

Global Business Conduct Standards on Interactions with Health Care Professionals (the “Standards”)

INTRODUCTION

Endologix recognizes that healthcare professionals are critical partners in our ability to fulfill our purpose. We collaborate with physicians to create new products and therapies and to improve existing products. We provide world-class training and education on the safe and effective use of our products to healthcare professionals. We sponsor scientific research conducted by healthcare professionals to gather clinical evidence related to our products. All of these interactions are for the ultimate benefit of patients. To meet our commitment to high ethical standards, we have a Comprehensive Compliance Program designed to detect and prevent behaviors that could harm Endologix and the people we serve. The Compliance Program is based on recognized government and industry standards for effective compliance programs and provides for:

Leadership – the Senior Director of Corporate Compliance oversees the program and reports directly to the President, and the Audit, Governance and Compliance Committee of the Board of Directors.

Written Policies – Our commitment to ethics and compliance is set forth in our policies and procedures that help us follow relevant laws and regulations, industry codes and best practices.

Effective Lines of Communication – We promote an environment where employees can raise questions and concerns and ask for clarity without fear of retaliation. We offer several communication channels for employees to report violations, including a confidential Hotline.

Training – We provide appropriate education and training of employees, consultants, distributors, and agents to help them meet their ethical and compliance obligations.

Accountability – We require all employees to adhere to our program standards as a condition of their employment. We support ethical behavior, evaluating it as part of annual performance reviews, promptly investigating reports of misconduct and taking prompt disciplinary action against those who violate our policies and standards.

Assessment – We perform monitoring and auditing of the program to evaluate its effectiveness.

Remediation – Results of investigations, audits and monitoring are communicated according to policies and procedures. When an area for improvement is identified, we take appropriate corrective action.

In no instance will Endologix offer or provide a payment to a health care professional as an unlawful inducement to purchase, lease, recommend, use, arrange for the purchase or lease of, or prescribe an Endologix product. We are committed to adhering to applicable laws regarding physician-initiated use of our products and respect a physician’s right to make independent medical decisions when treating patients. Our marketing, medical education and promotional activities are consistent with these commitments, and we comply with governing laws regarding appropriate promotion of our products.

We recognize that compliance is a dynamic concept, so we constantly review and update our program to improve it and make it more effective.

Global Conduct Standards

Our business activities are conducted in a complex world of laws and regulations. As a company with global presence, such laws and regulations vary from one geographic region to another, and it is the responsibility of our employees to ensure that their business activities comply with all laws and regulations relative to their respective locations.

These Standards do not provide an exhaustive discussion of the legal and ethical requirements employees must adhere to, but rather are intended to alert employees of the common issues they may confront from time to time in conducting Endologix business in the U.S. and abroad. In many instances, the Compliance Program will include a policy and procedure that contains more detailed instructions concerning the issue. Some of these policies and procedures are referenced in the Standards, but employees are responsible for determining when a more specific policy or procedure applies. If you have any doubt as to the lawfulness of any proposed activity, you should seek advice from the Senior Director of Compliance before such action is undertaken.

What's at Stake?

The laws that apply to compliance are far-reaching and overlapping. As a result, single acts of misconduct can raise issues under multiple statutes and jurisdictions. Punishments can be severe, resulting in multi-million dollar civil penalties and criminal convictions that involve major fines and, in some cases, imprisonment. In addition, there are government sanctions that can potentially devastate an entire company. Under United States federal and state laws, all parties who engage in illegal activity may be held accountable. This means that our health care professional customers, along with Endologix and our employees, can be prosecuted for violations. In adhering to the regulations that govern health care compliance, we are protecting our health care professional customers, our company, and ourselves.

Who Must Follow the Standards

The Standards apply globally to our employees, the Board of Directors, consultants, distributors, and agents.

Employee Responsibilities

As an employee, you are expected to understand the Standards and the company's compliance policies, abide by them, and raise any questions or concerns you may have.

You are also responsible for reporting wrongdoing should any occur within Endologix. If you know or suspect that a law has been broken or the Standards have been violated, report it promptly to your manager, any member of senior management, the Senior Director of Corporate Compliance, a member of the Human Resources Department, the CEO, or contact the confidential Endologix Hotline at 1.855.271.2822, www.endologixhotline.ethicspoint.com.

