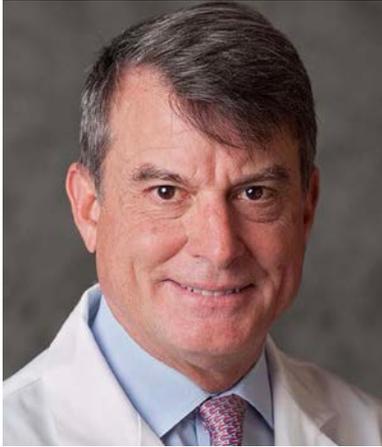


# Code of Business Conduct

Ermi 

# A Message from Dr. Branch



Since being founded in 1992, Ermi has made a significant impact on the health of our patients and has been their trusted partner. Our commitment to compliance and integrity-based business practices have enhanced the quality of care for our patients, driven innovation in our products and strengthened our reputation.

Our Code of Business Conduct establishes a culture of integrity and promotes an environment of “doing the right thing.” It is more than a set of rules, it allows us to put our values into action and helps us make the right decisions every day. Our individual and collective actions uphold and support our culture of organizational ethics which helps us serve our patients with integrity, respect our co-workers, seek guidance and share concerns without fear. Thank you for helping us to adopt and put into action the principles that will continue to support our success long into the future.

Sincerely,

**Thomas Branch, M.D.**

**President and CEO**

# I. Our Core Values

## Patient-Driven Excellence

We are passionate and dedicated to improving motion among disabled workers, veterans, recreational and elite athletes, everyday people, and seniors. We strive to understand the expectations of today's patients and to anticipate the desires of tomorrow's. Our service levels shall exceed our patients' standards for excellence. We value continuous improvement in products, services and processes and we align our strategic direction with our patients' needs. We focus on key results and creating value for our patients, our employees, our partners, and our community. Success now and in the future will rely on providing outstanding patient experiences.

## Integrity, Public Responsibility and Citizenship

Our Code of Business Conduct is part of our way of life at Ermi. We are good corporate citizens who want to "do the right thing" because it is the right thing to do. The successful business operation and reputation of Ermi is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. Our continued success is dependent upon our patients' trust, and we are dedicated to preserving that trust. Employees owe a duty to Ermi and our patients to act in ways that will merit the continued trust and confidence of the public. As an organization, Ermi will comply with all applicable laws and regulations, and we expect our employees to conduct business in accordance with the letter, spirit and intent of all relevant laws and to refrain from any illegal, dishonest or unethical conduct. In general, you should find that using good judgment, based on high ethical principles, will guide you to act appropriately.

## Know Our Code

Our Code of Business Conduct has been established by Ermi's Board of Directors and has the support of the Board and senior management. No one is exempt from the application of our Code, and failure to comply with our Code may subject you to disciplinary actions, up to and including termination. All employees are responsible for knowing, understanding and complying with our Code, as well as with all applicable laws and regulations and Ermi policies and procedures. Our Code provides a framework for putting Ermi's values and obligations into action. Other corporate policies and practices, as well as good common sense, should guide your conduct. Our conduct is our own responsibility. We must never engage in unethical, fraudulent, dishonest or illegal acts, even if directed to do so by a supervisor or coworker, nor direct others to act improperly. Ermi's Senior leadership and Board of Directors are committed to providing avenues through which ethical issues may be raised, reviewed and resolved openly and honestly. If you are unsure about the proper course of action, you should discuss the matter openly with your immediate supervisor, the Human Resources department or the Compliance department. It is the responsibility of every employee to comply with our policy of business ethics and conduct and failure to do so could lead to disciplinary action, up to and including possible termination of employment.



# II. Compliance With Our Code

## Management Responsibility

Management has a special responsibility for the implementation of the Ermi Code of Business Conduct and will be measured in performance for:

- Embracing our Code and serving as a role model;
- Maintaining a workplace environment supportive of our Code; and
- Ensuring that employees receive the training and guidance required to be knowledgeable and understanding of our Code.



## Reporting Suspected Violations

All employees have an obligation to report any actual or suspected violation of the Ermi Code of Business Conduct. Those who report an actual or suspected violation in good faith will be protected from retaliation. Reporting actual or suspected violations is not an act of disloyalty. Rather, it shows responsibility and fairness to other employees and our patients and protects Ermi's reputation and assets. Employees who seek guidance or want to report an actual or suspected violation in a confidential manner without fear of retaliation should contact the Ermi Ethics Hotline at +1 866 528-4711 or at [ermi.ethicspoint.com](http://ermi.ethicspoint.com). It is not necessary to identify yourself when calling the Ethics Hotline. However, you will need to provide enough information about the incident or circumstance to allow the Compliance department to initiate an investigation.

It is Ermi's policy to investigate all reports of suspected or actual violations of the Code of Business Conduct and to preserve the anonymity of anyone who reports unethical or fraudulent activity, subject to limits imposed by law. All reports are treated confidentially and every attempt will be made to protect the identity of the employee who reports the issue or incident. When a report of a potential or suspected violation of our Code is made, the Compliance or Human Resources departments will initiate appropriate action to review and/or investigate the reported matter. Employees are expected to cooperate fully during an investigation. Any employee who violates our Code or internal policies and procedures is subject to disciplinary action imposed by management.

If you have reason to believe that your issue has not been addressed or resolved you have both the right and responsibility to contact the Joint Commission at 800-994-6610.

# Non-Retaliation Policy (“Whistleblower Protection”)

Any employee who reports, in good faith, any alleged act of misconduct will not be subject to retaliation or retribution. Any employee, regardless of seniority or status, engaging in retaliatory activity will be subject to discipline, up to and including termination.

