

# Global Code of Business Conduct and Ethics.

A Guide to Synthes' Global Standards of Ethics and Regulatory Compliance.

September 2006





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Hansjörg Wyss  
*Chairman and Chief Executive Officer*

September 1, 2006

Every day we are faced with challenging circumstances, requirements and choices. At Synthes we are committed to responding to these challenges by acting in accordance with the highest levels of professional and ethical standards in our industry.

Our compliance Code of Conduct was originally issued in June, 2005. Attached with this letter is our new Global Code of Business Conduct and Ethics. Our Global Code of Business Conduct and Ethics helps us to maintain our high standards by providing us with a statement of our common values, and an ethical and behavioral framework to guide our actions. It also helps to answer our questions regarding corporate ethics and compliance.

Please take the time to carefully study our Global Code. Whenever we encounter an ethical issue, each of us has a personal responsibility to respond in a manner that reflects our shared values. It is your responsibility to fully read this Global Code, and to understand and comply with the laws and regulations that apply to you, as well as Synthes' standards, policies and procedures.

Synthes is trusted and respected in the business community. It is through your continued commitment to ethical business conduct and compliance that we will continue to maintain our excellent reputation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hansjörg Wyss', written in a cursive style.

Hansjörg Wyss  
Chairman and Chief Executive Officer  
Synthes, Inc.

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## 1 Introduction

We are dedicated to providing our patients, customers and the medical community with safe and advanced products, instruments and technologies, and to maintaining the highest levels of professional and ethical standards in our industry. To support this effort, we have developed this Global Code of Business Conduct and Ethics. This Global Code is organized into six categories which contain guiding principles that should be followed by everyone at Synthes to guide our actions across all of our activities:

- **Our Relationships with Each Other**
- **Our Relationships with Our Customers and Others Who Influence the Purchase of Our Products**
- **Our Relationships with Our Suppliers, Vendors and Other Contractors**
- **Our Relationships with Our Regulators, Communities and Competitors**
- **Our General Business Conduct and Practices**
- **Our Compliance Program**

All Synthes directors, officers and employees must comply with both the letter and the spirit of this Global Code. Supervisors and managers have the additional responsibility for being positive role models in every respect, for diligently overseeing the compliance of those they supervise, and for maintaining our culture that promotes the highest standards of professionalism, ethics and compliance. Anyone with questions or concerns about this Global Code or any other compliance matter should seek advice from their supervisor. Supervisors are in the best position to understand employee issues and to provide prompt assistance. However, should anyone feel uncomfortable talking with their supervisor, or should they need additional information, they may also contact their local Compliance Ambassador, our Chief Compliance Officer or our legal department.

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## 2 Our Relationships with Each Other

*We establish our relationships with the trust and confidence that everyone at Synthes is committed to doing the right thing. We are committed to working as one team, and to fostering open communication in an environment where everyone is treated with fairness, dignity and respect.*

### **Mutual Respect**

We strive for an environment of mutual respect, professionalism, dignity, courtesy and fairness.

### **Diversity**

We embrace our diversity as a strength to be leveraged for our common success, striving for an environment free from harassment and discrimination.

### **Communication**

We encourage open and honest communication, and value the perspectives of those who challenge our viewpoints.

### **Professional Development**

We encourage professional development, and support continuous learning and individual achievement.

## 3 Our Relationships with Our Customers and Others Who Influence the Purchase of Our Products and Services

*We highly value our business and professional relationships. No such relationships, however, are more important than our ethics and reputation. All of our business and professional relationships must reflect our commitment to honesty, integrity and legal compliance.*

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## **Bribery and Improper Payments**

We strictly prohibit bribes and other illegal payments (and benefits of any kind) offered to any person with the intent to influence them to recommend, use or purchase our products or services.

## **Business Courtesies**

We will only offer or accept business courtesies, such as entertainment, meals and gifts, where they are modest in amount and do not influence (or even appear to influence) clinical or business decisions. We prohibit offering or accepting cash or cash equivalents. We will never request business courtesies. Where no regional policies exist to further define our standards for business courtesies, all business courtesies must be approved, in advance, by your supervisor.

## **Charitable Contributions**

We support charity, and make donations to legitimate charitable organizations. Charitable donations may never be contingent upon, or related to, the purchase of our products.

Anyone making personal charitable contributions should avoid contributing in circumstances where their donations may appear to influence product purchases. Such contributions require approval in advance by your local Compliance Ambassador, our Chief Compliance Officer or our legal department.

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## 4 Our Relationships with Our Suppliers, Vendors and Other Contractors

*We are committed to managing our relationships with our suppliers, vendors and other contractors fairly in accordance with legitimate business practices, and are committed to our responsibilities as a good customer.*

### **Selection**

We select our suppliers, vendors and other contractors based upon their qualifications, experience and other legitimate business concerns. Selection may never be compromised by personal relationships, or by the acceptance of inappropriate business courtesies.

