

Making a Difference

Improving Patient Outcomes

Developing Surprisingly Different and Better Products

Providing Cost-Effective Solutions



Colson Associates | 2016



To Our Associates, Customers, Distributors, Suppliers and Friends

To our Associates,

As we look back on 2015 and look forward to 2016, I want to express my deep appreciation to each of you, fellow employees of our member companies around the globe, for your dedication and on-going valuable contributions which led to another very exciting and successful year on numerous fronts for the Colson Associates Member Companies. Our combined successes were achieved in an environment of interesting and dynamic market challenges during a period of rapid market change.

I thought you might find the following interesting. One of our Presidents, in describing how his team overcame the competitive market challenges and achieved continued profitable growth during 2015, pointed to the following quote attributed to Marv Levy (a member of the Professional Football Hall of Fame and the former and very successful coach of the Buffalo Bills and Kansas City Chiefs) who once is said to have observed, "When it's too tough for them (referring to the competition), it's just right for us!" Seems to me this is very descriptive and applicable to how our companies continue to win over the competition and thrive on doing business the right way by serving our customers with the highest level of service and by developing and providing to our customers a continuum of exciting and innovative new products.

In addition to the number of new products that our companies have introduced this past year, products which are leading to further significant advancements in patient care, I have been most pleased with our clearly demonstrated continued fundamental commitment to working together in an environment of respect, ethical behavior and accountability for our commitments to our customers and to one another; to maintaining our strong desire to efficiently develop innovative products with ease of use for the surgeons and which are providing cost efficiencies for the hospitals and beneficial outcomes for the patients; and the recognition of the importance of protecting and growing the value of the businesses for our Shareholders who have placed their trust and confidence with us.

Although market challenges are on the horizon for 2016, I want you to take comfort in knowing that your companies, the Colson Associates Medical Companies, are well-positioned to continue to build upon the strong foundations that already exist and I am eagerly anticipating great new, exciting and fun successes for the companies throughout 2016.

New and disruptive technologies and structural market changes are impacting all of our businesses, as well as each of the other companies who compete in the markets in which we participate. However, as has been demonstrated, our companies will continue to see their statures elevated in the market by continuing to focus on our underlying principles of "doing business the right way", in all things we do through trust, respect and commitment to one another and to our distributors, and by delivering noticeably greater value to our customers (surgeons, hospitals and their patients). This greater value will continue to come from dedicated and highly skilled employees providing the highest levels of customer service and from the products that are surprisingly different but simple and cost effective—better solutions to win!

It has been said that optimism is the ultimate definition of a winner. If this is true (and I truly believe this to be the case), then the optimism and enthusiasm that I see more than ever throughout our companies will enable us to realize achievements and lead us to levels of growth and successes that today are but dreams. I will

leave you with this thought and challenge—we must be Dream Builders! Walt Disney once said, "Times and conditions change so rapidly that we must keep our aim constantly focused on the future." The same is true for us today!

I want to share with you one affirmation that our commitment to "doing business the right way", with the underlying component of providing a workplace based upon trust, respect and commitment, is without a doubt the correct path. I have been extremely pleased with the number of individuals, who after having left to explore other opportunities (in many instances with competitors) for perceived or promised "greener pastures", have returned to our companies due to the highly desirable environment, provided for each of us as employees of the Colson Associates Member Companies, in which to thrive and grow.

Our companies will continue to see their statures elevated in the market by continuing to focus on our underlying principles of "doing business the right way."

Now a bit of promotion for two very important programs!

First, I want to remind each employee and urge each of you that if you see or encounter any form of harassment or any inappropriate behavior you must report these matters to your immediate supervisor and to your company's human resources department or through the anonymous Confidential Reporting Hotline. Colson Associates can't address matters on your behalf and in your interest if we are not made aware. So, please make us aware of any such situations so we can help you. We will not tolerate any retaliation and you will



A Word About Colson Associates

be protected at all times. You have a responsibility to report such situations and I insure you we have a desire and responsibility to investigate and remediate any such situations and we will do so.