## Discipline

Disciplinary action may be taken for a variety of actions and circumstances including, but not limited to:

- Authorizing or participating in any actions that violate our Code or violate Ermi policies and/or procedures;
- Authorizing or participating in any actions that violate federal or state laws or regulations;
- Failing to report a possible violation of our Code, other Ermi policies and procedures, or laws or regulations;
- Refusing to cooperate in the investigation of a potential violation of our Code, other Ermi policies and procedures, or laws or regulations;
- Disclosing confidential information about an investigation;
- Failing, as a violator’s supervisor(s), to detect and report a violation, if such failure reflects inadequate oversight;
- Retaliating against an individual for reporting a potential violation of our Code, other Ermi policies and procedures, or laws or regulations; and
- Intentionally making false reports of misconduct or violation of our Code, other Ermi policies and procedures, or laws or regulations.

The degree of disciplinary action will depend on the nature of the violation and circumstances involved, at the sole discretion of leadership.

## Resources

When you have a question or concern about the Ermi Code of Business Conduct or need to report or discuss issues related to a possible violation of the Code, policies and procedures, or an ethical dilemma, you can contact your supervisor, or the Human Resources or Compliance departments. Your supervisor is responsible for knowing and demonstrating compliance with our Code, applicable laws and regulations, operational policies and procedures and accounting standards within his or her area of operation. Your supervisor is the primary contact to answer questions and provide direction regarding compliance concerns and operational policies and procedures. If you do not feel comfortable talking with your supervisor about a potential compliance concern, you may also contact the Human Resources or Compliance departments or you may report your concern using the Ermi Ethics Hotline at +1 866 528-4711 or at [ermi.ethicspoint.com](http://ermi.ethicspoint.com).

## Compliance Program

Ermi has adopted a detailed Compliance Program that provides additional information regarding each employee’s obligation to comply with all federal and state legal standards applicable to Ermi and the actions to be taken by Ermi to promote compliance and address suspected compliance violations. All employees are required to familiarize themselves with the requirements of the Compliance Program. A copy of the Compliance Program is available on Ermi’s Intranet and paper copies may be obtained from the Human Resources and Compliance departments.



# III. Conflicts of Interest and Ethical Business Conduct

## Prohibition of Conflicts of Interest

Ermi employees must discharge their responsibilities in a manner that furthers the interests of the company and must not compromise those interests due to actual or perceived conflicting interests with other business or personal concerns. As an employee, you must disclose any situation where a conflict could occur, exist or appear to exist between your personal interests and those of Ermi. A conflict of interest arises when the personal interests or activities of an employee appear to influence, or may influence, that employee's ability to act in the best interests of Ermi. Upon hire and annually thereafter, the Board of Directors and all employees are required to complete a Conflict of Interest Disclosure Statement. If you are uncertain about whether an actual or potential conflict of interest exists, promptly disclose and discuss the situation with your supervisor. Generally, a conflict of interest can be avoided or resolved if it is disclosed in advance. The Compliance department will ensure that Conflict of Interest Disclosure Statements are distributed and completed in a timely manner. The Compliance department will review all Conflict of Interest Disclosure Statements and recommend actions to avoid or resolve all disclosed real or potential conflicts of interest. In addition, if an actual or potential conflict of interest arises at another time, you are required to disclose it to your supervisor or the Compliance department within 10 days of learning of it.

## Conflicts

All personal financial interests (as defined in Ermi's Conflict of Interest Policy), outside employment and other activities must not conflict with your obligations to Ermi and must be disclosed either in your Conflict of Interest Disclosure Statement or to your supervisor or the Compliance department. Also, you may not use company time, name, influence, assets, facilities, materials, or the services of other employees for any outside activities.

## Kickbacks and Rebates

Purchase or sale of goods and services must not lead to the receipt of "kickbacks" or rebates by Ermi, its personnel or their families. Generally, "kickbacks" or rebates can take many forms and are not limited to direct cash payments or credits. In general, if you or your family stand to gain personally through the transaction, it is prohibited. Such practices are not only unethical but are, in many cases, illegal. Reasonable and standard commercial rebates paid in the ordinary course of business are permitted, however.



## Federal Anti-Kickback Statutes

Federal anti-kickback statutes impose severe criminal, civil and monetary penalties on individuals who offer a kickback and on any company that solicits or accepts kickbacks. Under Federal law, a “kickback” is any money, fee, commission, credit, gift, gratuity, thing of value or compensation of any kind, which is provided, directly or indirectly, to any government contractor, government contractor employee, subcontractor or subcontractor employee to improperly obtain or reward favorable treatment in connection with a government contract or a subcontract relating to a government contract or relating to any circumstances where federal health care dollars are involved. Under no circumstances shall any Ermi employee accept or give kickbacks when obtaining or awarding contracts, services, referrals, goods, or business involving any item or service payable by the Federal health care programs, such as Medicare, Medicaid and the Veterans Administration.

## Gifts and Special Courtesies

Ermi obtains business on the merits of its products, services and people. When business decisions are made for Ermi, employees must make those decisions with honesty, integrity, independence, and objectivity of judgment that must not be compromised. Modest gifts and entertainment are a part of normal business courtesy. Ermi employees should always use good judgment and discretion to avoid even the appearance of impropriety or obligation. Ermi employees should be certain that any gift given or received or entertainment hosted or attended does not violate the law, customary business practices or Ermi policies.



## Business Entertainment

Ermi recognizes that business entertainment is an element of its ongoing relationship with its current business partners and future business prospects. You may accept business-related entertainment if in doing so you are acting in the best interests of Ermi and in accepting you do not create the perception that a business decision could be influenced. Similarly, you may offer business-related entertainment if in doing so you are acting in the best interest of Ermi and the entertainment is offered in the ordinary course of business. Business entertainment includes, but is not limited to, meals, charitable and sporting events, golf, parties, plays, concerts, and events where business matters are discussed, but where it is apparent that the event is not intended solely as a business meeting. During these types of occasions, Ermi employees are expected to exercise good judgment and act in a socially appropriate manner. Before participating in business entertainment, employees should consult Ermi’s policies (specifically business expense reimbursement and travel policy as well as other applicable policies) and their manager for specific requirements regarding allowable expenses, required documentation and reimbursement protocols and procedures.