All employees, upon hire, are required to conduct themselves in an ethical manner by acknowledging that they've read, understand and agree to abide by the Standards. As an employee, you also have a responsibility to cooperate in investigations related to compliance matters. Our policies may change from time-to-time, so it is expected that each employee is responsible for knowing and complying with the current laws, regulations, standards, policies and procedures that govern our work. You are expected to attend regular training sessions. If you fail to comply, you risk being disciplined or terminated. If you break the law, you also may be personally liable.

Ethical business conduct is part of everyone's job and is a constant at Endologix. We do not change our ethics because competitors may behave differently or our financial goals aren't being met. There are four questions you may ask

yourself if you are approached with new situations, questions, challenges, problems, or temptations during the course of doing your work:

- ① Will my action violate any laws or regulations?
- ② Will my action violate any company policy or any provision of these Standards?
- ③ Will I be proud of my action if seen by my co-workers, family, friends, regulators, or the media?
- ④ Will my action be honest, fair, and promote the values of Endologix?

Always feel free to discuss any situation with your manager. It is your manager's responsibility to help solve problems and it is up to both you and your manager to report suspected violations of compliance policies to the Senior Director of Corporate Compliance. We do not permit retaliation of any kind against employees for good faith reports of ethical violations.

In cases where it may not be appropriate or you feel uncomfortable discussing an issue with your manager, you may discuss the situation with other Endologix representatives (including Department VPs, the Senior Director of Corporate Compliance, a member of the Human Resources Department, a GM, the CEO or the President), or seek help from the confidential Endologix Hotline.

Management Responsibilities

If you supervise others, you have a responsibility to act and communicate in a manner that is consistent with the Standards. You may be held accountable if your employees break the law or violate our compliance policies or the Standards.

We rely on you to create a culture of compliance in which your employees understand their responsibilities and feel comfortable raising concerns without fear of retaliation. Encourage ethical conduct by personally leading compliance efforts, taking compliance into consideration when evaluating your employees, and reinforcing the importance of our compliance policies and Standards – help your team understand that results are never more important than conduct.

- Model ethical behavior and follow Endologix processes at all times
- Be proactive in addressing people, policies and procedures that may pose a compliance risk
- Educate your employees about key compliance issues and make yourself available to answer any questions about what is appropriate and what isn't. Invite the Senior Director of Corporate Compliance to your strategy meetings to provide guidance to your team before any potential violations can occur.
- Carefully review expense reports, check requests and invoices that you approve for payment
- Tell your employees what you expect of them and maintain an open door policy for them to share their questions and concerns
- Educate your employees about the reporting process; make sure your team understands their responsibility to speak up if they see or suspect misconduct by others
- Don't investigate matters yourself or hire an outside investigator; bring compliance issues forward to the Senior Director of Corporate Compliance
- Never respond to concerns in a retaliatory manner or allow retaliation by others
- Respond to compliance issues promptly and adequately

How to Seek Advice

You may need advice or assistance in order to resolve an issue. Managers typically should be the first people you turn to for help. If you are not comfortable discussing an issue with your manager, other resources are available. If you are not comfortable speaking with anyone inside of Endologix, you may contact the toll-free confidential Endologix Hotline via phone or through the web portal. The Endologix Hotline is an external reporting service operated by an independent company, not Endologix employees; translators are available in five languages upon request.

What happens when you contact the Hotline?

A customized web form that you complete - or a professional interview specialist - will document your question or concern in detail and then relay it to Endologix for follow-up. You may be asked to check back to provide additional information or answer questions as your concerns are investigated. All questions or concerns shared through the confidential Hotline are handled promptly, appropriately, and discreetly. You may choose to seek advice or report concerns anonymously, if permitted by local law.

How to Report Issues or Ask Questions

Every Endologix employee is responsible for compliance. If you suspect that a potential violation of the law or the Standards has occurred, it is your responsibility to report it. You should contact Susan Hanstad, the Senior Director of Corporate Compliance, at 949.595.7288, shanstad@endologix.com.