I would also like to share exciting news regarding the Robert A. Pritzker Scholarship Program which was established during the fall of 2014 in memory of Robert ("Bob") Pritzker, our founder and wonderful friend, mentor and cheerleader to all of us. The scholarship program is for the dependents of our employees with 2015 being the first year applications were received for participation and program grants. I am very pleased to convey that the program was received with unbelievable enthusiasm and has provided meaningful financial support to students who qualified for the program. I strongly encourage all employees with students pursuing higher levels of education to contact their respective human resources department to determine if they are eligible for this assistance in reaching their education goals.

In closing, let me say that I am privileged to be part of such an outstanding adventure, that being the continued growth of the Colson Associates Member Companies, and to have such a wonderful and dedicated group of employees by my side.

My sincere thanks to each of you for your commitment, support and contributions.

To our Customers, Distributors, Suppliers and Friends

To our customers, distributors, suppliers and friends, on behalf of all of the employees of the Colson Associates Member Companies throughout the world we want to express our greatest appreciation for the confidence you have in our products, our services and in us. We appreciate your continued support and we sincerely value each of you. To our customers, you have our assurances that we are continuing

to direct our talents, skills, resources and energy on further understanding and responding to your needs. Through integrity, honesty, creativity, uncompromising product quality, the highest level of service, innovative new products and compelling pricing, we intend to further strengthen our relationship as your supplier of choice throughout the coming years.

Our policy is to recruit the very best people to develop and execute market leading strategic priorities and to reflect and respect the diversity of our employees and the diverse nature of the global footprint of our businesses. Through a deeply embedded culture of accountability and an adherence to "doing business the right way", our businesses are continually achieving great successes, creating and building wonderful and mutually beneficial relationships at many levels, bringing to market products that dramatically improve the standard of patient care and are doing this all within an environment where diversity is respected and protected and innovative thinking is enthusiastically encouraged.

On behalf of Colson Associates employees, we wish all the best to our customers, distributors, suppliers and friends for great success during the coming year. We again are hopeful that we will be key contributors to your success!

Throughout this report, I hope you will clearly see our companies' commitment to the development of innovative new products, the commitment to the continuum of patient care, our principles of doing business and our commitment to social responsibility and that our adherence to compliance continues to be clear and uncompromising.

Thank you for the trust you place in us each day.

Louhon Tucker
President and Chief Executive Officer
Colson Associates, Inc.
Chicago, Illinois
April 2016

Colson Associates, Inc. and each of its member companies are privately owned by certain direct family members of Robert "Bob" Pritzker. Mr. Pritzker, who passed away in October 2011, created Colson Associates in early 2002 for the purpose of providing management and certain administrative services on a more efficient basis to the member companies of Colson Associates. Subsequent to the creation of Colson Associates, a number of medical-related companies were acquired and those companies now include Acumed Holding Company, Inc. and subsidiaries, Apex (Guangzhou) Tools & Orthopedics Company, MicroAire Holding Company LLC and subsidiaries, OsteoMed Holding Company, Inc. and subsidiaries, Precision Edge Holding Company LLC and subsidiaries, and Skeletal Kinetics Holding Company LLC and subsidiaries. Each of these member companies are independently operated and managed but with certain support services provided by Colson Associates.

While the member companies around the world operate independently, Colson Associates, Inc. (a professional organization in Chicago, Illinois) manages and invests the member companies' non-operational financial resources and advises the companies on accounting, international and state tax, finance, legal, insurance and risk management, regulatory, real estate, acquisitions and other matters.

It is the objective and intent of the management of Colson Associates and that of the Shareholders of Colson Associates and of the respective member companies, that each of the companies operate with the highest level of ethics, full compliance with governmental and industry regulations and with a keen sensitivity toward social responsibility.



Socially Responsible and Actively Involved

The member companies of Colson Associates are committed to social responsibility and community involvement. Such commitment is of fundamental importance to Colson Associates and to our Shareholders and has been and continues to be evidenced in many ways by our companies and employees throughout the world. Our companies are encouraged to reaffirm these values in a tangible manner through support for humanitarian, educational and charitable activities locally and on a global basis. Colson Associates and our member companies firmly believe that we also have a deep responsibility, which we have embraced, to aid the afflicted through improving the standards of patient care. We continue to discharge this responsibility through our

extensive new product research and development programs and through providing training, supplies, modern equipment and other support to non-profit organizations. The mission of some of these organizations is to support surgeons in developing countries in order to offer immediate orthopedic surgical treatment to individuals who otherwise would not have access to the benefits of advanced medical treatments.

