



COMPLIANCE PROGRAM SUMMARY

Adopted: May 2017
Reviewed: May 2019

Our Compliance Program:

HealthTronics, Inc., together with its wholly-owned subsidiaries (collectively “HealthTronics”), is committed to the highest quality of patient care and conducting its business activities in full compliance with all applicable laws and in accordance with the highest standards of honesty, integrity, ethics, and professionalism. HealthTronics has implemented a Compliance Program (the “Compliance Program”) to reinforce this commitment and to promote legal compliance and ethical conduct by and among all employees and officers of HealthTronics. The Compliance Program is continually evolving to help identify and mitigate potential risks and prepare for new compliance related legislation and is reviewed on an annual basis.

The Compliance Program was established and is maintained in accordance with the compliance program guidance published by the Office of Inspector General, U.S. Department of Health and Human Services (HHS-OIG) as well as other relevant guidance and industry standards and the written standards referred to below should be read in connection with and are in addition to (and not in lieu of), all other HealthTronics policies and procedures.

HealthTronics’ compliance program facilitates the establishment of a culture that promotes the prevention, detection, and resolution of instances of conduct that do not conform to federal and state law, and federal, state and private payer health care program requirements, as well as our own ethical and business practices. All employees are required to comply with the Compliance Program.

Compliance Program Overview:

There are seven specific elements that comprise the Compliance Program and each element is designed to prevent, detect, and to respond to business conduct that does not conform to applicable laws or regulations.

I. Standards of Conduct

The development and distribution of written standards of conduct, as well as written policies and procedures that promote our commitment to compliance.

- The HealthTronics Code of Conduct provides guidance to ensure that all employees conduct themselves ethically and honestly at all times.
- The HealthTronics Compliance Plan Relating to Physician-Owned Entities sets forth standards and procedures that govern HealthTronics’ activities relating to its management of and investment in physician-owned entities.
- The AdvaMed Code of Ethics on Interactions with Healthcare Professionals (“AdvaMed Code”) has been adopted for any activities by employees on behalf of Endocare, Inc., our medical device manufacturing subsidiary.
- Policies and Procedures that address specific compliance risk areas are available to all employees and are reviewed on an annual basis.

II. Compliance Oversight

The designation of a Corporate Compliance Officer (“CCO”) who manages the operation of the program.

- The Corporate Compliance Officer is responsible for overseeing the development, operation, and monitoring of our Compliance Program. The CCO reports directly to the President.
- The Leadership Team – The CCO is an integral part of the Leadership Team, participates in Leadership Team meetings. The Leadership Team is fully committed and supportive of the Compliance Program and will assist the CCO with the ongoing implementation and oversight of the Program.
- The Board of Directors of our parent company, HealthTronics Holdings, Inc., fully supports all efforts to ensure corporate ethics and integrity throughout the organization and is fully committed to ensuring that the CCO has the ability to effectuate change within the organization, as necessary, and to exercise independent judgement. The CCO reports to the Board of Directors quarterly regarding the status of the Compliance Program and any other material issues as appropriate.

III. Education and Training

The development and implementation of regular, effective education and training programs for all employees.

- **General Training:** All employees are introduced to our Compliance Program during their on-boarding process. Orientation consists of a review of our Code of Conduct and a General Compliance training video. They are encouraged to familiarize themselves with the program and encouraged to bring compliance issues to the attention of their managers or to call the Compliance Officer. They are also given information about our 24 hour/ 7 days a week confidential reporting system.
- **Specific Training:** A critical element of our Compliance Program is education and training of relevant employees on their legal and ethical obligations under applicable federal and state health care program requirements, including, but not limited to, training on various interactions with health care professionals. Targeted education is provided for sales and marketing employees who interact with healthcare providers, contracting staff, and billing office staff. Education and training activities may include a combination of in-person seminars, computer-based training, and printed materials.

IV. Internal Lines of Communication

HealthTronics is committed to fostering dialogue between management and employees to help ensure that all individuals, when seeking answers to questions or reporting potential instances of noncompliance or misconduct, know whom to contact for a meaningful response and can do so without retribution. To meet this goal, HealthTronics has established a 24 hour/ 7 days per week compliance hotline to receive complaints and has adopted procedures to protect the anonymity of employees who make reports.

Compliance Hotline: phone number: **1-844-TEL-HTRN (1-844-835-4876)**
 Email address: Tell-HealthTronics@GetInTouch.com
 Web address: www.intouchwebsite.com/HealthTronics

Any form of retaliation or intimidation against an employee who makes a good-faith report of a suspected violation is prohibited. Employees who engage in retaliation or intimidation will be subject to disciplinary action, up to and including termination.

V. Auditing and Monitoring

Our Compliance Program includes efforts to monitor, audit, and evaluate compliance with our Code of Conduct, the AdvaMed Code, and our compliance policies and procedures. These efforts include, but are not limited to, evaluating whether there are policies and procedures addressing potential risk areas, whether the policies and procedures have been implemented and communicated, and whether the policies and procedures have been followed. We note that in accordance with the OIG Guidance, the nature of our review as well as the extent and frequency of our compliance monitoring and auditing varies according to a variety of factors, including new regulatory requirements, changes in business practices, and other considerations.

VI. Responding to Past and Potential Violations

The Compliance Officer shall ensure that all reports of noncompliance are thoroughly investigated, documented, and resolved and that indicated disciplinary actions are taken by appropriate management personnel. The Compliance Program includes procedures to screen potential employees, vendors, and physicians before they work with HealthTronics. HealthTronics will not knowingly do business with persons or organizations that have been excluded, debarred, suspended, deemed ineligible to participate in federal healthcare programs or engaged in a serious violation of HealthTronics policies or applicable law.

VII. Corrective Action Procedures:

If it is determined, after investigation, that noncompliant conduct occurred, the matter is forwarded to the appropriate parties for corrective and/or disciplinary action. Any violation of this Compliance Program or applicable laws and regulations is grounds for disciplinary action up to and including termination of employment and possible legal prosecution, imprisonment and fines.