If you report an issue or want to ask for clarity regarding a policy, your identity and the information you share will be provided on a “need-to-know” basis with those responsible for resolving the concern. You may remain anonymous, as permitted by applicable law, but if you identify yourself we will be able to follow up with you and provide specific feedback.

No one will be punished for asking about possible breaches of law, regulations or an Endologix policy. We absolutely prohibit retaliation against anyone who raises an issue or helps address a compliance matter in good faith. Any allegation of reprisal will be investigated and corrective action taken. It is our policy to protect those who do the right thing.

The Corporate Compliance Department is responsible for administering internal investigations of suspected violations of the Standards and related compliance policies. We will assign an investigator, including appropriate personnel within Endologix who may include representatives from Human Resources, Finance, Regulatory, and/or other functional groups, as well as outside legal counsel, who have expertise related to the matter.

We may refer financial matters, when appropriate, to the Audit Committee of the Board of Directors. The investigator will work to determine the facts and recommend corrective action. Whenever possible, the person who raised the concern will receive feedback on the outcome. You are expected to cooperate if called upon with any investigation. Do not compromise the integrity of the investigative process, i.e., do not circumvent the policy and process and conduct your own investigation.

We use every reasonable effort to prevent conduct that violates our Standards and to stop any misconduct as soon as it is discovered. Employees who fail to comply with the laws or regulations governing our business, or who violate the spirit or letter of our policies are subject to disciplinary action up to and including termination of employment and, if warranted, legal proceedings. Misconduct that may result in discipline includes the following:

- Committing – or directing someone else to commit – violations of law or the Standards
- Failing to promptly raise a known or suspected violation
- Failing to cooperate in an investigation of possible violations
- Failing to tell the truth during an investigation
- Retaliating against another employee for reporting a concern

Waivers and Amendments

We will waive application of the policies set forth in our Standards only where circumstances warrant granting a waiver. Waivers for directors and executive officers may be made only by the Board of Directors or a designated committee and must be promptly disclosed as required by law or regulation.

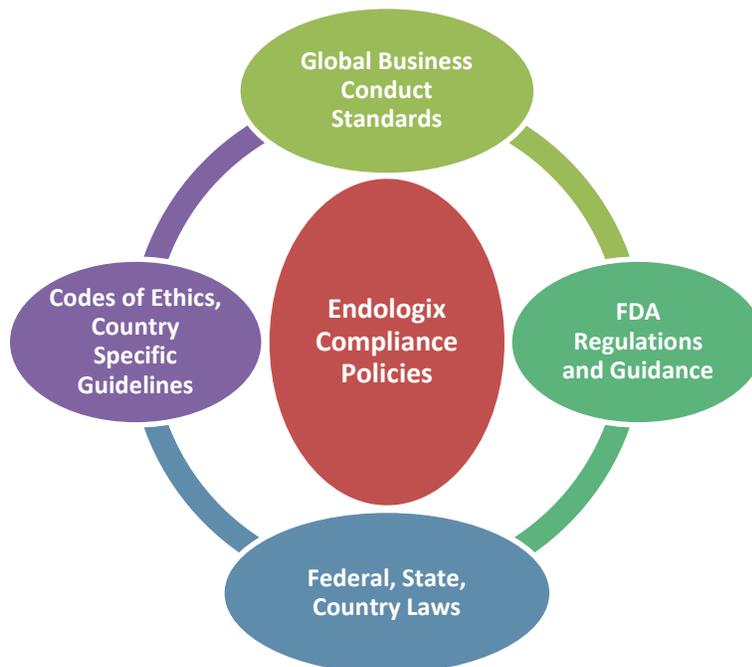
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Global Business Conduct Standards

The term Health Care Professionals (HCPs”), as used here, encompasses the individuals, institutions, and other entities that prescribe, recommend, purchase or influence the recommendation or purchase of our products or services. We conduct our business with honesty and integrity, and obey all laws and regulations in conducting our business with HCPs. Our relationships with HCPs including customers and consultants, are very important to us and are firmly committed to complying with all laws and regulations governing our interactions with them.

