

Code of Conduct

Preamble

This document focuses on Brainlab's interactions with Healthcare Professionals and acceptance of benefits by employees. The Code of Conduct is applicable for all employees worldwide; complying with it is part of every Brainlab employee's obligations. All references herein to "Brainlab" shall, where applicable, refer also to Brainlab's employees and authorized representatives. Deviations from this Code of Conduct, regardless of materiality, are not permitted unless approved, in advance and in writing, by Brainlab's management board.

Code of Conduct Compliance Program Administration

The foundation of Brainlab's compliance effort is integrity, openness, and discussion within the Brainlab organization. To obtain guidance about a business ethics or compliance concern or to report a questionable behavior and/or a suspected, planned, or actual violation, you may speak with your supervisor, any member of management, your human resource representative, compliance officer or the legal department.

Please be aware that Brainlab will not tolerate any non-compliant behavior. Reporting is protected and encouraged. Any behavior possibly breaching the Code of Conduct must be reported immediately. Brainlab will make every effort to protect the confidentiality of any employee who makes a report or requests guidance on an issue. Brainlab shall not discharge or in any manner retaliate or take any adverse action against any employee solely because such employee takes or has taken any action in good faith to report any actual or potential violation of this Code of Conduct. All reports of actual or potential violations will be taken seriously, investigated promptly, and resolved appropriately. Brainlab employees are expected to cooperate fully in any investigation.

Please be aware that while behavior that is not in compliance with the guidelines set forth herein is likely to constitute a violation of criminal laws in most jurisdictions, it is possible that certain jurisdictions may have more stringent requirements and it is Brainlab's policy to comply with such more stringent requirements, where applicable.

Part I: Interaction with Healthcare Professionals

Our relationships with Healthcare Professionals enable us to:

- inform Healthcare Professionals about the benefits and risks of our products;
- obtain feedback and advice regarding the clinical use of our products;
- provide scientific and educational information; and
- further medical research and education.

Integrity is one of our core values. This policy is based on the principle that a Healthcare Professional's care of patients should be based, in appearance and reality, solely on each patient's medical needs and the Healthcare Professional's medical knowledge and experience.

In addition to ethical standards, this Code of Conduct is based on mandatory legal requirements. Any interaction with Healthcare Professionals that does not follow the guidelines in this policy is likely to be prohibited by the laws of most countries, may be prohibited by the laws of one or more states and may lead to criminal prosecution of the individual employees involved.

I. Basis of Interactions

Our relationships with Healthcare Professionals are intended to benefit patients and to enhance the practice of medicine. Interactions should be focused on informing Healthcare Professionals about products,

providing scientific and educational information, and supporting medical research and education, as well as receiving information about clinical needs to further enhance Brainlab products.

II. Healthcare Professionals

The term “Healthcare Professionals” as used in this Code of Conduct means any individual or entity that is involved in the provision of health care services and/or items to patients or that may purchase, lease, use, recommend or arrange the purchase, lease, or use of Brainlab products. This includes clinical and non-clinical individuals (e.g. surgeons and hospital administration) who make or have influence on product-related decisions. In addition, decision-makers within group purchasing organizations and in certain cases government employees are to be considered Healthcare Professionals.

III. Benefits

The term “benefits” means all tangible or intangible items that could potentially, directly or indirectly, be of advantage for the individual to whom the item is provided. It is to be interpreted in a broad sense and includes, without limitation, monetary benefits as well as, for example, the use of Brainlab products.

IV. Basic Requirements

Following are the basic requirements for Brainlab’s interaction with Healthcare Professionals:

- All obligations of the parties must be documented in writing in a detailed way;
- The documentation must be completed and signed prior to the beginning of any service, performance, or payment;
- Any compensation paid or benefit provided must be fair market value, and may only be paid or provided if services are actually performed;
- The venue and circumstances of any meeting must be conducive to informational communication and the transmission of scientific or educational knowledge;
- Any meals that are provided must be modest, as judged by local standards and incidental to the bona fide presentation of scientific, educational or business information; and
- Payments or benefits may not be provided in connection with a sales transaction. Also, any appearance of such connection is strictly to be avoided.

In addition to the contractual documentation, the actual receipt by Brainlab of services performed or deliverables provided by Healthcare Professionals must be documented in detail in order to be able to show that the arrangement was not only documented appropriately, but also actually performed according to the documentation.

