



COMPREHENSIVE COMPLIANCE PROGRAM

Merz' Comprehensive Compliance Program ("Comprehensive Compliance Program" or "CCP") is made up of the following elements. All Merz employees are required to comply with the CCP and report any violations.

- Limits on Gifts or Incentives to Medical or Health Professionals
- 24-Hour Toll-Free Compliance Hotline
- Education and Training Program
- Monitoring
- Responding to Potential Violations
- Disciplinary Actions and Sanctions



COMPLIANCE POLICY STATEMENT

Merz Pharmaceuticals, LLC (“Merz”), is dedicated to maintaining excellence and integrity in all aspects of its operations. Accordingly, Merz is committed to high ethical standards and compliance with all governing laws and regulations, not only in the delivery of health care products but in its business affairs and its dealings with employees, customers, patients and all other constituencies it serves. It is the personal responsibility of all who are associated with Merz to honor this commitment in accordance with the terms of the Merz Code of Ethics, and related policies, procedures, and standards developed by Merz in connection with its Comprehensive Compliance Program. Merz is committed to establishing and maintaining an effective compliance program in accordance with the Compliance Program Guidance for Pharmaceutical Manufacturers published by the Office of Inspector General of the U.S. Department of Health and Human Services (“OIG Guidance”) (May, 2003) and the July 2002 Code on Interactions with Healthcare Professionals published by the Pharmaceutical Research and Manufacturers of America (“PhRMA Code”).



MERZ' COMPREHENSIVE COMPLIANCE PROGRAM

Merz' Comprehensive Compliance Program ("CCP") is made up of the following elements, described in more detail below:

Limits on Gifts or Incentives to Medical or Health Professionals – Our CCP includes an annual spending limit of no more than \$4000 per healthcare professional. The \$4000 is set as an upper limit, not a spending goal. Certain items or activities of limited monetary value are not included in the internal spending limit including: (i) promotional items such as pens or notepads which are valued at less than \$10; and (ii) any in-office food or beverage provided on an occasional basis with an educational presentation not to exceed \$20 per person.

24 Hour Toll-Free Compliance Hotline (1-800-506-4313) – Employees may use the 24 Hour Toll-Free Hotline or ComplianceLine anonymously to report possible violations of the CCP or the Code of Ethics or other potential unlawful activity. Any retaliation against persons reporting suspected misconduct in good faith is prohibited.

Education and Training Program – All employees must complete general compliance training. The company has developed a comprehensive training program for employees involved in health care provider interactions.

Monitoring – The Compliance Officer is responsible for implementing the CCP as well as monitoring and reviewing certain types of spending.

Responding to Potential Violations – The Compliance Officer is responsible for the investigation and remediation of identified systemic problems and the development of appropriate corrective action plans to remediate such problems.

Disciplinary Action and Sanctions – Disciplinary action is enforced at all levels, up to and including possible discharge for violations of the CCP or the Code of Ethics.

This CCP establishes a framework for legal and ethical compliance by Merz and Merz employees. The CCP is a living document and all employees are encouraged to suggest changes or additions to the CCP.



LIMITS ON GIFTS OR INCENTIVES TO MEDICAL OR HEALTH PROFESSIONALS

For the purposes of this Comprehensive Compliance Program (“CCP”), medical or health professionals include persons licensed by state law to prescribe drugs for human patients, medical students, and members of drug formulary committees.

The provision of gifts, meals, and entertainment to physicians and other health professionals to influence the purchase or prescribing of Merz’ products can raise potentially serious legal issues. The provision of all such gifts, meals, and entertainment by Merz employees to health professionals must comply with the PhRMA Code, OIG Guidance, and this CCP.

This CCP applies to all interactions between Merz employees and health professionals, including during sales visits to the offices of health professionals and during third-party medical education or professional conferences, consultant meetings, or speaker training sessions.

A. Gifts

Pursuant to the PhRMA Code, any gift to a physician or other health care professional or their staff or family must have a fair market value of less than \$100. It is not appropriate to provide a gift of greater value.

- Gifts of nominal value – with a fair market value less than \$10 – may be provided to a physician or other health care professional if they relate to the physician’s or other health care professional’s practice. Such gifts include “reminder” items such as pens, notepads, and coffee mugs that are branded with the name of the company or one of its products. Items such as golf balls or gym bags are inappropriate gifts, even if branded with the company’s name.
 - Exclusion: No gifts of any value may be provided to health care professionals in Minnesota or West Virginia.

- Gifts of modest value – with a fair market value of between \$10 and \$100 – may be provided to a physician or other health care professional if they enhance patient care and relate to the physician’s or other health care professional’s practice. Such gifts include medical textbooks and medical equipment (*e.g.*, speculum, anatomical models), provided that the item relates to the particular practice of the health care professional.
 - Exclusion: An upper limit of \$25 applies to health care professionals in the following states and territory: Vermont, Maine, and District of Columbia.



Any gift intended for the personal benefit of the physician or other health care professional may not be offered. Such gifts include floral arrangements, artwork, music CDs or DVDs, and concert or sporting event tickets. This is only a partial list of such inappropriate gifts. The criteria described above provide the framework for determining whether a particular gift is appropriate. There may be unusual circumstances in which such a gift might be appropriate (*e.g.*, a funeral wreath). You should seek advice from the Compliance Officer if you have questions.

Gifts, regardless of their value, should only be provided to physicians and other health care professionals or their staff occasionally. Although the PhRMA Code does not establish an upper limit on the aggregate value of gifts that may be provided to a health care professional during a certain time period, the aggregate value of gifts provided to a professional per year by Merz employees may not exceed \$4000. The company will monitor and review certain types of spending, and report compliance deficiencies to the Compliance Officer.