An interaction with an HCP can be anything from a brief product-related discussion between a sales representative and a physician - to an agreement with an institution on the terms of an educational or research grant. All interactions with HCPs – no matter how brief or informal – must be conducted in accordance with existing laws, industry standards, country-specific guidelines, compliance policies and the Standards. Under no circumstances may an employee engage in any conduct that unlawfully induces (or appears to unlawfully induce) an HCP to purchase, lease, recommend, use, or arrange for the purchase, lease or use of an Endologix product. We may compensate HCPs for consulting services, performing research, participating on advisory boards, or providing other bona fide services for which a legitimate need has been identified and for which Endologix pays fair market value, providing such arrangements are made in writing and approved by management (including the CEO or President), and the Senior Director of Compliance.

The Standards define our commitment as a company – and as individuals – to abiding by laws, industry guidelines (i.e., AdvaMed, Eucomed and MedTech Codes of Ethics), country-specific guidelines, and Endologix’ Compliance Policies that apply to our day-to-day interactions with HCPs.



Medical Device Laws and Regulatory Requirements

We comply with all medical device laws and respect our regulatory requirements

Our products are heavily regulated by governmental agencies, health ministries and other regulatory authorities around the world. Regulatory requirements include marketing approvals, clinical study parameters, good manufacturing practices, design controls, and labeling and advertising controls, among others.

Although physicians can lawfully prescribe or use products for unapproved (or off-label) indications, Endologix cannot promote products for off-label indications and are restricted in how we communicate with Health Care Professionals about these uses. You have a responsibility to understand and comply with these requirements and to contact the Regulatory Department and/or the Corporate Compliance Department for guidance or to report any acts that violate regulations.

Adherence to Product Labeling

- Our business plan is directed toward driving sales growth for approved indications
- Promotional discussions and materials pertaining to approved products are consistent with product labeling
- Sales representatives and other commercial field-based staff, including agents and distributors, undergo training in appropriate promotional practices
- All labeling, marketing and sales training materials are reviewed and approved by Global Medical Affairs, Regulatory Affairs, and Marketing

Sales and Marketing Practices

We market our products honestly and in compliance with all laws and regulations

We must preserve our reputation as a leading company whose products and services are desired for their features, innovation, quality and value. We honestly describe our products and services and take care to ensure that all promotional material and communications are accurate, balanced, substantiated and compliant with legal and regulatory standards. Make sure in your marketing practices that you:

- Don't mislead or omit important facts
- Don't promote a product before it is approved
- Don't promote a product for use other than for which it was approved
- Don't unfairly criticize a competitor's products or services – some countries prohibit all comments about a competitor

Educational Programs - Patient/Provider Educational Materials

Endologix can provide grants to Health Care Professionals to develop or disseminate patient education or professional education materials describing medical conditions and their treatments

- Content is limited to FDA-approved product labeling, is non-promotional, and is focused on education
- The grant request is appropriate for the nature and scope of the project, and the terms of the support are clearly documented in a Letter of Agreement

- All materials that are provided have value and will need to be tracked and reported according to state and/or federal guidelines

Responding to Unsolicited Requests for Medical Information Regarding Off-Label Uses

Endologix is responsible for responding to unsolicited requests for information about the safe and effective use of its products, as well as information on unapproved, off-label uses.

Providing Product Information to Health Care Professionals

Endologix cannot promote products for unapproved indications and are restricted in how we communicate with Health Care Professionals about these uses.

Unsolicited HCP requests for medical information about off-label uses received by Endologix are reviewed by representatives from the Global Medical Affairs Group, including our Chief Medical Officer, who ensure any information provided is current, objective, scientifically sound, free of promotional influence, and describes the limitations of the device, making sure the requestor understands what the device can and cannot do.

Providing Technical Support During Patient Procedures

Health Care Professionals sometimes request that an Endologix representative remain in the room during patient procedures for the purpose of answering questions about the medical device.

- The representative providing the technical support does not promote the device, or any of its features, for uses outside the approved product labeling
- If a Health Care Professional elects to use a device in a manner not described in the product labeling, the representative limits the discussion of product-related information to the device's labeled instructions for use, its operating principles, its performance specifications, and other technical aspects of the product
- The representative must not touch or make contact with a patient - or - during the procedure, touch or operate instruments or equipment that delivers or regulates therapy to the patient

Product Training

Endologix has a responsibility to demonstrate the safe and effective use of medical devices to Health Care Professionals who – due to a lack of familiarity with a device or its particular use – clearly require such training.