For the avoidance of doubt, it is never appropriate to fund any activities, meals, or other expenses, for spouses or other company of a Healthcare Professional, whether in the framework of a meeting attendance, dinner reception, product presentation, or otherwise.

Similarly, it is never appropriate to provide or pay for any entertainment or recreational activity or event for any a Healthcare professional. Such activities include, but are not limited to, theater, sporting events, golf, skiing, and leisure or vacation trips or the provision or purchase of sporting equipment. Such entertainment or recreational events, activities, or items may not be provided, regardless of (1) their value; (2) whether Brainlab engages the Healthcare Professional as a speaker or consultant; or (3) whether the entertainment or recreation is secondary to an educational purpose.

For more detailed instructions depending on the type of interaction, please refer to the criteria set forth below. **Please note that the basic requirements apply to all types of interactions.**

V. Informational Presentations by Brainlab

Informational presentations and discussions held by Brainlab representatives and others speaking on behalf of Brainlab provide valuable scientific and educational benefits. In connection with such presentations or discussions, occasional meals (but no entertainment or recreational events) may be offered in accordance with the restrictions set forth herein. Offering "take-out" meals or meals to be eaten without a Brainlab representative being present is not appropriate.

VI. Product Evaluation Visits and Product Trainings

Product evaluation visits and product trainings may be conducted at Brainlab premises, at selected customer sites or in other appropriate settings such as convention centers or other commercially available meeting facilities. Product evaluation visits and product trainings are considered appropriate if, in addition to the general restrictions provided herein:

- The main purpose of the event is the provision of product information to the Healthcare Professionals; and
- the total costs for an event remain equal to or below the costs of alternative ways of providing a comparable quantity and quality of information to the attending Healthcare Professionals.

If these requirements are met, and where there are objective reasons to support the need for out-of-town travel to efficiently deliver the product evaluation and/or product training, Brainlab may pay reasonable travel and modest lodging costs of the attending Healthcare Professionals during the time of their stay at the event. Any costs may only be subsidized against presentation of actual invoices. No cash payments are to be made. It is not appropriate to pay the Healthcare Professionals for their time attending the event.

VII. Consulting Arrangements

Brainlab may engage Healthcare Professionals to provide services to Brainlab in a consulting capacity (for example, to speak on behalf of Brainlab at a conference or other educational event). In addition to the general restrictions provided herein, the following standards must be followed:

- A legitimate business need for the services must be clearly identified before requesting the services and entering into an arrangement with the consultant;
- the consulting arrangement may not be undertaken for the purpose of inducing the consultant to purchase Brainlab products;
- a written contract specifying the exact nature of the services to be provided and the basis for payment of those services must be executed by the parties;
- such contract must be executed prior to the provision of any service and before any payment is made;
- when the consulting agreement involves the performance of clinical research services, there shall be a written research protocol;
- the criteria for selecting consultants shall be directly related to the identified purpose and the persons responsible for selecting the consultants have the expertise necessary to evaluate whether the particular Healthcare Professionals meet those criteria. Brainlab sales personnel may provide input about the suitability of a proposed consultant but sales personnel may not control or influence the decision to engage a particular Healthcare Professional as a consultant;
- consultants shall not be selected based on volume or value of past, present or anticipated business generated by them;
- the number of Healthcare Professionals retained shall not be greater than the number reasonably necessary to achieve the identified purpose;
- except for speaker agreements involving US licensed Healthcare Professionals, the hospital or any other entity that employs the consultant or whose facilities might be used in the performance of the consulting agreement (e.g. customer site visits) shall be a party to the agreement or acknowledge the agreement in writing;
- the consulting agreement shall require the consultant to disclose his or her financial engagement with Brainlab;

- any compensation paid to a consultant shall reflect the fair-market value for the services provided and shall only be paid out following the provision of services (no “flat-fee agreements”). Hourly rates may not exceed USD \$500.00 unless a fair market value analysis conducted by an independent organization with the necessary expertise is obtained;
- reasonable travel expenses (only travel, modest meals and lodging) incurred in the performance of the services may be reimbursed against provision of receipts;
- in the event that the agreement should provide for recommendation of Brainlab products or participation in sales discussions, the agreement must explicitly require the consultant to disclose his capacity as a paid Brainlab consultant.