In order to help others, we must first always insure that our employees are provided with an environment of the highest levels of safety and care, that we have the greatest respect as an environmental custodian for the world in which we live, that our companies are strong financially so that we have the resources both

for reinvestment and to be able to identify and fund activities where assistance is meaningful.

But to make these socially responsible activities meaningful, all of our businesses around the world and all of our activities must be sustained globally by a continued focus on maintaining highly ethical business practices. We take this extremely seriously and continually devote significant attention to further strengthening our business practices and controls so that we might better insure the future of our companies, our employees, our business relationships, our ability to improve the standards of care, our compliance with government and industry regulations, and our abilities to continue to fulfill our desires for innovative social responsibility.



Acumed LLC	Apex (Guangzhou) Tools & Orthopedics Company	MicroAire Surgical Instruments LLC	OsteoMed LLC	Precision Edge Surgical Products Company LLC	Skeletal Kinetics LLC
www.acumed.net	www.apexitool.net	www.microaire.com	www.osteomed.com	www.precisionedge.com	www.skeletalkinetics.com
Hillsboro, Oregon Beijing, China Andover, England Madrid, Spain	Yonghe, Guangzhou, China	Charlottesville, Virginia	Addison, Texas	Sault Ste. Marie, Michigan Boyer City, Michigan	Cupertino, California
480 employees 168,448 square feet	112 employees 100,000 square feet	157 employees 97,000 square feet	233 employees 61,000 square feet	229 employees 74,900 square feet	13 employees 16,500 square feet