- Training is consistent with approved product labeling
- Training venues include Endologix' facilities, independent teaching facilities such as a hospital or other appropriate clinical setting
- Health Care Professionals who attend training sessions may be reimbursed for reasonable travel and modest lodging and meal costs, but may not receive an honorarium or other compensation for time spent in training

Interactions with Health Care Professionals

We interact with Health Care Professionals in compliance with all laws, regulations and applicable industry standards

Keep medical decision-making free of improper industry influence - as an employee, you are prohibited from offering or giving anything of value to an HCP in order to induce or influence that person to prescribe, use, purchase, lease or recommend our product. In cases where an HCP is also a government employee, extra care must be taken (see section on Bribery and Corruption).

Patients undergoing medical treatment share the expectation that decisions made on their behalf are guided by objective medical knowledge and experience and are free of improper influence. A growing number of laws, guidelines and compliance policies have been introduced to help preserve the independence of medical decision-making. They limit and regulate giving or offering anything of value to HCPs to avoid improperly influencing choices made in the interest of patient care. Industry guidelines (such as AdvaMed, Eucomed and MedTech Codes of Ethics) and compliance policies also are intended to limit even the appearance of improper influence.

You are responsible for knowing our compliance policies and procedures regarding promotional activities and interactions with HCPs. Refer to them when you are considering:

- Use of an HCP as a consultant
- Sponsoring medical seminars or other events attended by HCPs
- Awarding educational grants
- Paying honoraria or speaker fees
- Sponsoring trips to medical meetings or Endologix facilities

We have adopted the AdvaMed, Eucomed and MedTech Codes of Ethics (see links on our website) to guide our interactions with HCPs in the United States and Europe, respectively, as well as similar industry standards and country-specific guidelines around the world. The Senior Director of Corporate Compliance can guide you in these matters. Keep in mind, other local and national laws may govern these relationships as well. The Senior Director of Corporate Compliance works with health care attorneys around the world who serve as subject matter experts in specific countries regarding any issues that may arise.

Our Standards for HCP-Based Activities

Endologix is committed to protecting treatment choices from improper financial inducements. Our Standards, which reflect this commitment, are based on important laws and industry codes derived from these laws in the US:

- The federal Anti-Kickback Statute, which prohibits companies from providing cash or other value to HCPs to influence the use or purchase of federally-reimbursed products.
- The federal False Claims Act, which prohibits a person from knowingly submitting or causing someone else to submit a fraudulent claim for reimbursement to a government-funded health care program. This law may intersect with the Anti-Kickback Statute when product orders are placed, as a result of improper inducements, and later reimbursed by a federally funded health care program.

Use and Protection of Confidential Patient Information

Employees are obligated to comply with laws and rules relating to protecting confidential patient health information. This protected information includes all individually identifiable information relating to (i) an individual's past, present, or future physical or mental health or condition, (ii) the provision of health care to an individual, or (iii) payment for providing health care to an individual. If the information identifies or provides a reasonable basis to believe it can be used to identify an individual, it is considered individually identifiable health information.

HIPAA

The HIPAA Privacy Rule creates national standards to protect individuals' medical records and other patient health information. HCPs have a duty to safeguard this information which may include paper records and electronically transmitted records. HIPAA provides clear standards for the protection of this information and regulates the way protected health information (PHI) is created or received. Endologix routinely handles PHI, meaning, we must conform to HIPAA rules. The HIPAA Privacy Rule allows Endologix, as a member of the healthcare team, to share PHI for treatment purposes without patient authorization, as long as employees use reasonable safeguards when doing so. These treatment communications may occur orally or in writing, by phone, fax, email, or otherwise. Safeguards may vary depending on the mode of communication used.

Business Associate Agreements

Any requests for Endologix to sign a Business Associate Agreement must be forwarded to the Senior Director of Corporate Compliance. Under no circumstances should an employee sign a Business Associate Agreement on behalf of Endologix.