VIII. Clinical Cooperation Agreements

Brainlab may engage Healthcare Professionals to provide services under a clinical cooperation agreement (for example, to conduct clinical studies or clinic investigations). In addition to the general restrictions provided herein, the following standards must be followed:

- A legitimate business need for the clinical cooperation agreement must be clearly identified before requesting the services and entering into an arrangement with the hospital;
- the clinical cooperation agreement may not be undertaken for the purpose of inducing the hospital to purchase Brainlab products;
- such contract must be executed prior to the provision of any service and before any payment is made;
- when the consulting agreement involves the performance of clinical research services, there shall be a written research protocol
- the criteria for selecting hospitals must be directly related to the identified purpose and the persons responsible for selecting the hospitals have the expertise necessary to evaluate whether the particular hospital meets those criteria;
- hospitals shall not be selected based on volume or value of past, present or anticipated business generated by them;
- the number of clinical cooperations initiated shall not be greater than the number reasonably necessary to achieve the identified purpose;
- clinical cooperation agreements may not be entered into with individual surgeons but only with hospitals;
- clinical cooperation agreements may only be entered into by Brainlab AG, Germany;
- for clinical cooperation agreements, the online template is to be completed and signed before the clinical cooperation is initiated. Particularly, the services and deliverables to be provided by the hospital as well as any compensation to be paid by Brainlab must be specified in detail;
- any compensation paid to a hospital shall reflect the fair-market value for the services and/or deliverables provided and shall only be paid out following the provision of services or deliverables (no “flat-fee agreements”). Hourly rates may not exceed USD \$500.00 unless a fair market value analysis conducted by an independent organization with the necessary expertise is obtained;
- reasonable travel expenses (only travel, modest meals and lodging) incurred in the performance of the services may be reimbursed against provision of receipts;
- clinical cooperation agreements may only be signed by the hospital’s representatives having the necessary authority (hospital administration); and
- Brainlab will not issue any unrestricted research grants.

IX. Loaner Systems

The provision of Brainlab products to Healthcare Professionals for evaluation or demonstration purposes allows the Healthcare Professionals to make an informed purchase decision. The provision of loaner systems is appropriate if:

- Brainlab retains title to the product;
- the sole purpose of the loan is restricted to the evaluation of the system;
- the duration of the loan is not longer than is reasonably necessary to perform such evaluation, in general not longer than two months;
- the terms of the loan are documented, in advance, in a loaner agreement, including the process for promptly removing such product from the Healthcare Professional's location at the conclusion of the evaluation period unless the Healthcare Professional purchases or leases the product; and
- the loaner agreement also provides that the customer must abide by applicable health care reimbursement guidelines and regulations, which may include that the customer cannot charge patients or healthcare insurances or other payers for the use of the Brainlab product provided free of charge.
- For equipment loans in the United States, reference the United States Supplement to this Brainlab Code of Conduct, section I. Equipment Evaluation Loans.

X. Third-Party Educational Conferences or Meetings

A conference or meeting may only be sponsored if: the gathering is primarily dedicated, in both time and effort, to promoting objective scientific and educational activities and discourse (one or more educational presentations(s) must be the purpose of the gathering), and the main incentive for bringing attendees together is to further their knowledge on the topic(s) being presented.

Continuing medical education ("CME") or bona fide independent third-party scientific, educational or policymaking conferences can contribute to the improvement of patient care and therefore, financial support from Brainlab is permissible under certain circumstances. Since the provision of any subsidy directly to a Healthcare Professional by a company is likely to be viewed as an inappropriate cash gift, financial support may only be given to the conference's organizer who, in turn, can use the money to reduce the overall conference costs. In addition, when Brainlab sponsors medical conferences or meetings, responsibility for and control over the selection of content, faculty, educational methods, materials, and venue belongs to the organizers of the conferences or meetings.