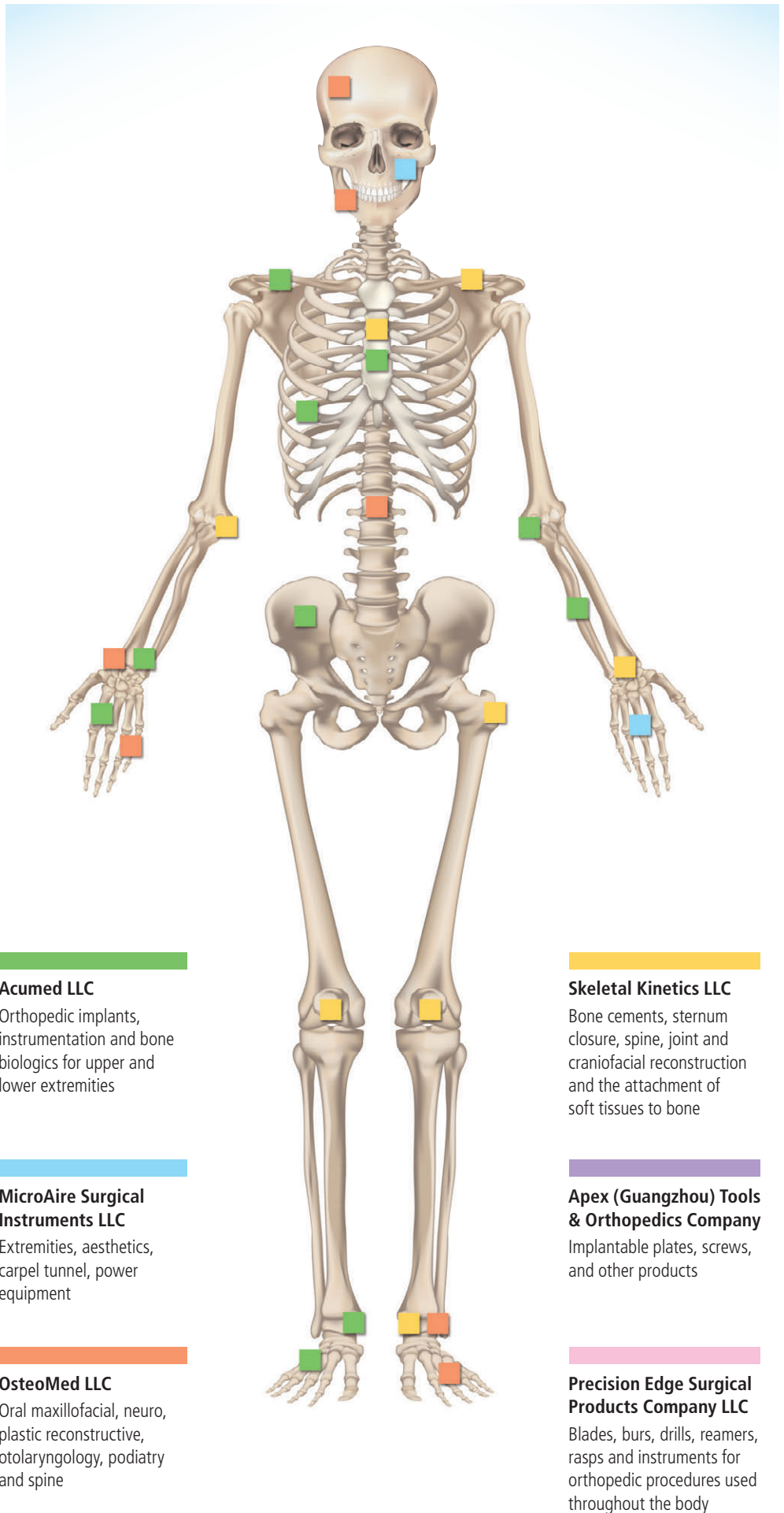
Code of Business Conduct

The Colson Associates Companies are dedicated to the advancement of medical science, the improvement of patient care, and in particular to the contribution that high quality, cost effective health care technology can make toward achieving those goals.

In pursuing this mission, the Colson Associates Companies recognize that adherence to ethical standards and compliance with applicable laws are critical to their ability to continue the collaboration with health care professionals. The Colson Associates Companies insist upon ethical business practices and socially responsible conduct related to their interactions with health care professionals.

Our companies also respect the obligation of health care professionals to make independent decisions regarding the Colson Associates Companies' products. Consequently, a Code of Ethics has been adopted to facilitate the Companies' ethical interactions with those individuals or entities that purchase, lease, recommend or use prescribed Colson Associates Companies' medical technology and products.

With the foregoing in mind, Colson Associates has a Confidential Reporting Hotline to provide a confidential and, if desired, anonymous avenue for employees to report any real, perceived or potential matters of ethical concern to Colson Associates.



Acumed LLC

Orthopedic implants, instrumentation and bone biologics for upper and lower extremities

MicroAire Surgical Instruments LLC

Extremities, aesthetics, carpal tunnel, power equipment

OsteoMed LLC

Oral maxillofacial, neuro, plastic reconstructive, otolaryngology, podiatry and spine

Skeletal Kinetics LLC

Bone cements, sternum closure, spine, joint and craniofacial reconstruction and the attachment of soft tissues to bone

Apex (Guangzhou) Tools & Orthopedics Company

Implantable plates, screws, and other products

Precision Edge Surgical Products Company LLC

Blades, burs, drills, reamers, rasps and instruments for orthopedic procedures used throughout the body



Innovation With Purpose

Acumed LLC

Designs, manufactures and markets orthopedic implants, instrumentation and bone biologics for the upper and lower extremities. The company is dedicated to the development of indication-specific products that provide superior fixation, anatomic restoration and early patient rehabilitation.



Acumed Headquarters, Hillsboro, Oregon



Brookwood facility, Hillsboro, Oregon



Acumed Learning Center for surgeon and employee bioskills training



Acumed Learning Center for surgeon and employee bioskills training



The Ankle Plating System 3 is composed of seven plate families that span the lateral, medial, and posterior malleoli.

The Polarus® 3 Solution is an array of plate and nail options for treating proximal and midshaft humerus fractures.



Acu-Loc® 2 is an ongoing market leader in distal radius fixation.

Slide-Loc™ Anatomic Radial Head System with the original anatomic radial head, now with side-loading functionality without a set screw.



