

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS) and the Defense Health Agency (DHA), which administers the TRICARE program (collectively the "United States"); Olympus Corporation of the Americas, (“Olympus”), and John Slowik (“Relator”) (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Olympus is the United States subsidiary of Olympus Corporation, a Japan based company. Olympus sells and distributes medical optics and imaging equipment, including endoscopes, ultrasound systems, and clinical microscopes throughout the United States including New Jersey. Olympus’s corporate headquarters are located at 3500 Corporate Parkway, Center Valley, Pennsylvania, 18034.

B. On or about November 15, 2010, John Slowik (Relator) filed a *qui tam* action in the United States District Court for the District of New Jersey captioned United States ex rel. Slowik et al. v. Olympus America, Inc., et al., Case No. 10-cv-5994 (D.N.J.) pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b), and the analogous provisions of a number of state False Claims Act statutes (the “Civil Action”). Relator’s complaint alleged that Olympus and several of its affiliates paid kickbacks to healthcare providers, in violation of the False Claims Act, and the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b). Relator filed amended complaints on July

22, 2011, and October 24, 2012, and a corrected Second Amended Complaint on February 4, 2016.

C. Olympus has entered into or will be entering into separate settlement agreements (hereinafter, referred to as the “Medicaid State Settlement Agreements”) with certain states and the District of Columbia in settlement of the Covered Conduct, defined in Paragraph F, below. States with which Olympus executes a Medicaid State Settlement Agreement in the form to which Olympus and the National Association of Medicaid Fraud Control Units (“NAMFCU”) Negotiating Team have agreed, or in a form otherwise agreed to by Olympus and an individual State, shall be defined as “Medicaid Participating States.”

D. Olympus and its subsidiaries that market, sell, or lease medical and surgical products, including but not limited to endoscopes will contemporaneously enter into a Deferred Prosecution Agreement (“DPA”) with the United States Attorney’s Office for the District of New Jersey. The United States has filed or will file a Criminal Complaint in the United States District Court for the District of New Jersey (the “Court”) charging Olympus with conspiracy to commit violations of the Anti-Kickback Statute, contrary to Title 42, United States Code, Section 1320a-7b(b), in violation of Title 18, United States Code, Section 371, during the years 2006 through 2011 (the “Criminal Complaint”). The United States and Olympus will file with the Court the DPA, which states that the Department of Justice will recommend to the Court that prosecution of Olympus for the conduct charged in the Criminal Complaint be deferred for a period of three (3) years and that the Department of Justice will seek dismissal with prejudice of

the Criminal Complaint thereafter if Olympus is in compliance with all of its obligations under the DPA.

E. The United States contends that Olympus submitted or caused to be submitted claims for payment to the Medicare Program (Medicare), Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395kkk-1; the TRICARE Program, 10 U.S.C. §§ 1071-1110b; and the Medicaid Program (Medicaid), 42 U.S.C. §§ 1396-1396w-5.

F. The United States contends that from January 1, 2006 through December 31, 2011, Olympus provided kickbacks to physicians and to hospital employees and representatives, in violation of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), in order to induce them to purchase Olympus endoscopes and other Olympus medical and surgical equipment. The United States contends that these kickbacks took the form of grants, fellowships, consulting payments, free trips to desirable locations, payment for recreation and leisure activities, gifts and no-charge loans of equipment, and free use of equipment. For example, Olympus paid for a number of physicians to take week-long trips to Japan, where Olympus provided sightseeing excursions and lavish entertainment. Also, Olympus provided one physician with approximately \$400,000 in endoscopes and other equipment to use without charge in his private practice, and that doctor played a major role in a hospital's decision to purchase millions of dollars worth of Olympus products. The United States contends that it has certain civil claims against Olympus arising from this conduct, which is referred to in this Agreement as the Covered Conduct.

G. Except for those facts admitted in connection with the criminal DPA, this Settlement Agreement is neither an admission of liability by Olympus nor a concession by the United States or the Relator that their claims are not well founded.