## Gifts, Special Courtesies and Business Entertainment and Government Employees

State and federal laws regarding gifts, gratuities, and payments to or by government employees are varied and complex. As a general rule, no payments of money, gifts, services, entertainment or anything of value may be offered to, made available to or accepted from, directly or indirectly, any state or federal governmental official or employee. Consult the Ermi Conflicts of Interest Policy, your supervisor or the Compliance department before offering anything to, or accepting anything from, a government employee, even the most modest of items and refreshments.

## Appearance of Impropriety

There may be occasions when the acceptance of a business courtesy appears to comply with our Code but, because of the circumstances surrounding the courtesy, acceptance of the courtesy would be inappropriate. It is Ermi's policy not to accept business courtesies of any value, however small, where such acceptance could have the appearance of conferring or rewarding favorable treatment to Ermi. Employees are expected to use sound judgment when accepting business courtesies and to avoid all situations that could give rise to the appearance of impropriety.

## Fair Business Practices

It is the responsibility of each employee to deal fairly with Ermi's customers, patients, suppliers, competitors, and employees. Employees must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other kind of unfair dealing. You must avoid disparaging our competitors or improperly seeking their trade secrets or other confidential information. In short, you must always conform to the highest standards of ethical conduct. Questions about specific prohibited practices should be directed to your supervisor or a member of the Compliance department.



## Specific Guidelines On Pricing

One of our more important decisions as an organization is what to charge for our products and services. We must make these decisions alone, without collaborating with any competitor. You must not engage in conduct, however innocent, that creates the impression of collaborating with a competitor on pricing. Specifically, you must never create or participate, either formally or informally in any understanding, agreement or plan with any competitor concerning:

- Our prices or their prices;
- Pricing policies;
- Fees; and
- The terms and conditions of sale of any service or product.

Additionally, you must not exchange or discuss with competitors, nor consult with them about any of the following:

- Prices;
- Terms or conditions of any sale; and
- Any other competitive information.



## Procurement Integrity

The Procurement Integrity Act and Federal Acquisition Regulations restrict the activities of contractors and those individuals or companies seeking contracts with the government. Ermi employees must not:

- Offer gifts to government officials or competing contractors;
- Discuss future employment possibilities with government officials or competing contractors; and
- Solicit or obtain any proprietary information about competitors or source selection information from government officials. Such information includes, but is not limited to:
  - Proposed prices submitted in response to a solicitation or lists of those proposed prices;
  - Source selection plans and other information marked as source selection information;
  - Technical evaluation plans;
  - Ermi or competitor's proposed prices or costs;
  - Ermi or competitor's proprietary information about approaches, processes, operations or techniques; and
  - Ermi or competitor's information identified as contractor bid, proposal information or restricted data, in accordance with applicable laws or regulations.

## Business Agreements

All business arrangements must be in writing and must clearly and accurately state the services to be performed, the basis for earning the commission or fee, and the rate or fee. Further, all such arrangements must contain appropriate confidentiality provisions, including but not limited to HIPAA Business Associate provisions where applicable. Only employees specifically authorized by corporate policy may sign or enter into a contract or agreement on behalf of Ermi.

## Relationship with Outside Accountants

Employees are prohibited from taking any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements of Ermi or any subsidiary or affiliate for the purpose of rendering such financial statements materially misleading.



# Requests for Information from Government Agencies

Ermi must always provide accurate and complete information to government agencies. Employees must never make false or misleading statements, whether oral or written, to any government official or agency. Employees also must never attempt to persuade another Ermi employee, or any other person, to provide false or misleading information to a government official or agency. Employees must always follow Ermi's Records Management Policy. If you are approached by any person who identifies himself or herself as a government investigator, you should contact the Compliance department immediately. A representative of the Compliance department will then assist you in following proper procedures for cooperating with the investigation. Employees should not feel pressured to talk to a government investigator without first contacting the Compliance department.

## Medicare Fraud, Waste and Abuse

Employees must comply with the provisions of federal law designed to prevent and detect fraud, waste and abuse in connection with the Medicare program. Federal law prohibits the submission of false eligibility statements and claims to Medicare, including excessive claims, claims for unnecessary services and for unrendered services. The law also prohibits kickbacks in return for referrals for items or services paid for under the Medicare system. Criminal penalties and civil fines can be levied on any person or business submitting a Medicare claim when the claim is false, fraudulent or misleading. If employees detect or suspect fraud, waste or abuse in connection with the Medicare program, they should notify their supervisor or the Compliance department. Employees may also report Medicare fraud, waste and abuse using Ermi's Ethics Hotline at +1 866 528-4711 or at [ermi.ethicspoint.com](http://ermi.ethicspoint.com). Additional requirements pertaining to the Medicare program are included in the Ermi Compliance Program Manual available on Ermi Intranet.



# IV. The Ermi Work Environment

## Our Work Environment

Our work environment affects the way we perform our jobs. When we work in an atmosphere of honesty and respect, relationships with our coworkers, patients, physicians, and other business partners are enhanced. Ermi is committed to complying with all laws and regulations affecting safety, health and the work environment and to providing a workplace that is safe and promotes our employees' health.



## Drug Policy

Ermi is committed to providing a drug-free workplace, thereby helping to ensure a safe and healthy work environment. Employees, agents, contractors, vendors, and visitors are prohibited from the unlawful manufacture, distribution, dispensation, possession, or use of controlled substances on Ermi owned or leased property, or while representing Ermi at any time. Additionally, no employee shall report to work or enter Ermi property while under the influence of illegal drugs or a prescription medication without a valid prescription. Further, no employee may engage in the possession, use, solicitation for, or sale of legal or illegal drugs away from Ermi property or outside of Ermi time, if such activity or involvement adversely affects the employee's work performance, the safety of the employee or of others or puts Ermi's reputation at risk. Any employee may voluntarily seek help for a drug problem from the Human Resources department or the Employee Assistance Program. All requests for such help will be strictly confidential. The employee will be referred to appropriate counseling or medical facilities for assistance and may submit bills for payment in accordance with the employees' health insurance plan. The employee may take a leave for such treatment in accordance with Ermi's leave policy.

