



POL 004 Rev. A
POLICY, Code of Conduct

CONFIDENTIAL
CN 0881
Effective: December 12, 2013
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LDR is a medical device company engaged in the business of developing, marketing, distributing, and selling spinal implants for human implantation in the treatment of spinal injuries and disorders. LDR is committed to conducting its business activities ethically and lawfully. This Code of Conduct is intended to be a guide to ensure LDR's employees, officers, and directors, and partners perform their duties and responsibilities in an ethical and lawful conduct, as conducting all activities in compliance with the applicable laws and regulations that govern the medical device industry and our business. These policies and procedures apply to all employees, officers, and directors of LDR, and, to the extent that they have relevance, to the independent sales representatives of LDR, customers and suppliers of LDR, and to all consulting and designing physicians and health care providers who provide services of any type to LDR.

1. ***Honesty and Integrity.*** In all interactions, LDR, its employees, officers, directors, and independent sales representatives shall conduct themselves honestly and with integrity; they shall be true and forthcoming and never deceitful or misleading.

2. ***Compliance with Laws.*** LDR will conduct its business affairs and related activities in compliance with all applicable laws, rules, and regulations and in accordance with LDR's high ethical standards. LDR is aware of the need to ensure compliance with those laws, regulations and guidelines which govern LDR's business. Supervisors and managers are expected to ensure employee compliance. Any suspected violations of LDR policies, applicable laws, rules and regulations should be reported to an employees' supervisor, senior management, and/or the Legal and Compliance Department or via the LDR Hotline.

3. ***Work Environment.*** LDR will maintain a safe and drug-free work place that is free from unlawful harassment or discrimination based on race, color, creed, religion, gender, age, disability, national origin, ancestry, citizenship, armed forces service, marital or veteran status, sexual orientation, or any other impermissible factor.

4. ***Manufacturing and Selling Products.*** LDR is committed to manufacturing, marketing, distributing, and selling products through its independent and direct sales representatives in a safe and legally compliant manner. In connection with marketing, distributing, and selling medical devices and related products, LDR has established and will comply with standards that meet or exceed the laws and regulations applicable to such activities.

5. ***Competitive Practices.*** LDR will compete for all business opportunities in the marketplace vigorously, fairly, ethically, and legally. LDR, its employees, officers, and directors will comply with all antitrust and other laws regulating competition and trade and will not discuss pricing, cost, production plans, business strategies, or any other proprietary or confidential information with its competitors.



6. **Marketing and Sales.** LDR will represent its products and services accurately and will comply with applicable regulatory and legal requirements governing the marketing and sale of its products and services. Promotion and claims made about LDR's products shall be consistent with all applicable regulations. No public communication shall be made, with the intent of promoting LDR's products as safe and effective for any use before applicable regulatory approval is obtained, as required in the territories where LDR operates.

7. **Quality.** LDR shall provide safe and effective devices that improve the quality of spine care and meet customer and regulatory requirements. LDR will comply with all laws and regulations regarding the safety and efficacy of its products and the standards for its manufacturing plants, suppliers, and distribution. LDR maintains quality systems based on its various operating segments and its business. All employees, as required, shall become familiar with, and abide by, LDR's quality system as applicable to them, and report any compromise in the quality of LDR's products to the applicable LDR personnel designated by the local quality system.

8. **Recording and Reporting Information.** In recognition of the fact that accurate information is essential to LDR's ability to satisfy legal and regulatory obligations, all employees, officers and directors, independent sales representatives, and physicians who provide services of any kind to LDR will record and report all information accurately and honestly. No employee or director will sign or submit, or permit others to sign or submit on behalf of LDR, any document or statement that he or she knows or has reason to believe is false.

9. **Payments.** Neither LDR nor its employees, directors, officers, or independent sales representatives will make any improper payments to government or non-government officials, employees, customers, persons, or entities, nor will LDR or its employees and directors request or accept any improper payment from suppliers, customers, or anyone seeking to do business with LDR.

10. **Fair Dealing.** Each employee, director, officer, and independent sales representative will deal fairly with LDR's customers, suppliers, competitors, affiliates, independent auditors, and other employees and will not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing or practice.

