Purpose and Scope

HealthCrest Surgical Partners, LLC and its subsidiaries, HealthCrest Surgical Management, LLC, HealthCrest Surgical Holdings, LLC, and somniTech, Inc. hereafter collectively referred to as “Company”. The Company established this Code of Business Conduct and Ethics (the “Code”) to aid the Company’s Managers, Directors, Officers and Employees in making ethical and legal decisions when conducting the Company’s business and performing their day-to-day duties.

The Company’s Board of Managers/Directors (the “Board”) is responsible for administering the Code. The Board has delegated day-to-day responsibility for administering and interpreting the Code to the Company’s Corporate Compliance Officer (“CCO”).

This Code is applicable to all Company Managers, Directors, Officers, and Employees, including temporary or permanent employees, independent contractors, and agents or representatives acting on the Company’s behalf (collectively referred to as “Associates”). It is the intent of the Company that every individual working for, or representing the Company knows about this Code and abides by it.

The Company expects its Associates to exercise reasonable judgment when conducting the Company’s business. The Company encourages its Associates to refer to this Code frequently to ensure that they are acting within both the letter and the spirit of this Code. The Company also understands that this Code will not contain the answer to every ethical or legal situation you may encounter or every concern you may have about conducting the Company’s business. In these situations, or if you otherwise have questions or concerns about this Code, the Company encourages each Associate to speak with his or her supervisor (if applicable) or, if you are uncomfortable doing that, with the Company’s Human Resources Department or the CCO under this Code.

Contents of this Code

This Code has two sections. The first section, “Standards of Conduct,” contains the actual guidelines that our Associates are expected to adhere to in the conduct of the Company’ business. The second section, “Compliance Procedures,” contains specific information about how this Code functions including who administers the Code, who can provide guidance under the Code and how violations may be reported, investigated and punished. This section also discusses waivers and amendments to this Code.

Other Obligations of Company Associates

Associates of the Company generally have other legal and contractual obligations to the Company. This Code is not intended to reduce or limit the other obligations that you may have to the Company. Instead, the standards in this Code should be viewed as the minimum standards that are expected from Associates in the conduct of the business.
I. STANDARDS OF CONDUCT

Conflicts of Interest

The Company recognizes and respects the rights of Associates to engage in outside activities which they may deem proper and desirable, provided that these activities do not impair or interfere with the performance of their duties to the Company or their ability to act in the Company’s best interests. In most, if not all, cases this will mean that Associates must avoid situations that present a potential or actual conflict between their personal interests and the Company’s interests.

A "conflict of interest" occurs when an Associate's personal interest interferes with the Company’s interests. Conflicts of interest may arise in many situations. For example, conflicts of interest can arise when an Associate takes an action or has an outside interest, responsibility or obligation that may make it difficult for him or her to perform the responsibilities of his or her position objectively and/or effectively in the Company best interests. Conflicts of interest may also occur when an Associate or his or her family member, significant other or close friend receives some personal benefit (whether improper or not) as a result of the Associate's position with the Company. Each individual's situation is different and in evaluating his or her own situation, an Associate will have to consider many factors.

Any transaction or relationship that reasonably could be expected to give rise to a conflict of interest should be reported promptly to the CCO. The CCO may notify the Board or a committee thereof as he or she deems appropriate. Actual or potential conflicts of interest involving a Manager, Director, executive Officer or the CCO of the Company should be disclosed directly to the Chairman of the Board of the Company. Factors that may be considered in evaluating a potential conflict of interest are, among other things:

- whether it may interfere with the Associate's job performance, responsibilities or morale;
- whether the Associate has access to confidential information;
- whether it may interfere with the job performance responsibilities or morale of others within the organization;
- any potential adverse or beneficial impact on the Company’s business;
- any potential adverse or beneficial impact on our relationships with the Company’s customers or suppliers or other service providers;
- whether it would enhance or support a competitor's position;
- the extent to which it would result in financial or other benefit (direct or indirect) to the Associate;
- the extent to which it would result in financial or other benefit (direct or indirect) to one of the Company’s customers, suppliers or other service providers; and
- the extent to which it would appear improper to an outside observer.

