

Synthes Policy on Synthes Observership

Europe, Middle East and African Countries (EMEA)

"Synthes Observership"

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1. Purpose

To establish a consistent, transparent and controllable process, structure and organization for the sponsoring of two-week Observerships for physicians within EMEA in universities, clinics or hospitals.

2. Scope

This policy applies to Synthes GmbH and all of Synthes subsidiaries in the EMEA Region (collectively called "Synthes") concerning all Observership arrangements with physicians who practice medicine ("hereinafter called Surgeons") and universities, clinics or hospitals ("hereinafter called Clinics"), sponsored by Synthes.

The Synthes Observership does not affect or correlate with the AO fellowship program; it constitutes an independent and separate training.

The Synthes Policy on Physician Services does not apply.

3. Policy

Synthes shall offer Observerships through a standardized process that ensures that all such relationships are legal and are effectively and efficiently implemented and managed. In this regard, no Synthes employee is allowed to offer and/or promise an Observership to a Surgeon. The following department shall be the only unit ("authorized signer") to offer and enter into Observership agreements on behalf of Synthes with Surgeons within EMEA and Clinics:

Synthes GmbH
Continuous Medical Education Department "CMED"
Glutz-Blotzheim-Strasse 3
CH-4500 Solothurn
Switzerland

All contracts with Observers and Clinics shall be: (i) for the purpose of offering two-weeks Observerships to talented and ambitious graduate Surgeons, without consideration of the volume or value or business that is or may be generated by the Surgeons or the related Clinics, if any; (ii) aiming at observing recent practices in the area of osteosynthesis, the exchange of knowledge and training; (iii) paid in accordance with Synthes' standard policies and procedures then in effect; (iv) in full compliance with applicable law; and (v) approved by the Synthes Observership Compliance Committee.

Synthes CMED under the supervision of Synthes Observership Compliance Committee shall have responsibility for implementing and managing Observership relationships in compliance with the requirements of the policy. The Observership Compliance Committee consists of five (5) members appointed by the Synthes Regional President and endorsed by the Synthes Board of Directors. No employee belonging to the Synthes sales division is allowed to sit on the Observer Compliance Committee or function as a delegate of a Committee member.

4. Procedure

Scope: This procedure shall apply whenever Synthes enters into a relationship with a Surgeon and a Clinic in the context of an Observership.

4.1 Offer

Observerships are offered to talented and ambitious graduate Surgeons within EMEA upon successful approval of their application.

Synthes grants Observer a per diem of €50 per day during a two-week Observership and reimburses the Observer's travel costs. All other expenses must be paid by the Observer.

Free accommodation is provided in the clinic or - in case of no vacancy - in an outside location of equivalent value.

Synthes does not encourage, support, organize nor finance any pleasure trips directly before or after the Observership and strongly recommends that the Observer travel and comes alone to the Observership.

4.2 Dates, locations and contents

Synthes decides the locations, dates, number of participants and contents of each Observership depending on the number of applications received and the available clinics. Specialized Observership for Spine, Trauma and Cranio-Maxillofacial can be offered.

4.3 Hosting Clinic

Clinics hosting Observerships are approved members of the Synthes reference clinic group.

The Clinic is responsible for detailed planning and the execution of the Observership. It organizes the travel, accommodation, access rights and administrative matters for the Observer and appoints a dedicated administrative and clinical contact person. The Clinic monitors the behavior and performance of the Observer and completes the clinic feedback form.

Synthes CMED pays the Clinic €1500 per Observer for a two-week Observership.
(€2000 in case the Clinic provides Observer accommodation inside the Clinic).

Synthes CMED reimburses the costs of Observer accommodation of equivalent value outside the Clinic, if it was organized and paid by the latter.

Synthes CMED pays the Clinic the costs of the initial welcome evening, including meals (€200 max.).

4.4 Observership application

Observership application forms are available on www.synthes.com, at affiliated companies or authorized Synthes distributors worldwide or may be requested directly from Synthes GmbH, CMED, Gluz-Blotzheim-Strasse 3, 4500 Solothurn, Switzerland.

Applications are accepted throughout the year, but should be sent at least 6 months before the desired period of the Observership. The application form must be endorsed by the hospital where the applicant

is employed or practices. A valid application requires the completed application form, a recommendation letter on behalf of the applicant by the hospital and the signatures of the hospital and the applicant.

The applicant may express preferences regarding time, place and contents of the Observership in the application. Synthes CMED reserves the right to offer different dates, places and content.

4.5 Selection process

All valid applications from Surgeons are submitted for approval to the Observership Compliance Committee during its quarterly meeting.

4.6 Invitation

Synthes CMED will issue the official approval and invitation for the Observership to the successful applicant. The applicant must send his acceptance letter within 4 weeks after having received the offer by Synthes CMED.

4.7 Coordination and contracts

All agreements and contracts with Clinics and Observers are negotiated and signed by Synthes CMED in accordance with the applicable procedures.

4.8 General rules

The terms of the Observership may not be varied by agreements between an Observer and a Clinic or otherwise without Synthes CMED's prior written consent.

A violation of the obligations stated in this policy, the corresponding guidelines or in the respective Observer contract may result in the expulsion of the Observer from the Synthes Observership or a Clinic from the Synthes reference clinic group.

During the Observership, the Observer is not covered by insurance against illness, accident or liabilities through either Synthes or the Clinic. It is the Observer's obligation to ensure and eventually conclude sufficient valid international health, accident and liability insurance for the duration of the Observership. Failure to provide written confirmation of the required insurance to the hosting Clinic before the start of the Observership may result in cancellation of the Observership.

The applicable law for all contractual relationships regarding the Synthes Observership is the law of Switzerland. The place of jurisdiction is at the registered office of Synthes in Switzerland.