### **Business Courtesies**

We will only offer or accept business courtesies, such as entertainment, meals and gifts, where they are modest in amount and do not influence (or even appear to influence) business decisions. We prohibit offering or accepting cash or cash equivalents. We will never request business courtesies. Where no regional policies exist to further define our standards for business courtesies, all business courtesies must be approved, in advance, by your supervisor.

## 5 Our Relationships with Our Regulators, Communities and Competitors

*We treat all persons with fairness and respect, and strive to be a leader for good corporate citizenship. We recognize and accept our responsibility to self-govern, and to monitor our compliance with law and regulation. We are committed to a business environment where compliance with laws and sound business practices are deeply woven into our culture.*

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## **Our Regulators**

We work in good faith with all government agencies. Anyone encountering government agents should be courteous, and should promptly contact their supervisors for assistance. Synthes' management will discuss relevant matters with government agencies, and will provide them with the information to which they are entitled.

## **Government Officials and Employees, Political Parties and Candidates**

We will not offer or make payments (or provide anything else of value) to government officials, government employees, political parties or candidates for political office for the purpose of obtaining or retaining business with, or directing business to, anyone. We will not order, authorize or assist anyone else in violating this policy.

We are restricted from making any donations to government officials, government employees, political parties or candidates for political office on Synthes' behalf. All payments made on Synthes behalf, or that may appear to be made on Synthes behalf, must be approved in advance by our legal department, as well as the top manager of your business division or department.

## **Our Competitors**

We compete with our competitors fairly, honestly and transparently, and seek advantage only through superior products and performance. In this regard we present only complete, accurate and truthful information about our products and services, and when asked to compare ourselves to the competition, we present information accurately and fairly for both parties. We prohibit unethical or illegal business practices.

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## **Competition**

We prohibit any activity that might be considered to be an illegal, anticompetitive act. We prohibit discussions with our competitors regarding:

(1) prices, discounts or terms or conditions of sale; (2) profits, profit margins or cost data; (3) market shares, sales territories or markets; (4) allocation of customers or territories; (5) selection, rejection or termination of customers or suppliers; (6) restricting the territory or markets in which a company may sell products; and (7) restricting customers to whom a company may sell.

## **Environmental Practices**

We recognize our responsibility to conduct our activities in a manner that protects and preserves our natural resources, and comply with all applicable environmental laws.

## **6 Our General Business Conduct and Practices**

*Our reputation is built upon good judgment, high standards and personal integrity. Everyone must conduct their day-to-day activities in an ethical and responsible manner.*

### **Professionalism and Ethics**

Everyone is required to maintain the highest levels of integrity, decorum and professionalism at all times.

### **Compliance with Law**

We each have the responsibility to know and comply with all of the laws, regulations, policies and local customs that apply to our jobs. Activities that violate the law or our policies are outside our duties, and never benefit the company. Everyone is strictly prohibited from engaging in any such activities.

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## **Quality**

We are committed to providing our patients, customers and the medical community with safe and advanced products, instruments and technologies. Everyone must produce quality work, and is required to report any concerns relating to the compromise of quality to their supervisor.

## **Clinical and Regulatory Affairs**

We comply with all product regulation requirements applying to marketing approvals, conduct of clinical studies, good manufacturing practices, design controls, labeling and advertising and similar legal standards. All persons must report any questions or concerns regarding these requirements to their supervisor, to their local Compliance Ambassador or to our Chief Compliance Officer.

## **Trade Control Requirements**

We comply with all laws and regulations related to the import and export of our products, such as restrictions on imports and exports, licensing requirements, customs regulations, antiboycott laws and other similar legal requirements. All persons are required to report any questions or concerns regarding these requirements to their supervisor, to their local Compliance Ambassador or to our Chief Compliance Officer.

## **Financial Integrity**

We provide full, fair, accurate, timely and understandable information in all our financial reports and documents in conformance with policies, laws and standards applicable in the region where they originated. We prohibit any attempt to inappropriately influence or mislead any auditor regarding our financial statements, processes or controls.

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## **Confidential and Proprietary Information**

We protect all confidential and proprietary information. Disclosure or unauthorized use of confidential or proprietary information is prohibited, including customer and vendor information. We take appropriate precautions to safeguard this information, and strictly follow the laws and regulations that apply in our regions. When protecting patient-related information, we accept only the information that is required to perform our activities, and appropriately safeguard the confidentiality of that information as if it were our own. We make good faith efforts to comply with all applicable customer policies related to the confidentiality of individually identifiable patient information.

## **Intellectual Property**

Everyone must protect, and must not violate, intellectual property rights, including our patents, trademarks, trade secrets and copyrights, and those of other organizations.