## Alcohol Policy

No employee shall report to work while under the influence of alcohol. Further, no employee may engage in the possession, use, solicitation for, or sale of alcohol away from Ermi property or outside of Ermi time, if such activity or involvement adversely affects the employee's work performance, the safety of the employee or of others or puts Ermi's reputation at risk. Any employee may voluntarily seek help for an alcohol problem from the Human Resources department or the Employee Assistance Program. All requests for such help will be strictly confidential. The employee will be referred to appropriate counseling or medical facilities for assistance and may submit bills for payment in accordance with the employees' health insurance plan. The employee may take a leave for such treatment in accordance with Ermi's leave policy.

## Other Activities

Ermi prohibits other activities, including:

- Possession of or displaying firearms, explosives or other weapons on Ermi owned or leased property or while on Ermi time;
- Acts of physical intimidation, assault or threats of violence on Ermi owned or leased property or while on Ermi time; and
- Any act violating federal, state or local law.

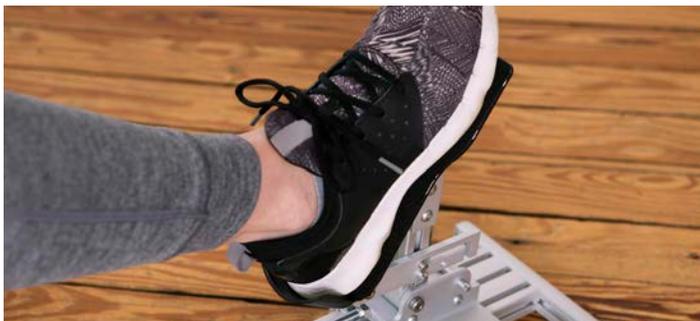
Please refer to the Employee Handbook and the Personnel Policies posted on Ermi's Intranet site for additional discussion on prohibited activities and behavior.

## Employee Security

Ermi will attempt to protect employees and their property while on Ermi premises by providing a secure building. However, employees must exercise reasonable care for their own protection and that of their personal property. All employees must adhere to Ermi policies and procedures regarding security.

## Qualification of Ermi Employees

It is Ermi's policy to make reasonable inquiry into the background of all candidates considered for employment, including temporary employees. Such inquiry may include, but is not limited to, whether the candidate has been convicted of any felony, has been debarred by a federal agency or is otherwise ineligible from participating in a federal health care program, or is a designated national narcotics trafficker or terrorist as defined by the Office of Foreign Asset Control, United States Department of Treasury.



## Misconduct Off the Job

Employees must avoid conduct off the job that could impair work performance or affect Ermi's reputation or business interests. Moreover, federal and state law may prohibit Ermi from employing persons convicted of certain crimes. Consequently, employees must promptly report to the Director of Human Resources or the Compliance department:

- Any arrest pending final resolution or conviction for any felony;
- Any arrest pending final resolution or conviction for a crime involving dishonesty or assault, or
- Any other arrest pending final resolution or conviction which may affect your ability to perform your job or otherwise affect Ermi's business interests, including without limitation any arrest or other sanction that would preclude you from participating in a federal health care program.

## Employment of Government Personnel

Due to conflict of interest laws and regulations, Ermi may not recruit or hire certain current or former federal government employees. The laws and regulations apply not only to individuals Ermi hires as employees, but also to individuals retained as consultants. Contact the Human Resources or Compliance departments before discussing employment with a current or former federal government employee.



## Equal Employment Opportunity

It is the policy of Ermi to provide equal employment opportunities to individuals who are qualified to perform job requirements, regardless of their race, color, gender (including gender identity and gender expression), sexual orientation, religion, ancestry, national origin, age, disability, pregnancy, medical condition, genetic information, marital status, military and veteran status or any other consideration made unlawful by federal, state, or local laws. Equal opportunities shall be provided in all aspects of the employment relationship, including recruitment, hiring, work assignment, promotion, transfer, termination, wage and salary administration, and selection for training. Ermi does not practice, tolerate or condone discrimination based on race, color, gender (including gender identity and gender expression), sexual orientation, religion, ancestry, national origin, age, disability, pregnancy, medical condition, genetic information, marital status, military and veteran status or any other consideration made unlawful by federal, state, or local laws. Additionally, Ermi communicates its equal opportunity policy to the public to make the community aware that equal opportunities are available on the basis of individual merit. The structure and composition of the Ermi equal opportunity process complies with pertinent federal and state laws and regulations. In conducting business on behalf of Ermi you must always be aware of our policies on equal employment opportunities and act consistently with them.

## Discrimination or Harassment

Ermi is committed to a work environment in which all individuals are treated with respect and dignity. Therefore, any form of discrimination or harassment in the workplace is prohibited. It is Ermi's policy not to tolerate discrimination or harassment of individuals based on race, color, gender (including gender identity and gender expression), sexual orientation, religion, ancestry, national origin, age, disability, pregnancy, medical condition, genetic information, marital status, military and veteran status or any other consideration made unlawful by federal, state, or local laws. Ermi will not tolerate sexual advances, actions, comments, or any other conduct in the workplace that creates an intimidating, hostile or otherwise offensive atmosphere. Ermi has adopted a comprehensive policy on sexual harassment, which you are required to follow. If you believe that you have been subject to discrimination or harassment of any kind, you must report the situation to your supervisor or the Human Resources or Compliance departments. You do not need to follow the "chain of command" when reporting discrimination or harassment. All complaints will be investigated.