11. **Protecting Patient Information.** LDR will protect the confidentiality of all patient information in full compliance with all federal, state, and local laws, and safeguard such information from misuse, alteration, theft, fraud, unauthorized disclosure, and unauthorized use.

12. **Confidential Information.** No employee, director, officer, independent sales personnel, customer, supplier, or service provider, including any physician who provides services of any kind to LDR, will use, for his or her own personal gain, or



disclose to any third party, any confidential or proprietary information that he or she obtained as a result of his or her employment with or relationship to LDR. Further, employees shall take all reasonable measures to protect the confidentiality of non-public information about LDR. Confidential or proprietary information includes, without limitation, all non-public information that might be of use to competitors or harmful to LDR and its customers if disclosed (such as, for example, technical know-how and data, trade secrets, business plans, marketing, and sales programs, and sales figures, as well as information relating to mergers and acquisitions, divestitures, licensing activities).

13. ***Foreign Corrupt Practices.*** Neither LDR, its directors, employees, consultants, distributors, or service providers shall make payments on LDR's behalf to officials of governments outside of the U.S. for the purpose of obtaining favorable government action or government business, even if the payment is permitted by the laws or customs of the country in which such payment is made. In addition, LDR shall not use any intermediary (e.g., a consultant, distributor, etc.) to make such payments. A "government official" includes not only elected officials, but also consultants who hold government positions and employees of companies owned by a foreign government as well as the spouses and other immediate family members of the government official. Health care professionals working for a government or public academic institution, or government or public hospital, may be deemed to be government officials.

14. ***Corporate Opportunities.*** Employees, officers, and directors owe a duty to LDR to advance its legitimate interests when the opportunity to do so arises. Such personnel are prohibited from (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information, or position, (b) using corporate property, information, or position for personal gain, or (c) competing with LDR.

15. ***Conflicts of Interest.*** No employee, officer or director will engage in any activity or have any outside interest that might deprive LDR of his or her loyalty, interfere with the satisfactory performance of his or her duties, make it difficult to perform his or her duties for LDR objectively and effectively, or be harmful or detrimental to LDR. Additionally, all employees should avoid circumstances where their personal interests may appear to conflict with LDR's best interests. Should a question arise regarding a potential conflict of interest, the employee should report the transaction or action to their supervisor and Legal Department immediately. Further, employees and directors must immediately disclose in writing any known conflicts of interest, that they are aware of, to senior management for resolution. A conflict of interest occurs when a person's private interest interferes or appears to interfere in any way with LDR's interests and may also arise when an employee or director or a member of his or her family receives improper personal benefits as a result of his or her position with LDR.

Examples of actual or potential conflicts of interest include, without limitation, whenever:



a) An employee, officer, or director holds an outside position or is engaged in an outside activity that affects the performance of his or her work for LDR.

b) An employee, officer, or director, or any member of his or her family, is employed by, is a consultant to, or holds an ownership or other interest (other than a nominal investment in stock of a publicly traded company) in any concern that is a competitor of LDR, a supplier or dealer for LDR, or is involved in a joint venture with LDR.

c) An employee, officer, or director, or any member of his or her family, acquires any interest in any entity or concern that he or she knows is being considered by LDR as a possible merger, acquisition, or joint venture candidate.

d) An employee, officer, or director may not accept cash, gifts, entertainment or benefits that are more than modest. Common courtesies or ordinary social amenities are allowed (such as, for example, a business lunch or business-related entertainment). It is never permissible to accept cash or cash equivalents (stock, gift cards, loans, etc.) of any amount or other favors from any person or business organization that does or seeks to do business with, or is a competitor of, LDR. Should an employee, officer, or director receive a gift, gratuity, or other payment that is not acceptable under the foregoing guidelines, they must immediately return such gift, gratuity, or payment and advise the individual of LDR's policy.

e) An employee, officer, or director should not accept a loan from any Company customer or supplier or allow the Company customer or supplier to guaranty a loan.