Designs and manufactures a wide array of medical devices for surgeons and OEM buyers including surgery drill bits, k wires, taps, reamers, rasps, saw blades, screw drivers, medical instruments including skin staplers, knee positioner, and bone mill for the North American, European and Asian Markets.



Apex (Guangzhou) Tools & Orthopedics, Headquarters, Guangzhou, China



Manufacturing floor



Cleanroom tubing extrusion capabilities



Apex patented avascular necrosis core decompression (AVN) kit.

APEXSUTURE™ Skin Stapler is an ergonomically designed tool used to close lacerations and incisions similar to traditional needle sutures, reducing task time by 66 percent.



Apex flexible medical grade tubing.

Apex rigid medical grade tubing.



Designs, manufactures and markets powered surgical instruments for total joint replacement surgery, orthopedic surgery of the extremities, aesthetic and reconstructive surgery, endoscopic carpal tunnel release, and sterile orthopedic blades.



MicroAire Surgical Instruments, Headquarters, Charlottesville, Virginia



Manufacturing facility and warehouse, Charlottesville, Virginia



BioSkills Training Center with 24 surgeon capacity



Manufacturing facility, Charlottesville, Virginia



The 5000 Series small-bone power system—featuring the ergonomic Solo™ Driver, the smallest wire/drill-driver with the widest range of wire sizes—developed with surgeons, for surgeons.



MicroAire's patented SmartRelease® single-portal endoscopic carpal tunnel release system uses a small incision at the base of the wrist as the entry point for a disposable blade assembly.



PAL® Liposuction System is the only US-patented liposuction instrument using a reciprocating motion (rather than rotating) to facilitate the movement of the cannula within tissue.



**Rethinking Possibilities,
Reshaping Lives**

OsteoMed LLC

Develops, designs and manufactures products for small bone reconstruction, distraction osteogenesis, spinal fusion and trauma surgical devices targeted primarily to the oral maxillofacial, neuro, spine, plastic reconstructive, otolaryngology (ENT), podiatry and small bone orthopedic surgical specialties.