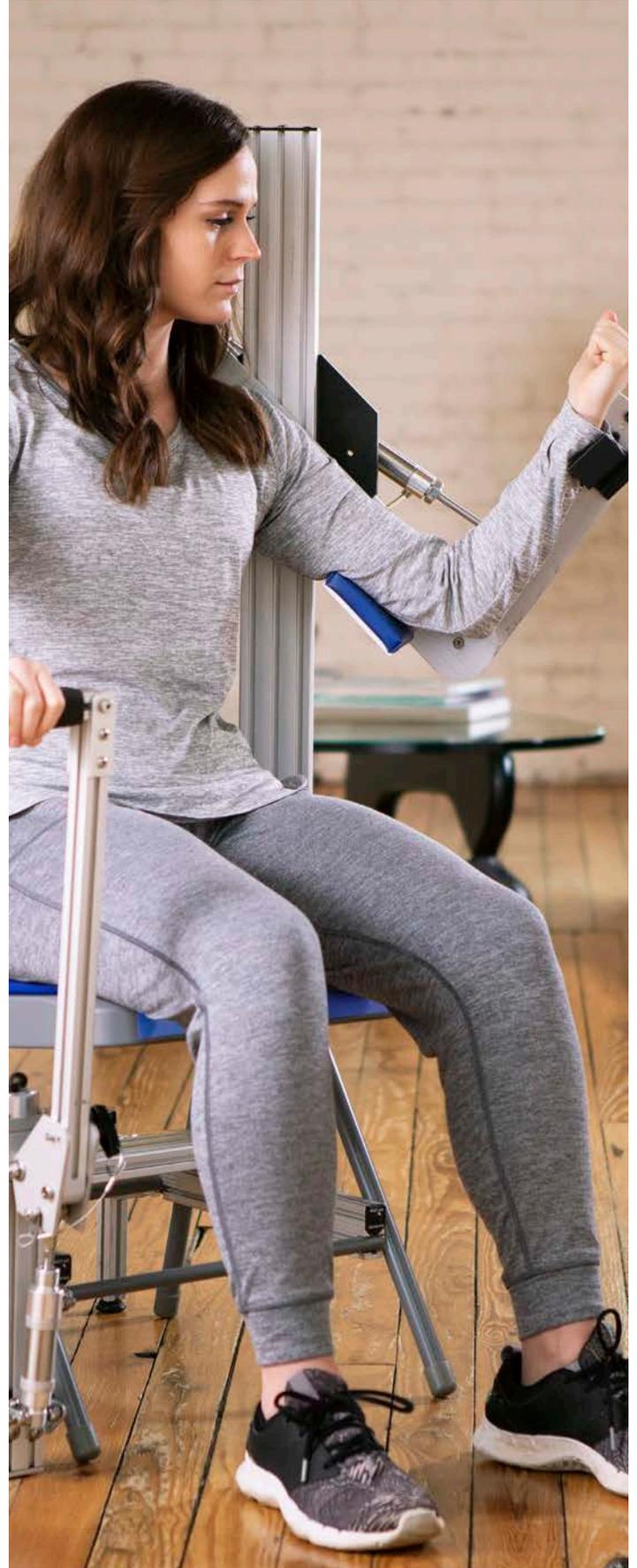


# Human Trafficking

Ermi supports the United States government in its effort to eliminate human trafficking and complies with FAR 52.222-50. Ermi notifies all employees and contractors annually of the Federal government's policy prohibiting: (A) sex trafficking where a commercial sex act is induced by force, fraud or coercion or where the person induced to perform is a minor; (B) the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery; and (C) procuring commercial sex acts. Ermi will report any credible information it receives that alleges an employee or contractor has violated the government's policy and will take discipline against an employee or contractor who violates the policy, which may include, but is not limited to, termination of employment.

## Employee Handbook and Other Personnel Policies

Employees are required to read and be familiar with Ermi's Employee Handbook and other Personnel Policies, and should refer to the policies and procedures posted on Ermi's Intranet for additional discussion on work environment issues, including prohibited activities and behavior, employee security, discrimination, harassment, hiring, and equal opportunity.



# V. Protecting Ermi's Assets

## Ermi Assets Must Be Used Only for the Benefit of Ermi

Ermi has a variety of assets that are of great value to our competitiveness and success. They include not only valuable confidential and proprietary information, but also physical assets. Loss, theft or misuse of Ermi's assets jeopardizes our future and protection of them is very important. Every employee is responsible for safeguarding Ermi assets and ensuring they are used only for valid business purposes. These assets must not be improperly used to provide personal gain for Ermi employees or others.

This section supplements, but does not replace, Ermi's Confidentiality Policy, as amended from time to time. Questions regarding confidentiality should be directed to the Compliance department.



## Confidential and Proprietary Information – About Our Business

Employees must use or share Ermi confidential and proprietary information in accordance with established Ermi Confidentiality Policies and Procedures. Confidential and proprietary information includes any information that is generally not disclosed to individuals outside of Ermi or any information that could be useful to our competitors. Employees must ensure that Ermi confidential and proprietary information is used only in connection with legitimate business purposes and any information gained through your employment must not be inappropriately disclosed at any time. These obligations apply even if your employment ends with Ermi. All employees are required to read, understand and remain familiar with Ermi's Confidentiality Policy and sign a Confidentiality Statement and Agreement upon hire and annually. Examples of Ermi confidential and proprietary information include, but are not limited to:

- Financial data/projected earnings;
- Information system/technical designs;
- Sales figures;
- Trade secrets;
- Third party contracts/proposed contracts;
- Marketing plans/strategies;
- Lists of suppliers/customers;
- Product design and development;
- Pricing policies;
- Business forecasts/strategies; and
- Personal data.

In the event that we obtain confidential information about any of our customers, we should protect the confidentiality of that information in the same way that we protect our own confidential information.