16. ***Protection and Proper Use of LDR Assets.*** Theft, carelessness, and waste have a direct impact on LDR's profitability. All employees, officers, and directors will take appropriate actions to protect LDR's assets and ensure their efficient use for legitimate business purposes. Any suspected incident of fraud or theft should be immediately reported to the Legal Department for investigation.

17. ***Relationships with Consulting and Designing Physicians.*** In an effort to ensure the continuous development and commercialization of new products, as well as improvements upon existing products, LDR collaborates with members of the health care community for services which include, but are not limited to, training, design, development, and evaluation activities. LDR and its employees, officers, and directors will abide by all applicable laws, regulations, and industry guidelines when contracting with, working with, compensating, and otherwise reimbursing health care professionals in connection with their work for LDR. A Health Care Professional (an "HCP") is any individual involved in the provision of healthcare service (directly or indirectly) and/or items to patients, and which purchase, lease, recommend, use, arrange for the purchase or



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lease of, or prescribe products of LDR. Internal policies and procedures addressing such activities will be routinely reviewed and updated as necessary, and all appropriate LDR personnel will be trained on the applicable policies and procedures. In contracting with an HCP, LDR will not, under any circumstances, consider the value or volume of business, if any, generated by any HCP with whom LDR works, and LDR will enforce its policies and procedures regarding interactions with such HCPs vigorously and without exception.

18. ***Disclosure.*** Patients who receive or are considering receiving LDR products have a right to know if their physician works with LDR on product development or related projects. LDR is committed to ensuring that patients have all information reasonably necessary about LDR and their products to make informed decisions about their healthcare. Therefore, LDR will make such disclosure to any patient, health care institution, or entity who requests same.

19. ***Insider Trading.*** LDR's employees, officer, and directors are prohibited from engaging in insider trading, which is the trading in LDR stock while aware of the confidential information that could, if it became public, affect the stock price. Disclosure of any such information to others, including spouses or friends, which would enable them to gain a trading benefit in LDR's stock not available to the general public, is also prohibited. Similar restrictions apply to trading in the stock of other companies using confidential information that an employee has access to because of his or her employment. This conduct is illegal and could subject the employee and LDR to civil liability and criminal penalties.



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Compliance. LDR’s employees, officer, and directors are encouraged to seek guidance from supervisors, managers or other appropriate LDR personnel when in doubt about the best course of action in a particular situation.

a) Any suspected or known violations of this Code of Conduct, applicable laws, regulations, and/or other LDR policies should be reported immediately to your supervisor, the President, the General Counsel, the Compliance Officer, or as an alternative, by calling LDR’s Compliance Hotlines:

US – 1-877-207-9730
China – 10-800-711-0631 or 10-800-110-0577
Brazil – 0800-187-3586
Germany – 0800-187-3586
France – 0800-90-1703

Or via the internet:

US, China, and Brazil: <https://ldr.alertline.com>
Germany and France: <https://ldreu.alertline.com>

When calling the Hotlines or reporting via the internet, you may request anonymity. If you do so, your identity will remain confidential except on a “need to know” basis. Certain jurisdictions limit the types of violations that may be reported anonymously, and LDR will comply with such restrictions.

b) Officers, directors, executives in charge of each division, subsidiary or operating unit, and other appropriate employees will be required periodically to confirm in writing that they understand and are complying with the Code of Conduct and that they are not aware of any violations or have properly reported all violations.

c) LDR will promptly investigate any alleged violations. Violations of the Code of Conduct, applicable laws, regulations, and/or other LDR policies, retaliation against any individual for reporting in good faith a violation, failure to otherwise comply with, or attempts to circumvent the Code of Conduct, applicable laws, regulations, and/or other LDR policies will not be tolerated and will result in disciplinary action, including termination of employment, where appropriate.

Questions concerning this Code of Conduct should be directed to the Compliance Officer.



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LDR's Code of Conduct is hereby adopted and made binding on all employees, officers, directors, and, to the extent applicable, independent sales representatives, customers, service providers, and suppliers of LDR.

AUTHORIZED SIGNATURE:

A handwritten signature in black ink, appearing to be "S. Way", written over a horizontal line.

Scott Way, General Counsel and Compliance Officer