



## Globus Medical Corporate Compliance Program

Globus Medical, Inc.'s ("Globus") Corporate Compliance Program represents a shared undertaking on the part of colleagues ranging from the highest levels of management to the most junior employees. The Corporate Compliance Program incorporates all elements in accordance with the Compliance Program Guidance ("OIG Guidance") developed by the United States Department of Health and Human Services, Office of Inspector General ("OIG").

### **Written Policies and Procedures**

Globus' Code of Ethics is a framework of the standards that guide all employees. The Code establishes that we expect managers, employees, distributors and agents to act in accordance with the law and applicable company policy. Additionally, Globus has implemented several other written policies to address potential risk areas identified by OIG.

### **Chief Compliance Officer and Compliance Committees**

Globus' Chief Compliance Officer is responsible for overseeing Globus' Corporate Compliance Program. The Chief Compliance Officer reports directly to the President/COO and makes regular reports to the Audit Committee of the Board of Directors. The Chief Compliance Officer manages the Compliance Office, which is responsible for administering all aspects of the Compliance Program, including training programs and monitoring systems, developing educational resources for employees, maintaining open lines of communication, and investigating potential violations of law or Globus policy. The Chief Compliance Officer also chairs the Corporate Compliance Committee.

### **Effective Training and Education**

A critical element of Globus' Corporate Compliance Program is the education and training of relevant employees and agents on their legal and ethical obligations. Globus is committed to providing effective training to all employees, managers, officers, and directors regarding the Corporate Compliance Program. Training resources include online access to policies and an online training program that helps ensure employees are aware of, and understand the laws and

regulations that affect our industry. In addition, all new sales employees receive live and online compliance training, as do all employees for which compliance impacts their job function.

### **Effective Lines of Communication**

Globus is committed to encouraging dialogue between management and employees. Globus' goal is for all employees to know how to ask for answers to questions without fear of reprisal or retribution. Globus provides multiple channels for reporting general issues and raising compliance concerns. Globus has Open Door, anti-retaliation, and confidentiality policies to encourage and protect colleagues who raise a valid concern.

### **Open Door Policy**

Globus adheres to an "Open Door Policy" and encourages colleagues to discuss all issues, concerns, problems and suggestions with their immediate supervisor or other manager without fear of retaliation and with the assurance that the matter will be kept as confidential as possible.

### **Corporate Compliance Contacts**

At Globus, anyone can contact the Compliance Office directly in any of the following ways:

**Email:** [compliance@globusmedical.com](mailto:compliance@globusmedical.com)

**Mail:** 2560 General Armistead Ave, Audubon, PA 19403

**Phone:** 610-930-1800

### **Compliance Hotline**

As part of the Corporate Compliance Program, Globus has established a hotline (**U.S. 855-688-1728**) and website ([www.globusmedical.ethicspoint.com](http://www.globusmedical.ethicspoint.com)) that can be used to report compliance concerns. For international dialing, please visit [www.globusmedical.ethicspoint.com](http://www.globusmedical.ethicspoint.com) to determine the appropriate phone number to call based on your location. Compliance is everyone's responsibility. The hotline and website are essential elements of the Corporate Compliance Program. They are important resources for anyone with a question or concern about a Globus policy or practice, or for anyone who wants to report a suspected violation of the law or Globus policy. If employees have questions or concerns, they should inform their supervisor, another manager, or the Human Resources department. If the situation has not been resolved for any reason, employees may also call the Globus Medical Compliance Hotline (**U.S. 855-688-1728**) or visit [www.globusmedical.ethicspoint.com](http://www.globusmedical.ethicspoint.com) 24 hours/day, 7 days/week.

The hotline and website are available as a means for employees to get answers to questions or report concerns about suspected illegal or unethical conduct. When calling the hotline, a trained

specialist from the third-party company providing the service, Global Compliance, (not an employee of Globus) will take the call, listen, and ask questions about the concern. Employees will receive a unique case number and date so they may follow up on their concern and receive updates as to the resolution of the matter. A report of their call is forwarded to the Compliance Office for action. Reports of improper conduct are thoroughly investigated. We act promptly to respond to each reported matter. In the U.S. and most other countries, employees are able to report anonymously. All reports, regardless of content, may be made without fear of retaliation and with complete assurance that it will be investigated.

### **Communication to Management About Compliance Issues**

The Compliance Office regularly communicates with management about compliance matters. Input from all aspects of the company helps to create an effective and workable Corporate Compliance Program.

### **Communication to the Audit Committee of the Board of Directors and the Full Board of Directors**

Communication with the Audit Committee of the Board of Directors and the Full Board is part of an effective Corporate Compliance Program. Members of the Board and its Audit Committee are readily accessible to management and the Compliance Office.