## Confidential Information – About Our Patients

As a Ermi employee, you may have access to confidential patient information. The Health Insurance Portability and Accountability Act, known as HIPAA, and the related Health Information Technology for Economic and Clinical Health Act prohibit unauthorized disclosure of our patients' protected health information ("PHI"), and Ermi policies and procedures must be followed when dealing with PHI. Additionally, Ermi's patients expect us to keep sensitive information confidential just as we would expect the same from companies with which we deal as individuals. The use of confidential patient information for any reason other than serving our customers and patients not only violates Ermi's policies, but may also violate other state and federal privacy laws. We must all strive to help ensure that we maintain the trust that our patients place in us. Examples of confidential patient information include, but are not limited to:

- Name;
- Birth date;
- Health status;
- Medical history;
- Address;
- Provider/facility information;
- Telephone number;
- Diagnosis codes;
- Social security number/certificate number;
- Medical claim information;
- Financial/banking information; and
- Individually identifiable information.



## Confidential Information – About Our Employees

Confidential Ermi employee information must not be revealed to anyone, including other employees, except when necessary for legitimate business purposes or when legally mandated. Confidential employee information includes, but is not limited to:

- Wage and salary data;
- Employment agreements;
- Financial/banking information; and
- Social security numbers.

## Confidential Information – Related to Government Contracts

Much of the information pertaining to a government contract (federal, state and local) is considered government property. Certain local, state and Federal laws prohibit unauthorized use or disclosure of this information. Employees who receive requests for confidential information should forward the inquiries to their supervisor or the Compliance department.



# VI. Use of Ermi's Assets

Ermi funds and property are to be used for conducting Ermi's business or for purposes authorized by management. Ermi's funds and property include, but are not limited to:

- Company time;
- Documents, data and records;
- Cash, checks and drafts;
- Fax machines;
- Buildings, furniture and fixtures;
- Vehicles;
- Telephones;
- Company-issued smart phones, tablets and computers;
- Office supplies;
- Copiers;
- Computer hardware and software; and
- Email, Internet and Intranet.

Employees, contractors, agents, temporaries, and consultants are expected to use Ermi's assets in a professional, productive, ethical, and lawful manner consistent with Ermi's policies. Employees are prohibited from using Ermi property and information and the employee's position with Ermi for personal gain or for the gain of an immediate family member. Employees are prohibited from taking for themselves personally or for their immediate family members opportunities that are discovered through the use of Ermi property, information or position and that properly belong to Ermi.



## Electronic Assets

We must follow the internal controls that Ermi has established to safeguard the integrity of its electronic assets. For example, the unauthorized sharing or improper use of passwords, access codes or log-ons is prohibited. Employees may not illegally copy software or use illegal or unauthorized software on the Ermi computer network. Ermi email, Internet, Intranet, telephone, voice mail system, fax equipment, and other electronic means are Ermi assets to be used for legitimate business purposes or for purposes authorized by management. All original content appearing on the Ermi Internet and Intranet sites is the property of Ermi and should not be copied or used other than for Ermi business purposes. Ermi reserves, and may exercise, the right to review, audit, investigate, intercept, access, and disclose any use of the computer, email or Internet systems, including all messages created, received or sent via email for any purpose. Access by management is permitted without the consent of the employee and without giving prior notice to the employee.

Ermi's assets may not be used for any illegal activity, personal gain, soliciting of personal business, selling any products, or the advancement of individual views or harassment of any type. Employees are prohibited from sending any communications that include remarks about race, religion, sexual orientation, gender (including gender identity and gender expression), national origin, age, disability or physical attributes. Prohibited uses of Ermi's electronic assets include, but are not limited to:

- Creating, viewing, receiving, sending, or downloading chain email;
- Jokes;
- Sexually explicit material; and
- Communications that are inappropriate, inflammatory or derogatory.

## Recording and Reporting Information

Ermi maintains a system of internal controls designed to provide reasonable assurance that transactions are executed in accordance with management's authorization and are properly recorded. All employees are expected to adhere strictly to these policies and procedures. Accurate and complete records are vital to the corporate decision-making process and to the collection and reporting of our financial, legal and regulatory data. Each employee bears responsibility for record accuracy and timely reporting and may not engage in any activity that purposefully leads to making false or fictitious entries into corporate records or reports. Such records include, but are not limited to:

- Expense accounts;
- Vouchers;
- Invoices, purchase orders, and bills;
- Payroll and service records;
- Performance records;
- Financial statements;
- Periodic and current reports;
- Proposals;
- Budgets; and
- Workload reports.

False, incomplete or intentionally misleading entries or reports are not permitted and all accounting entries must be made in accordance with applicable laws, rules, regulations, and accounting principles. Also, no secret or unrecorded funds shall be established for any reason, nor shall company funds be placed in any personal or non-corporate account. It is also illegal to make a false claim, statement or certification in an oral or written communication to the government. If you prepare, sign or support federal government certifications, inquiries, vouchers, and other reports, you must prepare them timely and accurately. Cost accounting standards must be followed to ensure costs are allocated properly to government contracts. Further, reports, that are submitted to government agencies, must provide full, fair, accurate, timely and understandable disclosure.

## Reporting, Accounting and Internal Control Irregularities

If you have a concern related to questionable accounting or internal control irregularities, you should contact the Ermi Ethics Hotline at + 1 866 528-4711 or at [ermi.ethicspoint.com](http://ermi.ethicspoint.com) or contact the Compliance department.

## Record Retention and Destruction

Destruction or disposal of company records is not discretionary. Records relevant to pending litigation, a government or internal investigation, or audit may not be altered or destroyed. Destruction, alteration or falsification of records in connection with any Federal government matter or bankruptcy to avoid disclosure in a legal proceeding, government investigation or audit may constitute a criminal offense. Each employee is required to know and comply with the Ermi Records Management Policy.

