workplace harassment is any unwelcome or unwanted advance, attention or discriminatory conduct based on one's race, sex, religion, sexual orientation, disability, age, veteran status or political views.

If you feel you are the victim of, or have witnessed workplace harassment, you have an obligation to report such incidents to your manager or the Compliance Officer.

OSTEOMED

Corporate Compliance Guide

Reporting and Resolution Process

Company Image

OsteoMed's reputation and identity are among the company's most valuable assets. As part of keeping and furthering the company image locally and around the world, OsteoMed believes in conducting business in accordance with the law and the highest standards of conduct, and in sharing the success that business brings. You are expected to conduct yourself in a manner that reflects positively on the company's image and identity, both internal and external.

Seeking Guidance

This Code cannot provide definitive answers to all questions. If you have questions regarding any of the policies discussed in this Code or if you are in doubt about the best course of action in a particular situation, you should seek guidance from your supervisor, manager, Human Resources, or the Compliance Officer.

Reporting a Suspected Violation

You are responsible for conducting yourself in accordance with applicable law and high standards of conduct. In addition, you have a responsibility to report in a timely fashion any suspected violations of the Code of Conduct. To the extent reasonably possible, all such reports will be held in confidence. If you have witnessed or have knowledge of an illegal or unethical activity, including any complaints or concerns regarding accounting, internal accounting controls and auditing matters, you should report the matter to your supervisor or the Compliance Officer. If approaching the supervisor is uncomfortable, or if the response is unsatisfactory, you should consult your manager, Human Resources, or the Compliance Officer.

Phone numbers for these offices can be found in the company phone directory located on the OsteoMed Intranet or if you prefer, compliance questions or reports about potential violations may be directed to OsteoMed's toll-free **Compliance Line, 1-800-456-7779 x4790**. OsteoMed is committed to investigating and responding to compliance reports or questions in a timely manner. In addition; **Colson Associates has provided access to their Compliance line, 855-900-0093 and website, www.lighthouse-services.com/colsonassociates** to provide an avenue to escalate compliance concerns.

You may choose to remain anonymous when reporting a potential violation on the Compliance Line. However, anonymity may make the investigation and resolution more difficult. As with all questions or inquiries, the information given on the Compliance Line will be treated confidentially to the extent reasonably possible. OsteoMed takes your input seriously.

Non-Retaliation

No one will be subject to retaliation because of a good faith report of suspected misconduct or a good faith question or concern about any ethical or legal issue.

OSTEOMED

Corporate Compliance Guide

Investigations and Corrective Action

All reports of alleged violations will be investigated by the company, and will be treated confidentially to the extent reasonably possible. The company expects you to fully cooperate in any investigation of an alleged violation. It is imperative that reporting persons not conduct their own preliminary investigations. Investigations of alleged violations may involve complex legal issues, and acting on your own may compromise the integrity of an investigation and adversely affect both you and the company. If the results of an investigation indicate that action is required, the company will decide the appropriate steps to take, including discipline, dismissal and possible legal proceedings. If appropriate, the investigation may be turned over to applicable outside authorities, and outside investigators may assist in the inquiry.

As part of the closure process, results of an investigation may be shared with the initiator of the report. In general, specific individual disciplinary actions are confidential and may not be shared. In the past, members of the healthcare industry (doctors, hospitals, companies and others) have been the subject of various government investigations. It is OsteoMed's policy to cooperate fully with valid government investigations. While not likely, it is possible that you may be contacted by government officials conducting an investigation of the medical technology industry. If contacted by an investigator, you are encouraged to notify the Compliance Officer.

Response and Discipline for Violations

You are responsible and accountable for adhering to this Code of Conduct. Subject to applicable law and agreements, if you violate the provisions outlined in this Code you will be subject to appropriate disciplinary action, up to and including termination. Violators of the laws and government regulations previously mentioned in this Code could expose themselves and OsteoMed to substantial criminal penalties (including prison terms for individuals) and civil damages.

OSTEOMED

Corporate Compliance Guide

CODE OF CONDUCT COMPLIANCE STATEMENT

1. The President is responsible for ensuring that his or her employees understand and comply with this Code of Conduct and for creating a work environment in which compliance is expected and rewarded.
2. Any waiver of the policies or procedures set forth in this Code of Conduct in the case of an executive officer or director may be approved only by the Compliance Committee.
3. Any violation of these policies and procedures should be reported immediately to the President or Chief Financial Officer or Chief Operating Officer and the Compliance Officer of the Company. Alternatively, a violation may be reported in the manner outlined in the Company's Ethics Hotline Policy. The identity of the person or persons making a report will remain confidential except on a "need to know" basis. Reporting may be anonymous. The President, Chief Operating Officer, Chief Financial Officer and the Compliance Officer will review as the Compliance Committee any reports that they receive.
4. The Company will promptly investigate any alleged violation of these policies. Violation of a policy, retaliation against any individual for reporting a violation, or failure to otherwise comply with these policies will not be tolerated and will result in disciplinary action, including termination of employment where appropriate.
5. Questions concerning this Code of Conduct should be directed to the President or Chief Operating Officer or the Chief Financial Officer and the Compliance Officer.

I certify that:

- (1) I have read and understand the OsteoMed Code of Conduct.
- (2) I am not in violation of any of the policies contained in the Code of Conduct and I am not aware of any violation that has not been reported in accordance with the procedures set forth in the Code.
- (3) I have been notified of my obligation to report violations regarding the Code of Conduct and have been informed that a Compliance Line is available for reporting violations and that all investigations will be kept confidential.
- (4) I understand that failure to comply with the Code of Conduct may result in disciplinary action, including termination of employment, and that a violation of the Code of Conduct may also constitute a violation of law that may result in civil or criminal penalties for me and/or OsteoMed. I will abide by and support the policies set forth in our Code of Conduct. I further understand that my agreement to comply with the Code of Conduct does not constitute a contract of employment.

Signature

Print Name

Date