Reimbursement and Health Economic Information

Endologix recognizes that patient access to necessary medical products and technologies may depend on HCPs and/or patients having timely and complete coverage, reimbursement, and health economic information. Endologix also recognizes the importance of accurate and responsible billing to reimbursement payors. Endologix may provide possible coding suggestions based on assigned codes by Medicare through the coding verification process. In those instances, it is our policy to provide accurate, objective and appropriate reimbursement and health economic information. The assigned codes are the required billing codes for our company's products, however, it is the HCP's responsibility to confirm specific coverage, coding, and billing guidance with individual third party payers to determine the appropriate billing code.

Limitations on Endologix: Endologix may not interfere with an HCP's independent clinical judgment or provide coverage, reimbursement, or health economics support as an unlawful inducement. For example, Endologix may not provide free services that eliminate the overhead expenses that an HCP would otherwise incur. Further, Endologix may not suggest methods for billing for services that are not medically necessary or engage in other fraudulent practices to obtain an inappropriate payment.

Hospitality and Educational Items

Endologix is expected to adhere to industry standards for providing hospitality, meals and educational items to HCPs

Hospitality

- Sales calls and business meetings with HCPs are limited to settings conducive to the exchange of information related to Endologix' business and our products
- Endologix may offer occasional and modest meals, consistent with standards of the applicable industry code of ethics, as part of a business discussion about scientific or clinical information related to our products
- Recreational or entertainment events are not permitted in conjunction with HCP interactions
- Attendance at events by spouses, children, or guests is not permitted
- Travel – Endologix may offer reasonable, necessary, and pre-approved travel and lodging

Educational Items

- Endologix is prohibited from providing items to HCPs that do not advance treatment education or are otherwise not designed primarily for the education of patients or HCPs – in other words, no items can be provided that do not provide an educational purpose
- Items designed primarily for the education of patients or HCPs must not offer value to the HCP outside of his or her professional responsibilities. Examples of appropriate items include anatomical models, textbooks, informational sheets and brochures, or written materials that inform patients.
- Cash or cash-equivalent gifts are prohibited
- All educational items require pre-approval from Management and Compliance

Written Arrangements with Health Care Professionals

Endologix is permitted to occasionally enter into agreements with HCPs who provide services that are of bona fide value to the company (e.g., consulting, training and education, clinical research, advisory board participation, product development, and promotional speaking engagements).

- Services relate to an area of legitimate, pre-approved business interest to Endologix identified on a Business Justification Form
- Compensation is consistent with fair market value
- The agreement is clearly documented in a signed contract outlining the HCP's responsibilities, the duration of the arrangement, and the terms of fair market value compensation
- Promotional speakers present scientific, educational, and non-promotional information pertaining to our products and services; HCP speakers may receive payments consistent with fair market value reflected in their consulting agreement, and may be reimbursed for modest meals and reasonable travel and lodging expenses incurred in the fulfillment of their agreements. All speakers are required to publically disclose potential conflicts of interest. Product-related scientific information is limited to approved labeling or with appropriate disclaimers approved by Regulatory Affairs and others within Endologix, and all program content undergoes formal copy review.

Education Grants

Endologix may provide grants to support legitimate educational activities directed towards HCPs or patients, such as funding to accredited continuing medical education (CME) providers. Endologix may provide grant support for these programs but cannot be involved in the development of the content or the selection of speakers or authors. All requests for educational funding for CME accredited programs must be reviewed by the Grants Committee, and approved by the Senior Director of Corporate Compliance and the CEO or President.

- All requests for grants must come from the entity – not a representative from sales – and the requestor must use the appropriate request form
- Funding is consistent with the nature and scope of the program, and the source of the grant is disclosed
- Speakers disclose conflicts of interest, such as a financial relationship with Endologix, to the institution or association conducting the program
- Speakers' travel and other expenses are reimbursed by the institution or association conducting the program, not by Endologix
- The content is non-promotional, balanced, educationally focused, and developed without input or guidance from Endologix
- The terms of the grant are clearly documented in a Letter of Agreement

Scientific Research

Endologix-Sponsored Research

Endologix is committed to the development of new products and technologies, and we maintain research programs that assist us in fulfilling that objective.

