

FCPA COMPLIANCE POLICY

1. BACKGROUND

<Biocare Medical, LLC> and its subsidiaries (collectively, the "Company") conducts its business in certain international locations. This can present the unique challenge of trying to observe local business customs while still complying with applicable U.S. and other laws prohibiting corruption. The U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws prohibit any payment or offer of payment to a "foreign official" for the purpose of influencing that official to assist in obtaining or retaining business for a company. The Company has established this policy in order to ensure that all employees of the Company, its agents, and its affiliates are aware of the FCPA and engage in ethical and legal practices. This policy is focused on the FCPA because of its broad application; however, it is the Company's policy to comply with all applicable anti-corruption laws.

2. POLICY STATEMENT

No Company director, officer, employee, or agent has authority to give or to offer anything of value to a "foreign official" or government employee, or to any person while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official or government employee, for the purpose of inducing that person to affect any government act or decision in a manner that will assist the Company or any of its subsidiaries or divisions in obtaining or retaining business. Furthermore, every officer, employee, and agent are obligated by this policy and federal law to keep books, records, and accounts that accurately and fairly reflect all transactions in and dispositions of Company assets.

3. OVERVIEW OF THE FCPA AND THIS POLICY

- a. Anti-Bribery Provisions. The FCPA generally applies to all US corporations, partnerships, and other business entities, as well as all persons acting on behalf of those entities. Regardless of the applicability of the FCPA or its jurisdictional reach, this policy applies to the Company and its subsidiaries, as well as its officers, directors, employees, agents, and shareholders. The FCPA and this policy prohibit any payment or offer of payment to a "foreign official" for the purpose of influencing that official to assist in obtaining or retaining business for a company.
- b. The FCPA and this policy apply to any act or event that is "in furtherance of" a payment to a foreign official. Further, the "payment" clause of the FCPA is broadly construed. It covers not only the actual payment of money but also an offer, promise or authorization of the payment of money and an offer, gift, promise or authorization of the giving of "anything of value." The FCPA and this policy also apply to payments to foreign political parties, officials of foreign political parties, and candidates for foreign political office.
- c. In addition to its anti-bribery provisions, the FCPA also imposes certain accounting requirements on companies. Specifically, the FCPA requires that a company maintain books, records, and accounts that, in reasonable detail, accurately reflect the transactions and dispositions of that company. This policy incorporates these record keeping requirements. In order to comply with these requirements, it is imperative that Company employees, agents and others acting on the Company's behalf maintain complete and accurate records with respect to all transactions and dispositions undertaken on behalf of the Company.

4. FUNDAMENTAL RESPONSIBILITIES

The consequences of failing to comply with the FCPA are very serious. Violation of the FCPA and related laws by a Company employee can result in millions of dollars in fines against the Company and can subject the employee to prosecution, criminal fines, and imprisonment, as well as disciplinary action by the Company, including dismissal. The FCPA states that fines and penalties imposed upon individuals may not be paid directly or indirectly by any corporation for which they may have acted. It is the responsibility of all members of senior management to supervise, monitor and train the employees under their supervision to ensure that the purposes of this policy are fulfilled. It is the responsibility of each employee to comply with this policy and with procedures and guidelines established in furtherance of this policy. Failure to comply with the policy is grounds for disciplinary action, up to and including termination.

5. POLICY REQUIREMENTS

The following requirements apply to all employees and anyone acting on behalf of the Company:

- a. Except as expressly provided elsewhere in this policy, no payment or gift of any kind may be promised, offered, or made to any of the following people:
 - i. a "foreign official," which is defined as any officer or employee of a foreign government or any department, agency, or instrumentality thereof, or of a public international organization
 - ii. Any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization;
 - iii. Any foreign political party or official thereof or any candidate for foreign political office; or any person acting on behalf of a foreign official, a foreign political party or official thereof, or a candidate for foreign political office.
- b. If there is any doubt about whether a person is a foreign official, the question must be raised with David Shanes, Vice President of Quality and Regulatory.
- c. Complete and accurate records sufficient to show compliance with the FCPA generally, and any other Company policies must be maintained at all times. This means, among other things, that when a payment is intended to go to a particular party or entity for a particular purpose, the records with respect to that payment must accurately reflect the true recipient and the true purpose of the payment.

6. OTHER CONSIDERATIONS

- a. **Facilitating Payments.** In certain parts of the world it is common for companies to pay low level government employees to expedite or secure the performance of a routine governmental action, such as to obtain a visa or a permit. Though these payments may be customary in certain parts of the world, these payments may violate U.S. law. You must obtain approval from the Chief Operating Officer, Morgan Porter, for any payment to any government official, no matter how common or ordinary the payment may appear.
- b. **Retaining Agents.** Because the actions of a third party acting as an agent or representative of a company can expose that company to liability under the FCPA, great care should be taken in the retention of such agents and representatives. A sufficient investigation should be undertaken to ensure that any such representative does not intend to engage in any improper practices. In determining whether to engage a particular representative, factors such as the representative's reputation and qualifications, the manner and reasonableness of compensation, the relationship, if any, between the owners and employees of the representative and a foreign official, the presence or absence of any secret partners, the willingness of the representative to fully disclose its relationship with us and the legality of the relationship under local law must be considered. <Consider whether to add in a specific due diligence policy or approval process>
- c. **Government-Owned Businesses.** In many countries it is a common practice for government officials to own or operate business enterprises. While the FCPA and related laws do not prohibit legitimate business relationships with business enterprises owned or controlled by foreign officials, great care must be taken to avoid any association with any such enterprise in circumstances that might constitute an evasion of the FCPA. If you intend to engage in business with a company that is owned by one or more government official or entities, you must contact the Vice President of Quality and Regulatory, David Shanes, for approval.
- d. **Retention of Professionals.** No person acting on behalf of the Company may enter into any transaction with agents, contractors, consultants, lawyers or other persons that is intended or designed to permit such persons to circumvent currency, tax or other laws of a foreign country. Any transaction that has the appearance of permitting any person to circumvent such laws must be avoided. Particular care must be taken in respect to "split payments" (i.e., payments for services that are made outside the country in which the services are performed, other than payments in the country in which the provider of the services is incorporated and has an established presence, or payments inside the country in other than the local currency).

7. REPORTING REQUIREMENTS

Any transaction, no matter how seemingly insignificant, that might give rise to a violation of the FCPA or this policy must promptly be reported to the Chief Communications Officer, Barbara North. Such report may also be made through the Company's confidential whistleblower reporting system. All such reports will be treated as confidential and will be shared with authorized individuals only on a need-to-know basis. As long as a report is made honestly and in good faith, the Company will take no adverse action against any person based on the making of such a report. Employees should note that the failure to report known or suspected wrongdoing of which an employee has knowledge may, by itself, subject that employee to disciplinary action.