Financial support may not be offered for the costs of travel, lodging, or other personal expenses of Healthcare Professionals, either directly to the individuals attending the conference or indirectly to the conference's organizer; provided, however, that Brainlab may provide grants to a training institution or the conference organizer to allow attendance by medical students, residents, fellows, and others who are Healthcare Professionals in training but only if: (1) the gathering is primarily dedicated to promoting objective scientific and educational activities and discourse; and (2) the training institution or conference organizer selects the attending Healthcare Professionals in training who may receive such grant. Such grants should be paid only to organizations with a genuine educational function and may be used to reimburse only the legitimate expenses for bona fide educational activities. Such grants should also be consistent with applicable standards established by the conference organizer and any body accrediting the educational activity. Before authorizing the payment of any such grants, employees should contact the legal department for further information about the "Standards for Commercial Support" adopted by the Accreditation Council for Continuing Medical Education.

Funding may not be offered to compensate Healthcare Professionals for their time spent attending the conference or meeting.

Financial support for meals or receptions may be provided to the conference organizers or sponsors who in turn can provide meals or receptions for all attendees. Brainlab also may provide meals or receptions directly to Healthcare Professionals attending the conference or meeting if such meals and/or receptions are provided: (1) to all Healthcare Professional attendees, and (2) in a manner that is consistent with the

applicable standards established by the conference sponsor and the body accrediting the educational activity. In either of the above situations, the meals or receptions must be clearly separate from the continuing medical education portion of the conference. Notwithstanding the foregoing, meals may be provided to individual Healthcare Professionals (and not all conference attendees) if such meals are in accordance with Part I, Sections IV and V hereof.

XI. Gifts

Only items that primarily benefit patients or serve a genuine educational function may be offered to Healthcare Professionals. Such items may not have a fair market value in excess of EUR/USD \$50, individually or in an annual aggregate, and may be offered only occasionally, even if each individual item is appropriate. Brainlab may not provide items that are capable of use by the Healthcare Professional (or his or her family members, office staff or friends) for non-educational or non-patient related purposes. For example, an anatomical model for use in an examination room primarily involves a patient benefit, whereas a DVD player or MP3 player does not.

Brainlab may not give Healthcare Professionals any type of non-educational branded promotional items, even if the item is of minimal value and related to the Healthcare Professional's work or for the benefit of patients. Examples of non-educational branded promotional items include pens, notepads, mugs, mousepads, and other items that have Brainlab's logo or the name or logo of one of Brainlab's products.

Items intended for the personal benefit of Healthcare Professionals (including, but not limited to, floral arrangements, gift baskets, wine, artwork, music CDs or tickets to a sporting event) may not be offered, regardless of their value or the time of year (e.g. holidays).

Payments in cash or cash equivalents (including, but not limited to, gift certificates or vouchers) may not be offered to Healthcare Professionals either directly or indirectly.

XII. Research, Educational and Charitable Donations

Brainlab may provide research, educational and charitable donations, but not if the provision of such donations are made for the purpose of inducing the recipient or the recipient's organization to purchase Brainlab products. Any award of a donation must: (a) be based on objective criteria that do not take into account the volume or value of purchases made by, or anticipated from, the recipient; (b) not constitute an inducement to purchase Brainlab products or services; and (c) be appropriately documented.

Brainlab sales personnel may not control or influence the decision of whether a particular Healthcare Professional or institution will receive a donation or the amount of such donation.

Monetary or product research and educational donations may be made to support independent medical research with defined objectives or milestones, for the advancement of medical education of medical personnel, and for the advancement of public education.

Brainlab may make monetary or Brainlab product donations for charitable purposes, such as supporting indigent care, patient education, public education, or the sponsorship of events where the proceeds are intended for charitable purposes.

Donations must be motivated by bona fide charitable purposes and shall be made only to bona fide charitable organizations and not to individuals.

No charitable donations shall be made to any organizations that are, to the best of Brainlab's knowledge after reasonable due diligence, controlled by a consultant, or an immediate family member of a consultant, or at which the consultant or an immediate family member of the consultant is employed.

In case a consultant/customer raises a donation from Brainlab for an organization that is not the hospital or entity which employs the consultant/customer, then the administration of this hospital or entity shall be informed by the consultant/customer about the donation in writing in advance. Only after having received proof of such information, Brainlab may provide the donation.

Prior to the making of any donation, the Brainlab legal department or compliance officer should be consulted to ensure compliance with the foregoing.

Part II: Acceptance of Gifts or Benefits by Brainlab

No Brainlab employee is allowed, in connection with their employment, to accept any gifts or other benefits, for themselves, Brainlab, or any third party, which have a value of more than EUR/USD \$25,00. Gifts or benefits equal to or below this value may be accepted from different sources, however not more than two items per year may be accepted from the same source.