OsteoMed Headquarters, Addison, Texas



BioSkills Lab and training facility



Manufacturing floor

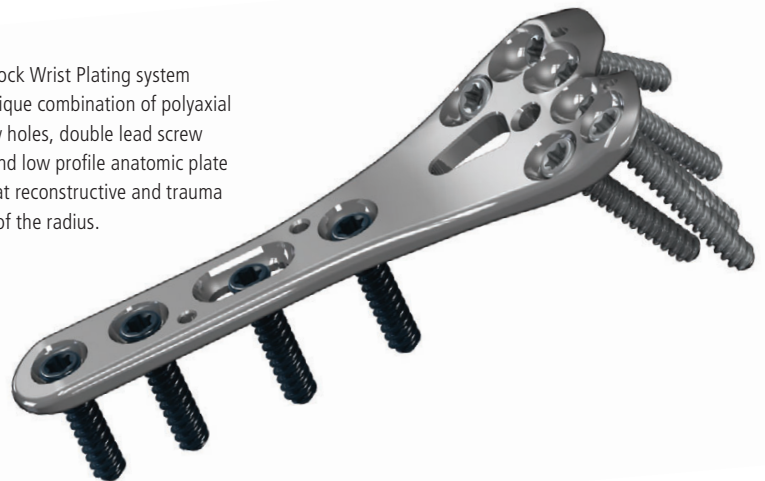


Manufacturing floor

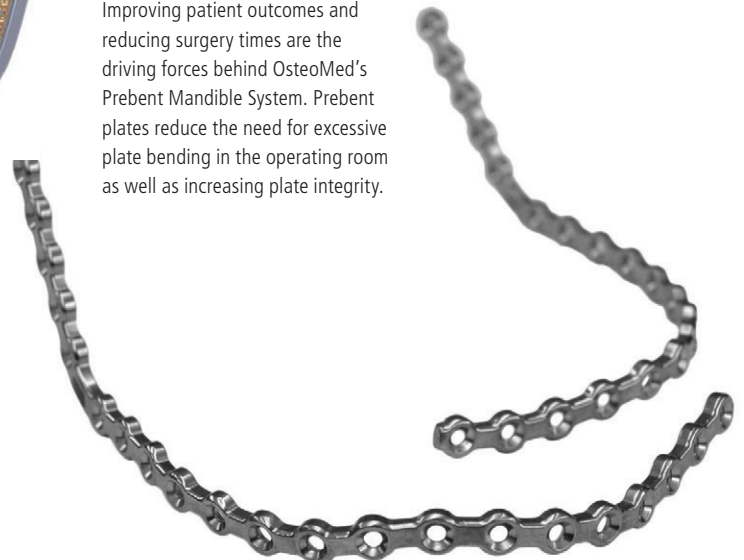


OsteoMed's SMART Power Driver is intended for driving screws and for drilling into bone, in conjunction with cranial, orthognathic, dental and mandibular surgical procedures.

The ExtremiLock Wrist Plating system features a unique combination of polyaxial locking screw holes, double lead screw technology and low profile anatomic plate design to treat reconstructive and trauma applications of the radius.



Improving patient outcomes and reducing surgery times are the driving forces behind OsteoMed's Prebent Mandible System. Prebent plates reduce the need for excessive plate bending in the operating room as well as increasing plate integrity.



An industry leading contract manufacturer of precision surgical components, cutting tools and instrumentation for use in the orthopedic industry.



Precision Edge Surgical Products Headquarters,
Sault Ste. Marie, Michigan



Sault Ste. Marie, Michigan manufacturing facility



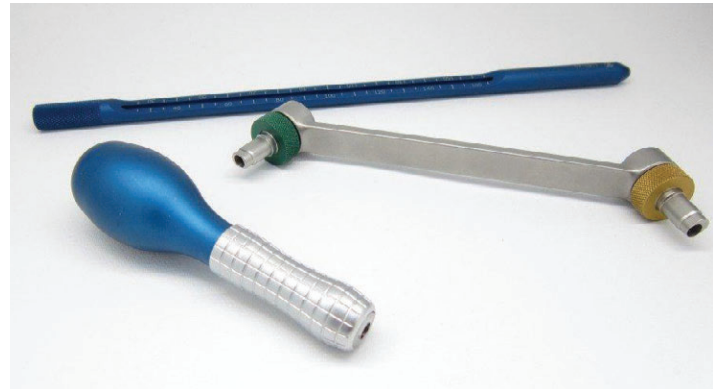
Boyne City, Michigan manufacturing facility



Boyne City, Michigan manufacturing facility



From front: Tissue Protector, Trephine Reamer, Gorilla Wire Guide.



From front: Swivel Quick Release Assembly, Compression Drill Guide, Depth Gauge (230mm).



From front: Bone Fenestration Chisel, Half Pin Removal Tool, Locking bolt.

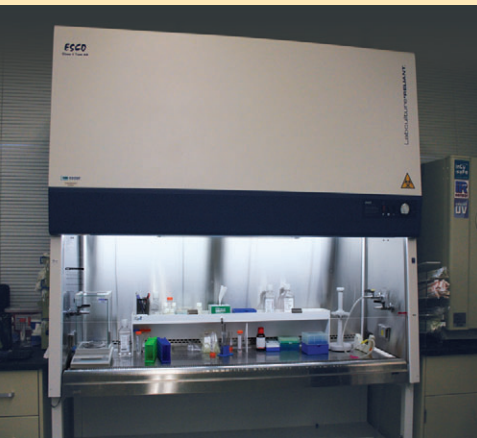
A pioneer in orthopedic biomaterials, the company develops, manufactures and markets bone cements and related biologic products for total joint revision, sternum closure, oncology, orthopedic trauma fracture fixation, spinal, joint and craniofacial reconstruction and the attachment of soft tissues to bone.



Skeletal Kinetics Headquarters, Cupertino, California



Calcium phosphate bone cement products (bone void filler) manufactured by Skeletal Kinetics.



Testing lab



Furnaces used in production of biologic products



Skeletal Kinetics' Callos™ Mixing and Delivery System mixes a proprietary powder and liquid in a consistent cement mix in one minute. Callos Inject adds an easy-to-use plunger for extruding Callos Inject directly into the syringe, while Callos Impact can be scooped out with the provided spatula.



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