

JHP Pharma Comprehensive Compliance Program Effective July 1, 2011

Introduction

JHP Pharmaceuticals, LLC (“JHP”) is a specialty pharmaceutical company focused on the development, manufacture, sales and marketing of specialty pharmaceutical products. JHP and its employees are committed to adopting the highest ethical standards in their dealings with patients, physicians and the community-at-large. As such, JHP has developed a Comprehensive Compliance Program (“CCP”) in accordance with the “Compliance Program Guidance for Pharmaceutical Manufacturers,” published by the Office of the Inspector General, U.S. Department of Health and Human Services (“OIG Guidance”), and Code on Interactions with Healthcare Professionals published by Pharmaceutical and Research Manufacturers of America or PhRMA (“PhRMA Code”). Our Compliance Program, established by our Compliance Committee in conjunction with JHP senior management, is a central component of our commitment to the highest standards of corporate conduct.

Compliance Officer

JHP’s Compliance Officer and Compliance Committee are charged with overseeing the continued development and implementation of its CCP. The Compliance Officer and Compliance Committee have direct access to both the CEO and President and are charged with developing the standards of conduct issued as part of the CCP, directing auditing and monitoring activities, as appropriate, and implementing corrective measures, as necessary.

Comprehensive Compliance Plan

The primary purpose of JHP’s CCP is to promote the highest standards of ethical conduct and to help prevent and detect violations of law or company policy. The CCP is based on the OIG Guidance and PhRMA Code. However, as the OIG Guidance and PhRMA Code explicitly recognize, the implementation of a compliance program cannot guarantee that all improper employee conduct will be eliminated. Nonetheless, it is JHP’s expectation that its employees will comply with the CCP.

JHP has developed a Code of Conduct and Ethics (the “Code”), as well as additional policies and procedures that have been established in support of that Code. The Code applies to all JHP employees. While JHP is not a member of PhRMA, JHP has adopted and does adhere to the tenets of the PhRMA Code. All of JHP’s personnel are expected to adhere to the Code of Conduct and Ethics, the PhRMA Code and all applicable compliance policies and procedures. JHP will provide compliance awareness for all of its employees on all elements of the CCP as well as on applicable laws and regulations. In addition, the Company will conduct internal auditing and monitoring as necessary to evaluate compliance with company standards.

It is expected that employees will report any compliance-related concerns. As such, a non-retaliation policy is in effect at the Company. Employees may report their concerns either anonymously or directly to the Compliance Officer, Compliance Committee, any

manager, or the Human Resources Department. In the event that JHP becomes aware of a violation of law, regulation, or company policy, JHP is committed to investigating the matter, and where appropriate, taking disciplinary action, and implementing corrective measures to prevent further such violations.

In accordance with and as explicitly recognized in the OIG Guidance, JHP has tailored its CCP to fit its unique environment and size. Additionally, JHP's CCP is a living program, constantly involving regular assessment and adjustment to ensure the Program is responsive to the Company's evolving business and associated compliance risks.

Annual California Spending Limit

JHP has established annual spending limits as per California Business and Professional Code §119402(d)(1) for certain promotional activities directed toward healthcare professionals in California. This annual dollar limit is \$2,000 excluding reasonable reimbursement for travel expenses. Spending limits are established as the maximum boundaries for spending, and do not represent a spending "goal" or "average." In most cases, the Company spends significantly less per physician than the stated spending limit.

SB 1765 Declaration

As part of our ongoing efforts in the area of compliance, JHP has developed a Comprehensive Compliance Program (CCP) that is reasonably designed to prevent and detect violations of law or company policy. To the best of our knowledge, and based on our good faith understanding of the statutory requirements, we have established a CCP that is compliant with the requirements of California Health & Safety Code §§119400-119402. In making this Declaration of compliance, JHP is not asserting or making any representation that every employee, agent, contractor or partner will always fully comply with its CCP or that JHP can prevent individual employees from engaging in improper conduct. While we are constantly reassessing our compliance program to improve it, government standards on compliance programs recognize that no program can completely prevent individual employees from improper conduct.

Based upon our good faith understanding of the statutory requirement, and to the best of JHP's knowledge, JHP declares that, as of the date of this declaration, we are, in all material respects, in compliance with our Comprehensive Compliance Program, as described here, and with California Health & Safety Code §§119400-119402. Ensuring ethical and legal conduct is an ongoing company commitment. The CCP is a dynamic program that will continue to evolve to meet the company's compliance needs. JHP will assess its program as often as necessary, but at least once each year prior to July 1st.

JHP Pharmaceuticals
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