Product samples are not considered gifts under the statute. The distribution of product samples is addressed in Merz' Sample Distribution Procedure.

Gifts of cash or cash equivalents (*e.g.*, checks or gift certificates) are never appropriate and may not be offered. Cash and cash equivalents may be offered to physicians or other health care professionals only as compensation for valuable services rendered (*e.g.*, contractual consulting agreements), provided such compensation does not exceed fair market value for the services rendered.

All gifts must be in accordance with the PhRMA Code, OIG Guidance, and other applicable company policies (*e.g.*, Purchasing Policy). If you are uncertain whether a particular gift would conform to the CCP, consult the Compliance Officer.

B. Meals

Whenever it is appropriate to provide a meal to a physician or other health care professional or their staff, two things must always be true:

- The meal must be of modest value, as judged by local standards.
- The meal must be provided in an environment that is conducive to receiving or discussing medical or scientific information.
- Meals during sales visits or promotional meetings are appropriate, but only if a Merz employee or consultant is present during the meal and presents information on a Merz product or another appropriate educational topic during the meal. For example, if a physician is only available to meet with the Merz employee during lunch, the Merz employee may accompany the physician to lunch and pay for that lunch, but must actually discuss the Merz product during the lunch. It would also be appropriate to provide, for example, pizza for the physician's entire office staff, but, again, only if the Merz employee



remains present and discusses with the physician the Merz product. It is not appropriate for a Merz employee to deliver a meal to a physician's office and then leave or to purchase a take-away meal for a physician – so-called “dine and dash” programs.

- Meals during third-party medical information or professional conferences may not be sponsored directly by Merz. In this situation, Merz may offer financial sponsorship to the organization sponsoring the conference, and the sponsor may use those funds to provide meals of modest value for all attendees.
- Meals during consultant meetings or speaker training sessions, or reimbursement for meal expenses, may be provided to bona fide consultants who render valuable services to Merz. However, meals should not be provided to, or be reimbursed for, the spouses or other guests of attendees.

You may provide meals to physicians and other health care professionals during sales visits in accordance with the above policies without prior approval if they meet other applicable company policies. If you are uncertain whether providing a meal would conform to the CCP (*e.g.*, whether the meal is of “modest value”), you should contact the Compliance Officer.

You must keep expense reports for amounts spent on meals for physicians and other health care professionals and their staffs, and you should retain receipts in accordance with company policies. These records should also include a brief summary of the information that was discussed during each meal. You are required to make these records and receipts available for audit upon request by your supervisor or the Compliance Officer.

C. Entertainment

Providing entertainment or recreational activities, including rounds of golf or attendance at concerts or sporting events, is not appropriate. These activities are not conducive to the discussion of product or other medical or scientific information. Modest meals and entertainment can be provided in conjunction with bona fide consultant meetings, but should be subordinate in time and scope to the educational meeting.



24 HOUR TOLL-FREE COMPLIANCE HOTLINE

The CCP cannot help Merz live up to its commitment to act with integrity if we, as individuals, do not speak up when we should. If you have a concern about ethical standards or a legal or business conduct issue, you have several options. It is important to ask the question or raise the concern. Your supervisor is generally a good place to start with concerns surrounding ethical standards or a legal or business conduct issue. You may also get help or advice from:

- Human Resources Manager;
- a member of the Regulatory Affairs Department;
- Merz' Compliance Officer; or
- the company's 24 hour toll-free ComplianceLine (1-800-506-4313). The ComplianceLine is operated by an independent company, which helps businesses respond to concerns about ethics and compliance. The ComplianceLine gives you the option of making anonymous reports.

Any retaliation against persons reporting in good faith suspected misconduct is prohibited by company policy.



EDUCATION AND TRAINING PROGRAM

One critical element of any effective compliance program is education and training so employees know how we expect them to conduct business. Accordingly, Merz has established programs to ensure that employees know where to go to access policies and procedures and receive appropriate training on these policies and procedures.

- All employees will be introduced to and trained on the CCP, the Code of Ethics and Merz compliance policies. Additionally, employees involved in health care provider interactions will be trained on the PhRMA Code. Such training will reinforce the need for strict compliance with the law and will advise employees that any failure to comply will be documented on the employee's performance evaluation and may result in disciplinary action.
- Within 90 days of their dates of hire, new employees will be introduced to the Code of Ethics, informed of the CCP, and informed of the ways in which they may access the Compliance Officer and the ComplianceLine service.
- Focused in-service training will be provided depending on the employee's job function.
- Attendance at all training programs will be monitored and documented.



MONITORING

One of the principal responsibilities of the Compliance Officer is to oversee and monitor the implementation of Merz' CCP. The Compliance Officer will develop a Compliance Workplan to track implementation of the CCP and identify areas of focus. The Compliance Officer will be responsible for monitoring the CCP and report periodically to the relevant Committees of the Board of Directors.



RESPONDING TO POTENTIAL VIOLATIONS

In the Employee Handbook, the Company has established policies on discipline that set out the consequences that may be imposed upon employees who violate the law or company policy, up to and including termination. Although each situation is considered on a case-by-case basis, we consistently undertake appropriate disciplinary action to address inappropriate conduct and deter future violations.

Employees are expected to cooperate in the investigation of reported violations. All reported suspected violations will be reviewed with appropriate attention to the rights of affected individuals. If further investigation is undertaken, we will look into the issue and take remedial action as necessary.



DISCIPLINARY ACTIONS AND SANCTIONS

Merz is committed to preventing and detecting violations of law and internal policies and procedures and taking appropriate corrective actions as necessary. The company believes that all employees are responsible for complying with the Merz CCP, Code of Ethics, and related policies and procedures. Disciplinary actions will be determined on a case-by-case basis and will be taken considering the underlying circumstances.