The following are examples of situations that may, depending on the facts and circumstances, involve conflicts of interest:

- **Employment by (or consulting for) or service on the board of a competitor, customer, supplier, or other service provider.** Any activity that enhances or supports the position of a competitor to the detriment of the Company, including employment by or service on the board of a competitor, is prohibited. Employment by or service on the board of a customer or supplier or other service provider is generally discouraged and must be approved by the Company’s Human Resources Department and the CCO prior to acceptance.
• **Owning, directly or indirectly, a significant financial interest in any entity that does business, seeks to do business, or competes with a Company.** In addition to the factors described above, factors to be considered in evaluation of ownership for conflicts of interest include the size and nature of the investment; the nature of the relationship between the Company and the other entity; the Associate’s access to confidential information, and their ability to influence Company decisions. If any Associate, any member of their immediate family or significant other, owns, directly or indirectly, a significant financial interest in any entity that does business, seeks to do business, or competes with the Company, then such fact shall be reported to the CCO and all transactions and proposed transactions involving such entity must be reported to the CCO and must be reviewed and approved by an Executive Officer of the Company prior to negotiation or execution of any agreements relating to such proposed transaction. Notwithstanding the foregoing, any related-party transaction subject to the requirement in the fifth bullet of this section shall not be subject to this requirement and shall instead be subject to the requirements in the fifth bullet of this section.

• **Soliciting or accepting gifts, favors, loans or preferential treatment from any person or entity that does business or seeks to do business with the Center.** Associates should not accept gifts, services, travel or entertainment that may reasonably be deemed to affect their judgment or action in the performance of their duties for the Company. Gifts and entertainment should not be offered, provided or accepted.

• **Soliciting contributions to any charity or for any political candidate from any person or entity that does business or seeks to do business with the Company is prohibited.**

• **Exercising supervisory or other authority (directly or indirectly) on behalf of the Company over a co-worker who is also a family member or significant other.** Human Resources should be notified of any relationship between Associates. No Associate should be in a position of exercising supervisory or other authority (directly or indirectly) on behalf of the Company over a co-worker who is also a family member or significant other. The Associate’s supervisor and/or Human Resources should consult with the CCO immediately to assess reassignment in the event a potential or actual conflict of interest arises.

**Protection and Proper Use of Company’ Assets**

Loss, theft and misuse of Company or Center assets have a direct impact on the business of the Company and its profitability. Associates are expected to protect the Company and/or the Center’s assets that are entrusted to them and to protect the assets in general. Associates are also expected to take steps to ensure that the Company’s assets are used only for legitimate business purposes.

**Fraud**

Fraud encompasses a wide array of acts – including embezzlement, misappropriation or other financial irregularities – characterized by intentional deception. People inside or outside of the Company or the Center can perpetrate fraud for the benefit of, or to the detriment of, a Company. Fraud can take many forms, including but not limited to forging or altering Company documents, buying personal items with Company funds, falsifying travel expenses, embezzling, and/or stealing checks or cash. Associates who have financial responsibilities should institute strict internal controls to prevent and detect fraud. Report suspected fraud immediately to your supervisor and/or the CCO. The Company will promptly and thoroughly investigate suspected instances of fraud.
Corporate Opportunities

Associates owe a duty to the Company to advance its legitimate business interests when the opportunity to do so arises. Each Associate is prohibited from:

• diverting to himself or herself or to others any opportunities that are discovered through the use of Company’s property or information or as a result of his or her position with the Company unless such opportunity has first been presented to, and rejected by, the Company in writing,

• using the Company’s property or information or his or her position for improper personal gain, or

• Competing with the Company.

Company Loans

Any extensions of credit by the Company in the form of personal loans to our Associates are prohibited. All other loans by our Company to, or guarantees by our Company of obligations of Associates must be made in accordance with applicable law and Company policies approved by our Board or its designated committee, and independent outside counsel. The independent outside counsel selected must be approved by the CCO prior to engagement.