- Research pertains to a disease state of interest to Endologix and fulfills a legitimate scientific need
- Endologix-initiated sponsorships for research studies are reviewed and approved by Clinical Affairs
- Investigators are selected on the basis of their expertise on the subject studied
- Endologix discloses to the FDA, as required, any potential conflicts of interest between study sponsors and clinical investigators
- Prior to beginning research, investigators sign a written contract describing the study design, the method of reporting results, ownership of intellectual property, terms of compensation, and other relevant items
- Endologix owns the data generated by the study
- Study subjects are provided written informed consent documents

Investigator-Initiated Studies

Endologix occasionally receives requests from investigators seeking funding to conduct scientific or clinical studies. All requests for funding follow the following basic criteria:

- Research is in an area of legitimate interest to Endologix
- The grant recipient agrees to share all research findings with Endologix at certain milestones agreed to between the parties, and prior to publication
- The grant request is reviewed and managed by the company's senior management to ensure the methodology, protocol, and funding request are valid and appropriate; all requests require Compliance approval
- The terms of the grant request are clearly documented in a signed agreement

Bribery and Corruption

We do not make or receive improper payments, nor do we offer inappropriate gifts or entertainment. We do not participate in any corrupt practices nor do we allow those who work on our behalf to make or offer them. We do not participate in illegal or unethical behavior in order to sell our products. We keep accurate and transparent business records.

All employees and any agents, distributors, or other individuals representing Endologix must follow the laws of the country in which they operate as well as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. These laws are serious and far-reaching, and companies that violate them risk not only damage to their reputation and future success, but also costly law suits, substantial fines, and even jail time for individuals.

We are committed to securing business based solely on the quality of our products. Regardless of local custom or competitive practices, do not offer, make or authorize, request, agree to receive or receive payment of money or anything of value – including cash, gift cards, gifts, travel expenses, entertainment, charitable or political contributions, per diem payments, sponsorships, honoraria, loans or employment offers – to:

- Influence the judgment or conduct, or to ensure a desired outcome or action of any individual, customer, company or company representative
- Win or retain business or influence any act or decision of any governmental official, political party, or candidate for political office, or business partner
- Gain a business advantage

Distributors and Agents

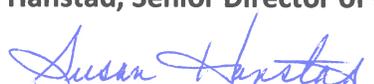
Endologix uses outside people or organizations – including agents, representatives, consultants, distributors and suppliers – to help conduct business. We select our business partners carefully and choose those who share our values and standards for ethical business practices. We have a responsibility to consider their business practices, behaviors, reputation, experience and any past violations of law when we make decisions about partnering with them. We ensure that the people and organizations who work on our behalf are reputable, qualified, and do not intentionally create conflicts of interest.

Transactions with third parties operating in high-risk markets carry a higher risk of corruption, so it is important to exercise due diligence during the selection process and to monitor third parties and any sub-distributors or agents who work with our third parties throughout the term of our relationship with them. Third parties who act on our behalf (such as distributors and consultants) are subject to the same restrictions that you are. Never make, offer to make, or authorize payment to a third party if you know or have reason to believe that all or part of the payment will be offered or given by the third party to someone to secure an improper advantage or to obtain or retain business.

What is “Due Diligence” and who is responsible for conducting due diligence on third parties?

“Due diligence” means taking the necessary steps to know the third parties who work on behalf of Endologix and feeling confident that their business relationships are transparent and ethical. For distributors, due diligence is carried out by the Compliance Department. For all other third parties, the person who manages the relationship is responsible for conducting due diligence.

All agreements with distributors need to follow the Procedures When Engaging Foreign Distributors and Agents for International Business Transactions, which includes completing a Distributor Business Assessment and Request for Agreement process for each potential new and renewal distributor relationship. Agreements should be in writing and include confirmation that they will comply with all applicable laws, including anti-corruption laws such as the Foreign Corrupt Practices Act and the U.K. Bribery Act, as well as other local laws for third party suppliers. Endologix reserves the right to terminate a third-party relationship due to breach of any anti-bribery or anti-corruption behavior.

John McDermott, CEO and Chairman of the Board  _____	Date: 5/2/16
Susan Hanstad, Senior Director of Corporate Compliance  _____	Date: 5/2/16