In the event that you find it inappropriate to decline a gift that does not meet the criteria set out above, this should be reported to the Brainlab AG management board, who may grant an exception if justified.

United States Supplement to Brainlab Code of Conduct

Notwithstanding anything to the contrary contained in the Brainlab Code of Conduct, the following shall apply to all Brainlab personnel who are engaged in sales or marketing activity or otherwise doing business or interacting with any United States licensed or based Healthcare Professional.

For avoidance of doubt, Brainlab employees or representatives may not offer any payment or remuneration, in cash or in kind, directly or indirectly, including any rebate or “kickback” that is prohibited under applicable federal or state “fraud and abuse” laws or regulations including the federal “Anti-Kickback Statute” (42 U.S.C. 1320a-7b).

I. Equipment Evaluation Loans

Brainlab Inc. may provide an equipment loan of Brainlab products to a customer for the purpose of evaluating such products in order to make a purchasing decision. Any provision of equipment for these purposes shall be subject to the Brainlab Inc. equipment loan process, which sets forth requirements based on the products to be evaluated and the corresponding evaluation term. The Brainlab Inc. equipment loan process is available in the Intranet. In no event shall the evaluation term exceed sixty (60) days without the prior approval of the President, North America, or the Director of Finance and Operations, North America. Contact the Brainlab, Inc. legal department for information regarding the evaluation.

II. Massachusetts Healthcare Professionals

In addition to the Code of Conduct and this United States Supplement, all Brainlab employees and representatives who participate in the sales, promotion, and marketing for and of Brainlab must abide by the following when interacting with Massachusetts licensed Healthcare Professionals or hospitals:

Provision of Meals. Neither Brainlab nor any of its employees or representatives may provide or pay for meals for Healthcare Professionals that are offered, consumed, or provided outside of the Healthcare Professional’s office, a hospital, an academic medical center, or any other facility allowed by state law. Notwithstanding the foregoing, neither Brainlab nor any of its employees or representatives may provide payment for meals directly to a Healthcare Professional at any CME event, third-party scientific or educational conference, or professional, regardless of whether such meals occur in a hospital, an academic medical center, or any other facility allowed by state law.

Continuing Medical Education. Brainlab may not sponsor or provide payments related to any continuing medical education program in the state of Massachusetts that does not meet the Standards For Commercial Support as established by the Accreditation Council for Continuing Medical Education (“ACCME”) or equivalent commercial support standards of the relevant continuing education accrediting body.

Informational Presentation, Product Evaluation Visit, Product Training. Brainlab may not pay or reimburse for Massachusetts Healthcare Professionals’ expenses, including travel and lodging-related expenses, related to information presentations or product evaluation visits. Brainlab may pay or reimburse for Massachusetts Healthcare Professionals’ expenses, including travel and lodging-related expenses, related to product training, if such obligation is included in a written sales agreement between the Healthcare Professional and Brainlab.

Record of Payments. Brainlab shall keep a record of the value, nature, purpose and particular recipient of any fee, payment, subsidy or other economic benefit with a value of at least \$50, which Brainlab provides to any Massachusetts licensed Healthcare Professional or hospital in connection with Brainlab’s sales and marketing activities. For purposes of calculating the \$50 threshold, fees, payments, subsidies and other economic benefits relating to separate events or transactions shall be calculated on an individual basis and shall not be aggregated. Fees, payments, subsidies and other economic benefits to Healthcare Professionals shall not be structured to circumvent the reporting requirements of this section.

III. Vermont Healthcare Professionals

In addition to the Code of Conduct and this United States Supplement, all Brainlab employees and representatives who participate in the sales, promotion, and marketing for and of Brainlab must abide by the following when interacting with Vermont licensed Healthcare Professionals or hospitals.