## **Conflicts of Interest**

All persons should avoid circumstances where their personal interests may appear to (or may actually) conflict with Synthes' best interests. Persons are required to notify their supervisors where circumstances involve potential or perceived conflicts of interests. These conflicts may include the employment of relatives, ownership in other businesses, outside employment or other potential conflicts of interest. You should never support activities that conflict with Synthes' interests, including opportunities that are discovered through the use of our property or information, or that compete with us. Investments in mutual funds, blind trusts, or debt instruments of publicly held companies that are traded on an exchange do not create conflicts of interest. Persons with questions or concerns regarding conflicts of interest should contact their local Compliance Ambassador, our Chief Compliance Officer or our legal department.

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### **Insider Trading**

We prohibit trading on, or passing on to others, material, non-public information about Synthes or about other companies that is obtained in the course of our work with Synthes. Examples of material, non-public information include sales and earnings projections or reports, potential mergers or acquisitions, and new product development or product introductions.

### **Business Records**

We honestly report all business-related information in a timely and accurate manner. We retain and dispose of this information in accordance with all legal and regulatory requirements, as well as our policies and procedures.

### **Policies and Rules**

We recognize that standards, in addition to this Global Code, govern our behavior. These standards include the policies and procedures of our business units, departments and regions, including our employee-related policies and procedures. All persons remain bound by these standards, as applicable. Should a conflict occur between this Global Code and any other policy or procedure, this Global Code is the authority to follow.

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## 7 Our Corporate Compliance Program

*Our corporate compliance program is intended to demonstrate in the clearest possible terms our absolute commitment to the highest standards of ethics and compliance. That commitment is integral to our success, and is woven throughout our entire business.*

### **Program Management**

Our compliance program is lead by our Chief Compliance Officer, who is responsible for the development, implementation and management of our program worldwide. Our Chief Compliance Officer is supported by our regional Compliance Ambassadors (Europe, Latin-America, Asia-Pacific), who are responsible for the compliance program in their regions. Our Chief Compliance Officer functions as the Compliance Ambassador for North America. Our Chief Compliance Officer and Compliance Ambassadors are supported by our global Corporate Compliance Committee, and staffed by a cross section of managers in our company who regularly consult with our Chief Compliance Officer.

### **Compliance Communication**

Answering compliance questions and concerns is a top priority. First, and whenever possible, you should discuss your questions and concerns promptly, as they arise, with your supervisors. Your supervisor is in the best position to understand your issues and to provide you with prompt assistance. However, should you feel uncomfortable talking with your supervisor, or should you need additional information, you may bring your questions or concerns directly to your local Compliance Ambassador or to our Chief Compliance Officer. Where available, you may also call our toll-free Compliance Helpline, or you may contact us in writing through our Compliance Helpline. Information on our Compliance Helpline and our Compliance Helpline may be obtained from our intranet site and our internet website, or from our Compliance Ambassadors or our Chief Compliance Officer.

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## **Our Commitment**

Each individual has the personal responsibility to know this Global Code, and to act in accordance with its requirements. Illegal or unethical acts cannot be justified by acting under the order of anyone, including a supervisor. Any activities that violate law are outside everyone's duties, and are strictly prohibited. Supervisors are required to promote both the letter and the spirit of this Global Code, to actively support our compliance program related initiatives, to enforce compliance, and to promptly report instances of non-compliance to their local Compliance Ambassador or to our Chief Compliance Officer.

## **Evaluations and Discipline**

Adherence to our corporate compliance program and participation in our compliance program-related activities are mandatory, and are significant factors for employee performance reviews. Anyone who violates the terms of this Global Code, or who fails to participate in compliance program related activities, is subject to disciplinary action as provided in their applicable human resources employee disciplinary procedures, up to and including termination.

## **Agents, Contractors and Vendors**

We are dedicated to working with business partners who share our standards for business conduct and ethics. All Synthes' agents, contractors and vendors are required to comply with this Global Code in their relationships with Synthes.

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## 8 Finding Support; Taking Action

In developing this Global Code of Business Conduct and Ethics we have endeavored to provide meaningful and understandable guidance on our standards of legal and ethical compliance. However, we recognize that no code can fully address every possible question or concern, or can anticipate every eventuality. If you have any questions or concerns about this Global Code or any other compliance matter, you should seek advice from your supervisor. Should you feel uncomfortable talking with your supervisor, or need additional information, you may also contact your local Compliance Ambassador, our Chief Compliance Officer or our legal department. Where available, you may also contact our Compliance Helpline or Compliance Helplink, as explained in Section 7 of this Global Code.

You are working with Synthes because of your professionalism, your good judgment and your commitment to our success. No set of rules can substitute for your own sense of fairness, honesty and integrity. We want to avoid even the appearance that we are doing something wrong. As a result, if you are unsure about a course of action, or are faced with a difficult decision, stop, consider what you are doing, and get advice. If something seems to be within our guidelines, but you still feel uncomfortable or have concerns, please seek assistance. We have entrusted you, as a valuable member of our team, with our reputation and our future success, and we thank you for working with us in supporting our common values and principles.