### **Internal Monitoring and Auditing**

Internal monitoring and auditing are vital parts of the Corporate Compliance Program. Monitoring and auditing business processes does more than simply verify their thorough and efficient operation. Effective monitoring and auditing can provide an organization with the capacity to detect and prevent deviations that, in certain circumstances, can potentially engender compliance concerns. The Corporate Internal Audit team maintains responsibility for auditing the policies and procedures of the Corporate Compliance Program.

### **Enforcement Through Discipline Pursuant to Published Guidelines**

Globus' Corporate policies, including all compliance policies, educate employees and agents about Globus' commitment to compliance. These policies put all employees and agents, including management, on notice that failure to adhere to the compliance standards may result in disciplinary action, up to and including termination of employment. If an investigation suggests that discipline may be warranted, appropriate action is taken.

## **Prompt Response and Corrective Action for Detected Problems**

Globus' Corporate Compliance Program supports prompt response and corrective action for detected problems as appropriate under the circumstances. It is expected that compliance concerns referred through any of the many communication channels (personal contact, email, Compliance Hotline, etc.) will be carefully reviewed, thoroughly and thoughtfully investigated in a timely manner, and appropriately resolved.

## **Globus Policies on Interactions with Health Care Professionals In California and Declaration of Compliance**

Policies that regulate Globus employees' and agents' interactions with health care professionals in the United States reflect Globus' commitment to compliance with applicable federal and state laws and regulations. Globus reviews and revises policies as deemed appropriate to meet the requirements of a highly regulated and complex health care environment. California SB 1765 (California Business & Professions Code §§ 119400, 119402) requires medical device companies to set an annual aggregate limit on certain promotional expenditures provided to a medical or health care professional as defined under the statute.

The statute excludes from covered promotional expenditures items such as samples given to medical or health care professionals intended for free distribution to patients, financial support for continuing medical education forums, financial support for health educational scholarships, and payments made at fair market value for legitimate professional services provided by health care professionals.

In light of California SB 1765, Globus has modified certain policies and procedures that regulate interactions with covered medical and health care professionals in the State of California. Globus has set a specific annual dollar limit on gifts, promotional materials, and items or activities that we may give or otherwise provide to an individual medical or health care professional as defined under the statute. Subject to this law, Globus has determined that the annual aggregate limit on covered promotional expenditures is set at \$3,500 per covered medical or health care professional. This limit may be revised by Globus periodically.

## **Globus Declaration of Compliance**

Globus' annual aggregate limit on covered promotional expenditures as described above is \$3,500 per covered medical or health care professional. Globus shall declare annually, after the end of each calendar year, that for the reporting period commencing on January 1st and ending on December 31st, it is in substantial compliance with its Comprehensive Compliance Program and the requirements of California SB 1765 and that it has not exceeded its original annual aggregate limit of \$3,500 per covered medical or health care professional. Globus' declaration

shall be based upon an analysis of information available during the twelve (12) month period from January 1st through December 31st.

## **Gifts**

The AdvaMed Code allows medical device companies to provide items to health care professionals that benefit patients or serve a genuine educational function for health care professionals. Other than medical textbooks or anatomical models used for educational purposes, any such item should have a fair market value of less than \$100. Globus may not provide items that are capable of use by the health care professional (or his or her family members, office staff or friends) for non-educational or non-patient-related purposes, for example, a DVD player or MP3 player/iPod. Globus may not give health care professionals any type of non-educational branded promotional items, even if the item is of minimal value and related to the health care professional's work or for the benefit of patients. Examples of non-educational branded promotional items include pens, notepads, mugs, and other items that have Globus' name, logo, or the name or logo of one of its Medical Technologies. Globus also may not provide health care professionals with gifts such as cookies, wine, flowers, chocolates, gift baskets, holiday gifts or cash or cash equivalents. Globus complies with this AdvaMed policy on gifts.

## **Conclusion**

Globus has embedded in the structure of the Corporate Compliance Program, and established in corporate guidelines for interactions with health care professionals, the principles articulated in the OIG Guidance and AdvaMed Code. As appropriate, and consistent with the law, Globus will amend and update all policies, and this statement, to ensure compliance with the law. A description of Globus' Corporate Compliance Program, including the Company's written declaration and certification of compliance with California SB 1765, can be requested by calling the Compliance Office directly via telephone at **610-930-1800**, via Globus' Compliance Hotline (**U.S. 855-688-1728**; [www.globusmedical.ethicspoint.com](http://www.globusmedical.ethicspoint.com)), or by sending an email to [compliance@globusmedical.com](mailto:compliance@globusmedical.com).