Political Activity

The Company will fully comply with all political contribution laws. Company funds shall not be used for contributions of any kind to any political party, committee, or to any candidate or holder of any government position, unless such contribution is permitted by law, is approved in writing by senior management, the CCO and complies with the Company’s policy. Contributions include allowing the use of Company’s phone, fax, supplies or other support for the benefit of political candidates or parties. Contributions also include tickets to political events; for example, tickets to a political fundraising dinner cannot be submitted on an expense report as a “meal.” Associates may not engage in the following activities during the work: (1) Lobby other Associates on behalf of a political candidate; or (2) Reimburse an Associate for any political contribution or expenditure. Outside normal office hours, Associates are free to participate in political campaigns on behalf of candidates and make personal political contributions. Associates should contact the CCO to determine whether a specific contribution is permitted.

Company Charitable Contributions

The Company makes donations to worthwhile organizations in its own name. Contributions are made only in communities where we have a location or where our employees benefit from these contributions. The Company will make no contributions to churches or other organizations where such contributions will only benefit the members of that organization. The general rule is that the cause must be for the good of the entire community. The Chief Executive Officer makes all decisions concerning contributions. The Company does not exceed its budgeted allowance for contributions. Please make others aware of this policy should you be asked to solicit the Company for contributions which do not meet these standards.
Confidentiality

Confidential information generated and gathered in the Company’s business plays a vital role in the Company’s business, prospects and ability to compete. “Confidential information” includes all non-public information that might be of use to competitors or harmful to the Company or our customers if disclosed. Associates may not disclose or distribute a Company’s confidential information, except when disclosure is authorized by the Company or required by applicable law, rule or regulation or pursuant to an applicable legal proceeding. Associates shall use confidential information solely for legitimate Company purposes. Associates must return all confidential and/or proprietary information in their possession to the Company when they cease to be employed by or to otherwise serve the Company.

Accuracy of Company Records

The integrity, reliability and accuracy in all material respects of a Company’s books, records and financial statements are fundamental to the Company’s continued and future business success. No Associate may cause the Company to enter into a transaction with the intent to document or record it in a deceptive or unlawful manner. In addition, no Associate may create any false or artificial documentation or book entry for any transaction entered into by a Company. Similarly, officers and employees who have a responsibility for accounting and financial reporting matters have a responsibility to accurately record all funds, assets and transaction on the Company’s books and records. Falsifying records or keeping unrecorded funds and assets is a severe offense and may result in prosecution and/or loss of employment. When a payment is made, it can only be used for the purpose spelled out in the supporting document.

Our internal and external auditing functions help ensure that our financial books, records and accounts are accurate. We encourage open lines of communication with our accountants and auditors and require that all our personnel cooperate with them to the maximum extent possible. It is unlawful for any Associate to take any action, directly or indirectly, to fraudulently influence, induce, coerce, manipulate or mislead our auditors or accountants for the purpose of making our financial statements misleading. Any violation may subject the violator to substantial civil and criminal liability and termination.

If you are unsure about the accounting treatment of a transaction or believe that a transaction has been improperly recorded or you otherwise have a concern or complaint regarding an accounting matter, our internal accounting controls, or an audit matter, you should confer with your immediate supervisor, our Chief Financial Officer, or our CCO, or you may submit your concern, on an anonymous basis, to the CCO and our Board by calling the toll-free number 1-844-208-1703.

Compliance with Laws, Rules and Regulations

The Company and the Center each seeks to conduct its business in compliance with both the letter and the spirit of applicable laws, rules and regulations. No Associate shall engage in any unlawful activity in conducting a Company’s business or in performing his or her day-to-day Company or Center duties, nor shall any Associate instruct others to do so. The Company expects all Associates to comply with all applicable healthcare laws and regulations. The Company has established a Corporate Compliance Program (“Program”) to reinforce its dedication to compliance with federal and state healthcare laws and regulations, requirements of third party
payors, along with sound ethical and business practices. Associates are required to adhere to the standards set forth in the Program. Significant healthcare laws that govern our business include, but are not limited to, False Claims Acts, Anti-Kickback Statutes, Physician Self-Referral laws, Food and Drug Administration Modernization Act, Federal Food, Drug, and Cosmetic Act, Health Insurance Portability and Accountability Act, Corporate Practice of Medicine laws, Fee Splitting laws, Anti-Markup rules, state and federal license and registration requirements, and federal and state healthcare program requirements. See below summary of key healthcare laws that govern our business:

- **False Claims Acts**: The products and services of the facilities that the Company manages may be reimbursed under federal and state health care programs, including Medicare, Medicaid, Department of Veterans’ Affairs and state assistance programs. The Federal False Claims Act provides, in part, that the federal government may bring a lawsuit against any person whom it believes has knowingly presented, or caused to be presented, a false or fraudulent request for payment from the federal government, or who has made a false statement or used a false record to have a claim approved. The Federal False Claims Act further provides that a lawsuit brought under that act may be initiated in the name of the United States by an individual who was the original source of the allegations. Some state statutes contain prohibitions similar to and possibly even more restrictive than the Federal False Claims Act. For more information, see the Healthcare Fraud, Waste, and Abuse Prevention Policy in the Employee Handbook.

- **Anti-Kickback Laws**: The federal Anti-Kickback Statute prohibits persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind: (i) for referring an individual to a person for the provision of an item or service for which payment may be made under federal healthcare programs such as Medicare and Medicaid; or (ii) to induce a person to refer an individual to a person for the provision of an item or service covered under a federal healthcare program, or arrange for or recommend that someone purchase, lease, or order a good, facility, service, or item covered under a federal healthcare program. Violation of the Anti-kickback Statute can carry civil monetary as well as criminal penalties. States have also enacted similar laws which may not be limited to government reimbursed items or services.

- **Physician Self-Referral Laws**: The federal Stark Law prohibits the referral of Medicare and Medicaid “designated health services” (which includes outpatient prescription drugs and durable medical equipment such as CPAP devices and may also include sleep diagnostic testing if the testing is billed by a hospital to Medicare or Medicaid) to an entity if the physician or a member of such physician’s immediate family has a “financial relationship” with the entity, unless an exception applies. The Stark Law provides that the entity that renders the “designated health services” may not present or cause to be presented a claim for “designated health services” furnished pursuant to a prohibited referral. Many state laws prohibit physician referrals to entities with which the physician has a financial interest, or require that the physician provide the patient notice of the physician’s financial relationship before making the referral. State law equivalents to the Stark law may be applicable to different types of services than those that are “designated health services” under the federal law and may have fewer or different exceptions.

- **Privacy Laws**: Numerous federal and state laws and regulations, including the federal Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and the Health Information Technology For Economic And Clinical Health Act (“HITECH Act”), govern the collection, dissemination, security, use and confidentiality
of such patient-identifiable health information. HIPAA sets forth standards for electronic transactions between health plans, providers and clearinghouses; unique provider, employer, health plan and patient identifiers; security and electronic signatures as well as privacy protections relating to the exchange of individually identifiable health information. The Company is committed to complying with all applicable privacy laws. In addition to the HIPAA restrictions relating to the exchange of healthcare information, individual states have adopted laws protecting the confidentiality of patient information which impact the manner in which pharmacy and patient records are maintained. Associates are to respect the privacy of patients and each patient’s relationship with the healthcare provider. The Company is committed to market, sell, promote, research, and advertise products and services in accordance with all applicable laws.

- **Emergency Medical Treatment and Labor Laws:** The Emergency Medical Treatment & Labor Act (EMTALA) imposes specific obligations on Medicare-participating hospitals that offer emergency services to provide a medical screening examination when a request is made for examination or treatment for an emergency medical condition, including active labor, regardless of an individual's ability to pay. Hospitals are then required to provide stabilizing treatment for patients with emergency medical conditions.

- **Record Retention Laws:** The Company recognizes the need for orderly management and retrieval of all official records and maintains an active and continuing records management program in compliance with the Company policy and state and federal requirements. The program identifies confidential and vital records and ensures appropriate retention and disposition. Associates may not remove or destroy official records (including electronic information), except in accordance with the approved retention and disposition policy. Any records under pending or active investigation or litigation may not be disposed of or destroyed until the investigation or litigation is completed and the pre-designated retention period is satisfied.

Violations of healthcare laws or regulations may result in severe penalties against the responsible Associates and the Company, including jail sentences, large fines and exclusion of Company and such Associates from participation in federal and state programs.