## Media Relations and Communications

Only duly authorized officers of Ermi may communicate with the media on its behalf. If the media contacts you with a request for information about Ermi, you must immediately forward the request to the Compliance department. All unauthorized communications between employees and the media are prohibited.

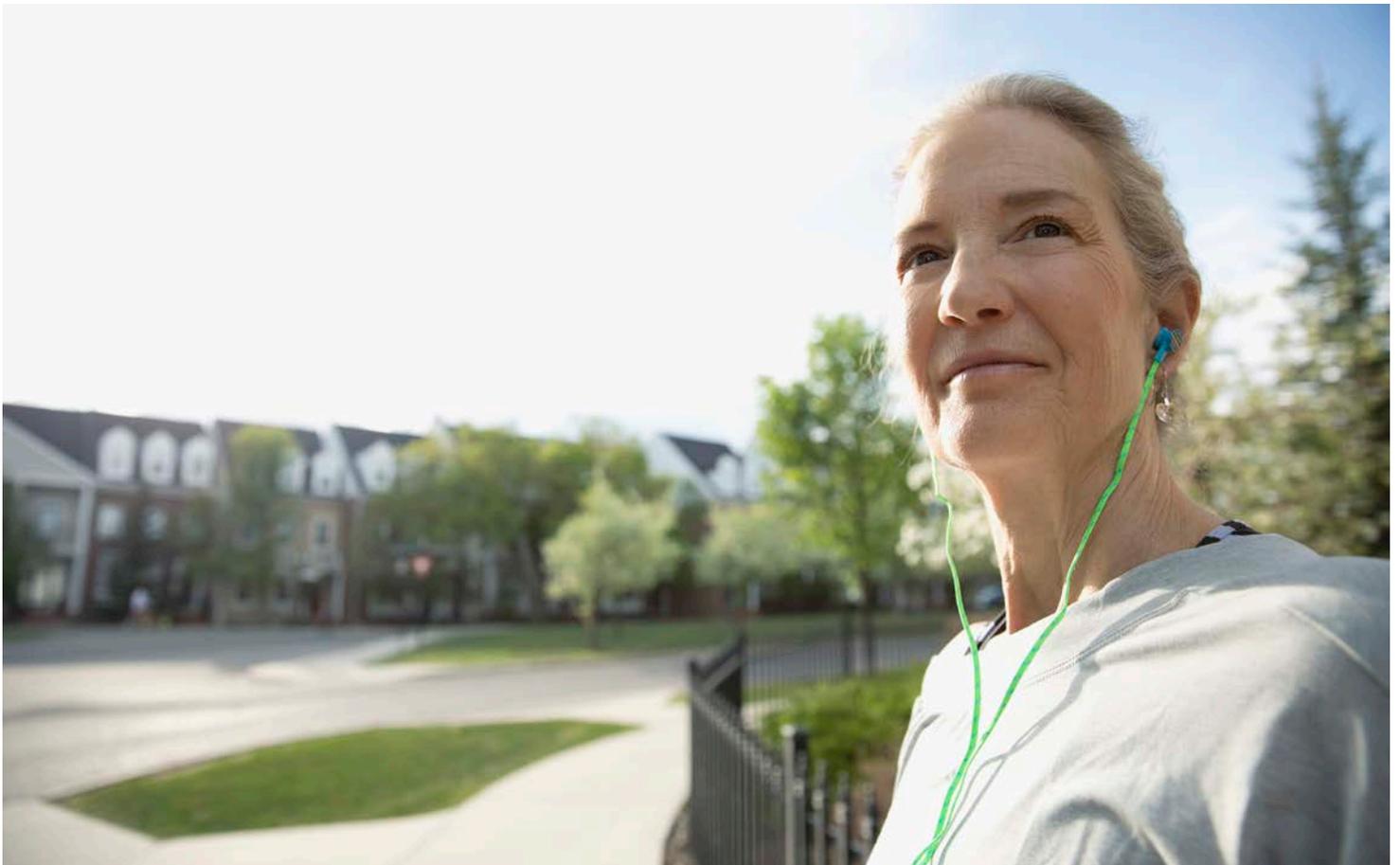
# VII. Political Activity and Contributions

Federal and state laws restrict the use of corporate funds and assets in connection with elections. Consequently, no political contribution to any candidate, office holder or political organization may be made for, or on behalf of, Ermi by an employee. The term political contribution includes payments, services, purchase of tickets, or furnishing of supplies. This means that employees may not use any Ermi property, facilities or time of any employee for any political activity unless approval has been obtained in accordance with established corporate procedures. Examples of prohibited conduct include:

- Using the time of any employee(s) to assist with personal political fund-raising activities;

- Using the telephone to make politically motivated solicitations;
- Allowing any candidate to use facilities, such as meeting rooms, for political purposes; and
- Loaning any property such as telephones, copying machines or other resources for use in connection with a political campaign.

Ermi's executive management may, to the extent permissible by law, actively participate in political activity to fulfill their responsibilities as advocates on behalf of Ermi within the political process. Any employee who has a question about what is or is not proper may contact the Compliance department before agreeing to do anything that could be construed as involving Ermi in any political activity at the federal, state or local levels.



## VII. Online Activities

The use of social media, such as Web logs or “blogs,” peer-to-peer networks, wikis and online communities, can be a great way for employees to share expertise and perspectives with family, friends, colleagues, and customers. However, it is important to remember that, under certain circumstance, your online content might reflect on Ermi as well. Before posting information online, it is important for employees to understand the risk and reach involved. If you identify your affiliation with Ermi or discuss matters related to Ermi on a public website forum or blog, you may be perceived as an authorized spokesperson for the company. Employees should exercise good judgment when blogging or posting on the Internet. It should be clear that any views you express are your own and not

necessarily those of the company. If you identify yourself as in any way affiliated with Ermi or if you are known to be so affiliated, you must use a prominent disclaimer that your views do not necessarily represent the views of Ermi. Speaking for the company without authorization is prohibited. Employees must not post any financial, confidential, proprietary, or sensitive information about Ermi, our employees, our customers, our patients, or our vendors on any web-site or other social medium without proper corporate authorization. Employees should not use Ermi email addresses to register with social networking sites, blogs or other sites of a personal nature. Any blogging or online posting that violates any Ermi policy, even when done with personal resources is prohibited.