Allowable Expenditures and Gift. The following shall apply to all sales, promotion, and marketing for and of Brainlab in the state of Vermont:

“Allowable Expenditures” means

- Any payment to the sponsor of a significant educational, medical, scientific, or policy-making conference or seminar, provided: (i) the payment is not made directly to a Healthcare Professional, (ii) funding is used solely for bona fide educational purposes and (iii) all program content is objective, free from industry control, and does not promote specific products.
- Honoraria and payment of the expenses of a Healthcare Professional who serves on the faculty at a bona fide significant educational, medical, scientific, or policy-making conference or seminar, provided: (i) there is an explicit contract with specific deliverables which are restricted to medical issues, not marketing activities and (ii) the content of the presentation, including slides and written materials, is determined by the Healthcare Professional.
- Payments for a bona fide clinical trial, which include (i) gross compensation for the Vermont location or locations involved, (ii) direct salary support per principal investigator and other Healthcare Professionals per year and (iii) expenses paid on behalf of investigators or other Healthcare Professionals paid to review the clinical trial.
- Payment or reimbursement for the reasonable expenses, including travel and lodging-related expenses, necessary for technical training of individual Healthcare Professionals on the use of a medical device if the commitment to provide such expenses and the amounts or categories of reasonable expenses to be paid are described in a written agreement between the Healthcare Professional and Brainlab.
- Royalties and licensing fees paid to Healthcare Professionals in return for contractual rights to use or purchase a patented or otherwise legally recognized discovery for which the Healthcare Professional holds an ownership right.
- Payment for other reasonable fees, payments, subsidies, or other economic benefits provided by Brainlab at fair market value.

“Gift” means

- Anything of value provided to a Healthcare Professional for free.
- Any payment, food, travel, subscription, advance, service, or anything else of value provided to a Healthcare Professional, unless: (i) it is an Allowable Expenditure or (ii) the Healthcare Professional reimburses the cost at fair market value.

Provision of Meals. Neither Brainlab nor its employees or representatives may provide meals to a Vermont Healthcare Professional (regardless of the location of or the nature of the meal), unless the Healthcare Professional reimburses Brainlab for the fair market value of the meal.

Product Training. Brainlab may only provide payment of or reimbursement for the reasonable expenses, including travel and lodging-related expenses, necessary for technical training of individual Healthcare Professionals on the use of a medical device if the commitment to provide such expenses and the amounts or categories of reasonable expenses to be paid are described in a written agreement between the Healthcare Professional and Brainlab.

Equipment Loan Agreements. Brainlab’s Code of Conduct limits the duration of an equipment loan to two months (60) days, however, in no event shall any equipment loan to a Vermont licensed Healthcare Professional exceed three months (90 days).

Charitable and other donations. Brainlab may not make any monetary donations to a doctor or clinic or charitable donations to a hospital. Brainlab may not provide financial support for a fellowship for a residency, regardless of the circumstances.

Recordkeeping. Brainlab shall keep a record of the value, nature, purpose and particular recipient of any Allowable Expenditure or Gift, including product training expenses and equipment loan agreements, which Brainlab provides to any Healthcare Professional or to any academic institution or professional, educational, or patient organization representing or serving Healthcare Professionals or consumers, except (i) royalties and licensing fees as described above and (ii) rebates and discounts for prescribed products provided in the normal course of business.

IV. Research, Educational and Charitable Donations

Brainlab may provide research, educational and charitable donations, including grants, but not if the provision of such donations are made for the purpose of inducing the recipient or the recipient's organization to purchase Brainlab products. Any award of a donation must: (a) be based on objective criteria that do not take into account the volume or value of purchases made by, or anticipated from, the recipient; (b) not constitute an inducement to purchase Brainlab products or services; and (c) be appropriately documented.

Brainlab sales personnel may not control or influence the decision of whether a particular Healthcare Professional or institution will receive a donation or the amount of such donation.

Monetary or product research and educational donations may be made to support independent medical research with defined objectives or milestones, for the advancement of medical education of medical personnel, and for the advancement of public education.

Brainlab may make monetary or Brainlab product donations for charitable purposes, such as supporting indigent care, patient education, public education, or the sponsorship of events where the proceeds are intended for charitable purposes. Any charitable donation must be motivated by a bona fide charitable purpose and shall be made only to bona fide charitable organizations, or in rare circumstances to individual engage in genuine charitable activities for the support of a bona fide charitable mission.

No charitable donations shall be made to any organizations that are, to the best of Brainlab's knowledge after reasonable due diligence, controlled by a consultant, or an immediate family member of a consultant, or at which the consultant or an immediate family member of the consultant is employed.

Prior to the making of any donation, the Brainlab legal department should be consulted to ensure compliance with the foregoing.