



## Paragon 28, Inc. - Declaration of Compliance

Consistent with our commitment to demonstrate the most ethical behavior possible in our business relationships with our customers, suppliers, distributors, agents and consultants and to operate with integrity and compliance with all applicable laws, we have established and continue to build upon our comprehensive compliance program. Paragon 28, Inc.'s ("P28") program was created in accordance with the compliance guidelines published by the Office of the Inspector General, U.S. Department of Health and Human Services ("OIG Guidance") and is consistently guided by our unwavering loyalty to transparent business practices. To this end, we conduct our daily business in an open and honest manner and reject practices may cause over or underutilization, compromise patient health or impede innovation.

P28's compliance program is intended to prevent and detect violations of law and company policy. Despite the fact that the OIG Guidance recognizes that such programs may not guarantee the elimination of all improper conduct, it is P28's expectation that all employees, agents, representatives, distributors and consultants comply with company codes, policies and procedures as well as all laws and regulations of the U.S., states and other jurisdictions applicable to the company's sale and marketing of its products. Should P28 become aware of any violation of law or policy, such matter will be investigated and corrected to the best of our ability.

Below is a summary of P28's compliance program, comprised of the seven fundamental elements prescribed by the OIG Guidance. We have appropriately tailored our program to fit the specific environment, size and resources of our company. It is important to note that P28's Program consists of many more ingredients than the mere outline below; our Code of Conduct, policies and procedures, programmatic activities, trainings and commitment of each and every P28 employee and representative all contribute to make the program effective. Given that both the regulatory world of compliance and our own needs evolve over time, we regularly review and enhance our Program to ensure maximum effectiveness.



## Compliance Program Overview

- 1. Written Standards:** P28's Code of Conduct is our statement of ethical and compliance principles that we follow in our daily operations. The code articulates our fundamental principles, values and framework for action within P28. We have also established written policies and procedures covering a wide range of topics including interactions with health care providers. Further, P28 has adopted the voluntary AdvaMed Code of Ethics on Interactions with Healthcare Professionals, adopted by the Advanced Medical Technology Association for assuring compliance with applicable laws and standards governing the sale, marketing and promotion of our products. The AdvaMed Code itself derives from a variety of authorities, most notably, the Federal Anti-kickback Statute. One of the main focuses of our program is to prevent and detect any behaviors with health care professionals that may be considered "unlawful inducements", the prohibited hallmark of the Anti-kickback Statute.
- 2. Leadership:** P28 has designated a Chief Compliance Officer ("CCO"), who is charged with the responsibility of developing and monitoring the Program and reports to our Board of Directors ("BOD") and CEO. The CCO is empowered to exercise independent judgment and may work simultaneously with the BOD to effectuate change within the organization as necessary.
- 3. Education and Training:** P28 routinely trains our employees and agents on their legal and ethical responsibilities under applicable federal health care program requirements and on our own internal codes, policies and procedures. The CCO ensures that each training is carefully tailored and specialized to the specific recipients' responsibilities within the organization. Our trainings emphasize repeatedly that compliance is deeply woven into the fabric of P28's daily operations and that each team member bears individual responsibility in continuing our ethical culture.



**4. Communication:** All P28 team members, particularly executives and managers, are committed to effectively communicating our standards and procedures to all affected personnel through real dialogue. These company leaders are tasked with assisting the Compliance Department in reviewing, revising and implementing our Program through identification of the areas in which our Program is most and least effective. Concurrently, P28's personnel is encouraged and expected to talk to supervisors, managers, Legal or Compliance about suspected illegal or unethical conduct or violations of our policies. To that end, P28 has adopted an "open-door, top-down" policy as well as confidentiality (to the extent possible) and non-retaliation policies. P28's hotline is available to report a potential or actual problem by a P28 Workforce member or other party on our Compliance & Ethics Hotline available 24 hours a day, 7 days a week.

- Website: [www.lighthouse-services.com/paragon28](http://www.lighthouse-services.com/paragon28)
- E-mail: [reports@lighthouse-services.com](mailto:reports@lighthouse-services.com) (must include company name with report)
- Fax: (215) 689-3885 (must include company name with report)
- Toll-Free Telephone:
  - English speaking in USA and Canada: 833-400-0029
  - Spanish speaking in USA and Canada: 800-216-1288
  - French speaking in Canada: 855-725-0002
  - Spanish speaking in Mexico: 01-800-681-5340 AT&T USADirect

**5. Auditing and Monitoring:** Starting with a risk assessment, P28 continually monitors and tracks compliance risk areas throughout the entity. Compliance reviews these results with the P28 BOD and creates or adjusts policies and procedures to address the identified risks. Corrective action plans are communicated to management based on these risks and monitored through completion.



- 6. Discipline:** P28 has a disciplinary process when compliance-related violations are substantiated through investigation up to and including termination of employment or contract. Discipline is documented and enforced consistently throughout all levels of the organizations and determined with collaboration between Compliance, the BOD and Human Resources. Where appropriate, P28 reports disciplinary action to the regulatory body.
  
- 7. Investigations:** P28 conducts appropriate investigations of compliance and ethical violations with the appropriate P28 departments and individuals to substantiate noncompliance. When noncompliance is substantiated, immediate measures are taken to mitigate ongoing harm to individuals or government entities. P28 uses a Case Management System to maintain records on all investigations. P28 cooperates with any and all government inquiries and investigations in a timely and honest manner, working with counsel on preservation of privileges and documentation when applicable.

\*To our knowledge, we are, in all material respects, in compliance with our Compliance Program as described, meaning that we have established the elements outlined, and where procedures are described, we have set up programs to initiate these procedures. A copy of the Paragon 28 Code of Conduct and this declaration of compliance may be requested through [compliance@paragon28.com](mailto:compliance@paragon28.com).

\*\* To the best of our knowledge and based on our good faith understanding of the statutory requirements, we have established a compliance program compliant with requirements of Chapter 8 to Part 15 of Division 105 of California's Health and Safety Code.