**Fair Dealing**

Competing vigorously, yet lawfully, with competitors and establishing advantageous, but fair, business relationships with customers and suppliers is a part of the Company’s long-term success. If we negotiate, perform or market in an unlawful and unethical manner, we may seriously damage our reputation and long-term business prospects as well as lose the loyalty of our customers. Accordingly, it is the Company’s policy that Associates must endeavor to deal ethically and lawfully with our customers, patients, suppliers, competitors and other Associates in all business dealings on the Company’s behalf. No Associate should take unfair advantage of another person in business dealing on the Company’s behalf through the abuse of privileged or confidential information or through improper manipulation, concealment or misrepresentation of material facts.

**Anti-Trust**

The Company is committed to fair and open competition. Compliance with applicable competition and antitrust laws is essential. Antitrust laws are complex and difficult to interpret. Although not exhaustive, the following list provides a general guide to antitrust compliance:
No Associate shall discuss with or provide information to any competitor about pricing or related matters, whether such information concerns the Company, a managed facility, or its suppliers, distributors, wholesalers or customers.

No Associate shall discuss with or imply to a customer that the Company or a managed facility will attempt to influence the pricing of another customer or competitor.

No Associate shall allocate or divide customers, territories or production with a competitor.

No Associate shall engage in any predatory pricing or discriminate in prices or terms of sale, for like goods, between competing customers to the injury or damage of the disfavored customers, or induce a seller to so discriminate in favor of the Company or a managed facility, as purchaser.

No Associate shall refuse to treat a patient pursuant to an agreement with another person or a managed facility, whether formal or informal.

Waivers and Amendments

No waiver of any provisions of the Code of Conduct for the benefit of a Manager, Director or an Executive Officer (which includes without limitation the Company’s principal executives, and financial officers) shall be effective unless (i) approved by the Board or, if permitted, a committee thereof. Any waivers of the Code for other Associates may be made by the CCO, Board or, if permitted, a committee thereof. All amendments to the Code must be approved by the Board or a committee thereof.

II. Compliance Procedures

Communication of Code

The Company has instituted this Code to reinforce its dedication to compliance with federal and state law, along with sound ethical and business practices. The Company will provide a copy of the Code to all Associates. Updates of the Code will be provided from time to time. Management or Human Resources will direct Associates on how to access the most current version of this Code online, or provide a hard copy if requested. Each Associate must sign the Code of Conduct Statement reflecting their understanding of an agreement to abide by the Code.

Monitoring, Compliance and Disciplinary Action

The Company’s management and the CCO, under the supervision of its Board, or a committee thereof or, in the case of accounting, internal accounting controls or auditing matters, shall take reasonable steps from time to time to (i) monitor and audit compliance with the Code, including the establishment of monitoring and auditing systems that are reasonably designed to investigate and detect conduct in violation of the Code, and (ii) when appropriate, impose and enforce appropriate disciplinary measures for violations of the Code. Disciplinary measures for violations of the Code may include, but are not limited to, counseling, oral or written reprimands, warnings, probation or suspension with or without pay, demotions, reductions in salary, termination of employment or service and restitution. The Company’s management shall periodically report to its respective Board or a committee thereof on these compliance efforts including, without limitation, periodic reporting of alleged violations of the Code and the actions taken with respect to any such violation.
Communication Channels

Be Proactive. Every Associate is required to act proactively by asking questions, seeking guidance and reporting suspected violations of the Code and other policies and procedures of the Company, as well as any violation or suspected violation of applicable law, rule or regulation arising in the conduct of the Company’s business or occurring on the Company’s property. If any Employee or Associate believes that actions have taken place, may be taking place, or may be about to take place that violate or would violate the Code, he or she is obligated to bring the matter to the attention of a supervisor or the CCO. If such person would prefer to report the problem anonymously, he or she may do so by making a report to the Ethics Hotline at 1-844-208-1703, or by U.S. Mail to HealthCrest Surgical Management Attn: Corporate Compliance Officer, 3540 South Boulevard, Suite 225, Edmond, OK 73013.

