

UOC USA INC. Physician Payment Sunshine Act Policy and Procedure

I. Purpose:

The purpose of this policy is to provide an explanation of and the procedure for the reporting of required expenditures made in connection with a health care professional or a medical teaching hospital pursuant to the Physician Payment Sunshine Act provisions contained in the Patient Protection and Affordable Care Act (the “Act”). The Act requires reporting of certain amounts spent on certain health care professionals by, among other entities, medical device manufacturers who sell their products in the United States. Reporting must be made on an annual basis to the Center for Medicare and Medicaid Services (“CMS”) Open Payment Website. The Act is intended to increase transparency of the relationships between physicians and the medical device and pharmaceutical communities and provides significant fines and penalties for a failure to report as required by it. It is UOC’s intention to abide by each and every of the applicable requirements contained in the Act and it is the expectation of UOC that all of its employees and independent contractors will behave accordingly.

II. Scope:

This Physician Payment Sunshine Act Policy and Procedure (the “Policy”) applies to all UOC personnel, employees and independent contractors alike, who come into contact with Health Care Professionals in the course of their work for UOC. Anyone having the potential to interface with Health Care Professionals during the course and scope of their employment or their provision of services for UOC will be bound by the terms and provisions of the Policy. “UOC Personnel” as that term is used herein means any UOC employee or independent contractor subject to the terms and provisions of this Policy.

III. Amounts Required to be Reported:

Reportable spend includes any dollar amounts expended on any Covered Recipient as defined below in connection with the sales and marketing of, or educational initiatives relating to any UOC product, as well as in connection with any design development, or consulting services provided by a Health Care Professional to UOC. This includes without limitation amounts spent on meals (including business dinners and light meals provided in connection with an educational in-service session), travel, educational gifts, consulting fees, royalties, and all other amounts which are spent directly or indirectly on a Covered Recipient. “Covered Recipient” includes the following Health Care Professionals and entities that are potential customers of UOC: 1) Medical Doctors (MDs); 2) Doctors of Osteopathy (DOs); and 3) Medical Teaching Institutions

IV. Procedure for Reporting Applicable Expenditures:

The Procedure for reporting expenditures on customers and potential customers made by UOC Personnel in the sales field is as follows:

1. Notices to the Sales Field:

- a. On the 5th day of each month each individual who has a reporting obligation will be sent an alert that the prior months sunshine act expense report may now be submitted on or before the 15th business day of the month;
- b. On the 10th business day of the month an alert will be sent to all applicable individuals which reminds them that their prior month sunshine act expense

reports have not been received and are due on or before the 15th business day of the month;

- c. On the 15th business day of the month an alert will be sent to all applicable individuals which reminds them that their report for the prior month sunshine act expenses are due immediately;
- d. On the 16th business day of the month reports outstanding are considered late and commissions shall be held for a period equal to each business day that the report remains outstanding. See *Penalties and Sanctions for Failing to Report*; and
- e. E-mails *may* be sent thereafter indicating which reports are still outstanding, however UOC has no obligation to send such reminders. If sent, these reminders will be a courtesy only and shall not be required in the future.

2. *Reporting Procedure*

- a. All UOC Personnel required to file monthly reports will be provided an electronic report via DocuSign, which shall be used to provide and submit all required information. The information necessary for a complete reporting is contained in the electronic spreadsheet and any questions regarding such information should be directed to UOC's Executive Administrative Assistant or her designee. Each month's report must be signed and dated by the UOC Personnel submitting same.
- b. In the event that any UOC Personnel has no expenditures to report, such individual(s) must provide UOC with a signed certification confirming no spend. The certification language and signature line are found on the Excel Spreadsheet referenced above. A failure to provide a certification as required hereunder is considered the same as failing to report any qualifying expenditure.

3. *Penalties and Sanctions for Failing to Report*

Any UOC Personnel who has a reporting requirement hereunder but fails to report in a timely fashion will be subject to disciplinary action. In the event that the UOC Personnel failing to properly report is compensated with commissions, monthly commissions in the month in which the failure to properly report happens will be withheld for a period equal to the amount of time the reporting information was late. For purposes of calculating this time period, each calendar day after the 15th business day of the month shall count as one (1) day. Accordingly, a report or certification that is not provided to UOC for a period of five (5) calendar days after the 25th business day of the month shall result in a delay of five (5) calendar days for the payment of commissions to the offending party. In the event that the UOC Personnel who fails to properly report is not compensated with commissions, remedial action will be taken in the discretion of the President or his designee up to and including termination.

V. *Amendments and Updates*

It is anticipated that UOC along with other medical device manufacturers and other entities to whom the Act applies, will receive continued guidance from the government, including without limitation CMS, which guidance shall impact the content of this Policy. All amendments and modifications to this Policy will be provided in writing to each individual with a reporting obligation and all modifications will be applicable immediately unless otherwise expressly stated in such amendment or modification. A failure to comply with any updated requirement contained in this Policy will subject the non-compliant UOC Personnel to the penalties and sanctions outlined herein.