# IX. Laws and Regulations

Ermi is committed to conducting business in accordance with all applicable federal, state and local laws, regulations and regulatory orders. This commitment requires all employees to be bound by this Code of Business Conduct. All employees must adhere to applicable federal, state and local laws, regulations and regulatory orders, in addition to Ermi policies and procedures. It is therefore important for employees to know the laws, regulations and regulatory orders that apply to Ermi business activities and to comply with them. Some of those laws and their associated compliance requirements are described elsewhere in this Code or in Ermi's Policies and Procedures. To the extent that you need information about, or a better understanding of, the legal requirements that relate to your job, you should contact your supervisor or the Compliance department. Failure to comply with applicable laws,

regulations and regulatory orders could result in regulatory and legal sanctions against Ermi and its employees. Penalties can include monetary fines, exclusion from participating in federal programs, restrictions on competitive activity, and even imprisonment for employees who have responsibilities for these matters. Employees who violate any legal standards in the performance of their duties as an Ermi employee may be subject to disciplinary action, as described in this Code, Ermi's Compliance Program and its Employee Handbook. Any employee who has information indicating that Ermi has violated any law, regulation, regulatory order, or other legal requirement should report that information to the Compliance department (either directly or using the Ermi Ethics Hotline). Employees who, in good faith, report suspected legal violations will be protected from retaliation.



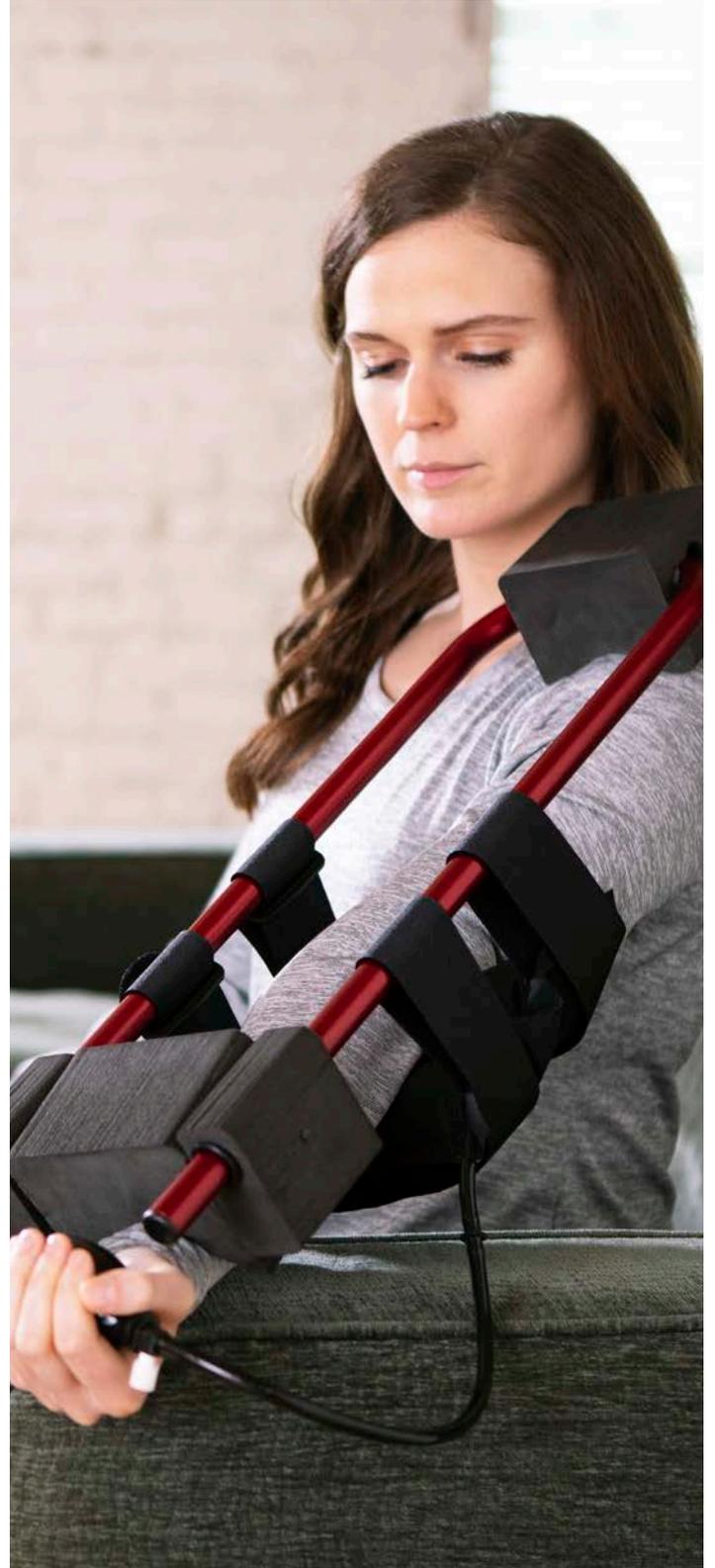
# X. Implementation

## Annual Training

All full-time, part-time and temporary employees must complete training on this Code of Business Conduct at the start of their employment and annually thereafter. During this training, attendees will be advised of the important aspects of the Ermi Code of Business Conduct, the laws that support it and any changes that have been made since the prior training.

## Review of the Code of Business Conduct

The Code of Business Conduct shall be reviewed at least annually by the Compliance department and the executive staff and updated as necessary to reflect current business practices and legal and regulatory requirements. Material changes will be reported to the Board of Directors.



Ermi



We are passionate about rescuing  
patients from severe motion loss.

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