Seeking Guidance. When an Associate is in doubt as to how a specific ethical or other situation covered by this Code should be handled, he or she should seek assistance from a supervisor or the CCO. If the conduct in question involves his or her supervisor, if the Associate has reported the conduct in question to his or her supervisor and does not believe that such supervisor has dealt with it properly, or if the Associate does not feel that he or she can discuss the matter with his or her supervisor, the Associate should raise the matter the Company’s Human Resources Department or with the CCO. Further, Associates should report any incidents in which they believe they may have been requested to engage in illegal or unethical conduct.

Reporting, Anonymity and No Retaliation

When reporting suspected violations of the Code, the Company prefer that Associates identify themselves in order to facilitate the Company’s ability to take appropriate steps to address the report, including conducting any appropriate investigation. However, we also recognize that some people may feel more comfortable reporting a suspected violation anonymously.

If an Associate wishes to remain anonymous, he or she may do so, and the Company will use reasonable efforts to protect the confidentiality of the reporting person subject to applicable law, rule or regulation or to any applicable legal proceedings. In the event the report is made anonymously, however, the Company may not have sufficient information to consider or otherwise investigate or evaluate the allegations. Accordingly, persons who make reports anonymously should provide as much detail as is reasonably necessary to permit the Company to evaluate the matter(s) set forth in the anonymous report and, if appropriate, commence and conduct an appropriate investigation.

The Company expressly forbid any retaliation against any Associate who, acting in good faith, reports suspected misconduct. Any person who participates in any such retaliation is subject to disciplinary action, including termination. Providing a false report in bad faith is also grounds for disciplinary action, including termination. For more information, see the No Retaliation Policy in the Employee Handbook.
Ethics Hotline

The Hotline number is: 1-844-208-1703
You may use this number to report suspected illegal or unethical conduct or to ask compliance questions. Calls are treated confidentially and may be made anonymously. The CCO must investigate each call and engage in appropriate follow-up. **The Company will not take any action against Associates or representatives who report violations of Company policies because they reported violation or asked for guidance. Failure of an Associate to report a known or suspected violation may be grounds for discipline for failing to report. If there is any doubt, Associates should be encouraged to report questionable situations. However, providing a false report in bad faith is grounds for dismissal of an Employee, Associate or representative.**

CODE OF CONDUCT STATEMENT

Please review the Code thoroughly and address any questions you may have to your supervisor or the Corporate Compliance Officer. **Adherence to the provisions of the Code is a mandatory condition of employment or affiliation with the Company.** Your signature below indicates that you have read the Program and agree to cooperate in achieving the Code’s important goals.

EMPLOYEE ACKNOWLEDGEMENT

I, the undersigned, hereby acknowledge that I have received and read a copy of the **Code of Business Conduct and Ethics.** I understand that it is my obligation to read and familiarize myself with the Code and the following policies and procedures, to the extent relevant to my job description: Employee Handbook; Healthcare Integrity and Compliance Program, Compliance Policies and Procedures; Organizational Policies and Procedures; and other Policies and Procedures provided to me. I agree to abide by the Code, all such Policies and Procedures, and all federal, state and local governmental laws and regulations.

I acknowledge that it is my responsibility to report any violations to my supervisor, another member of the management team, the Corporate Compliance Officer or the Compliance Hotline. I also agree to sign and abide by the Company’s Confidentiality and Non-Disclosure Agreement and Corporate Compliance Program provided to me in connection with my employment or engagement.

I understand that this Code provides standards of conduct to Employees and Associates for guidance in addressing legal and ethical issues they encounter when conducting business on behalf of the Company. I understand that violations of the Code or of other Company rules, policies, practices or procedures may subject me to disciplinary action, up to and including suspension or termination.

I further acknowledge and agree that this Code is not a contract, and no contract is implied. The Company is an "at will" employer and as such employment with the Company is not for a fixed term or definite period and may be terminated at the will of either party, with or without cause, and without prior notice. No supervisor or other representative of the Company (except the Board and Executive Officers of the Company) has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above.
I understand and agree that nothing in this program shall confer any right with respect to continuation of employment or engagement by the Company, nor shall it interfere in any way with my right or the Company’s right to terminate my employment at any time with or without cause and without prior notice.

Employee/Associate Printed Name: _____________________________________________________________

Employee/Associate Signature: ____________________________ Date: ______________