

NOTICE: this information is provided pursuant to the requirements of Cal. Health & Safety Code § 119402 (S.B. 1765), which requires certain pharmaceutical and medical device companies doing business in California to make available their program for compliance with applicable federal and state laws and industry standards regulating the marketing and promotion of their products

I. INTRODUCTION

OraPharma, Inc. has established a program designed to materially comply with applicable federal and state laws and industry standards relating to the marketing and promotion of its products. Additionally, OraPharma, Inc. recognizes that adherence to these standards can be furthered through a compliance program that is informed by the *Compliance Program Guidance for Pharmaceutical Manufacturers*, published by the Office of Inspector General of the U.S. Department of Health and Human Services (the “OIG Guide”). The OIG Guide advises that effective compliance programs are comprised of seven elements. As described below, these elements form the basis of OraPharma, Inc.’s program for compliance with the standards regulating the marketing and promotion of its products.

II. Overview of Compliance Program

1. Written Policies and Procedures

OraPharma, Inc. has written policies in order to comply with the applicable laws and regulations and standards governing the marketing and promotion of our products. Among these standards are recognized industry codes of conduct including the *PhRMA Code on Interactions with Healthcare Professionals* published by the Pharmaceutical Research and Manufacturers of America (PhRMA). OraPharma, Inc. has established written policies that govern activities involving communicating with customers about the appropriate use of our products; advancing scientific and educational activities; and supporting medical research and education. These policies include:

Policy on Educational Grants and Research Grants

OraPharma, Inc. may provide grants for specific educational purposes that benefit patients and customers. These may include, but are not limited to, continuing medical and paraprofessional education programs, fellowships provided to teaching institutions and similar organizations with a demonstrated commitment to scientific and technical education, and programs operated by organizations that provide quality, nationally recognized patient education. Funding of educational programs will generally be provided only to organizations and institutions and not to individual practitioners.

Research grants to support customer-initiated research may be provided for programs involving research in areas of legitimate interest to the company. All requests are subject to scientific review prior to funding approval.

Policy on Charitable Contributions and Patient Assistance

OraPharma, Inc. will consider charitable contributions and requests for patient assistance in the areas of children's health, health care education, access to health care and community responsibility, consistent with OraPharma, Inc.'s policies.

Policy on Travel Expense Reimbursement for CME, Promotional or Product Training Meetings

OraPharma, Inc. will, with very limited exceptions that are in accordance with nationally recognized standards, not reimburse for travel and lodging expenses of attendees at promotional and educational programs.

Policy on Business Meals

OraPharma, Inc. may occasionally offer a modest meal as part of an educational presentation or a business discussion. The appropriate focus of these activities is directed to an informational presentation or discussion; therefore, venues that feature entertainment or recreation, and attendance by spouses or guests, are not permitted. Modesty is to be judged by local standards, but in general cost of meals with customers should not exceed \$25 for breakfast, \$50 for lunch or \$125 for dinner.

Policy on the Provision of Educational and Practice-Related Items

On occasion, OraPharma, Inc.'s representatives may provide patient or practice-related items to customers. These items must be of reasonable value (other than medical texts and anatomical models, less than \$100; medical texts and anatomical models must be less than \$175 and infrequent.

Promotional items of nominal value (less than \$25) such as coffee cups, pens, and notepads are permitted under OraPharma, Inc. policy. These items usually feature a company or product logo.

Total Annual Dollar Limit for Meals and Educational or Practice-related Items

OraPharma, Inc. has established an annual limit of \$2,500 for meals and educational or practice-related item as the aggregate value of the items or activities that may be provided to California health care professionals pursuant to the requirements of Cal. Health & Safety Code § 119402 (S.B. 1765).

Policy Prohibiting Entertainment During Sales Functions

In general, entertainment (e.g. sporting events, golf outings, concerts, hunting, etc.) is not permitted as part of OraPharma, Inc.'s sales activities. In circumstances when customers are retained in a consulting relationship, recreational or social events in conjunction with the consulting services may occur provided they are clearly subordinate to the consulting services in terms of time and emphasis.

2. Assigned Compliance Officer

OraPharma, Inc. has appointed a Health Care Compliance Officer. Our Health Care Compliance Officer has been empowered with appropriate authority to exercise independent judgment and has free and unencumbered access to senior management.

OraPharma, Inc. has appointed a Health Care Compliance Committee. The committee is comprised of the company's Health Care Compliance Officer and members of the company's management team. The Health Care Compliance Committee is the Health Care Compliance leadership team.

3. Training.

OraPharma, Inc. has an annual Health Care Compliance training process that includes testing and annual certification of appropriate employees. The training covers applicable guidelines governing our compliance program. Employees are also trained on the consequences of failure to comply with the requirements of the company's compliance program.

4. Communication.

OraPharma, Inc. encourages open and candid discussion between management and employees regarding any compliance concerns. OraPharma, Inc.'s employees are encouraged to report their concerns to their manager, to the Human Resources Department, to the Law Department or to the company's Health Care Compliance Officer.

5. Auditing and Monitoring.

OraPharma, Inc. self-assesses and periodically audits its compliance with its policies and procedures.

6. Enforcement and Disciplinary Guidelines.

OraPharma, Inc. will take disciplinary actions up to and including termination in response to violation of the Company's compliance policies or procedures. OraPharma, Inc. will conduct a fair and diligent investigation of matters that are brought to the company's attention in order to ensure the consistent application of the company's standards.

7. Responses To Detected Problems and Actions To Correct Issues.

OraPharma, Inc. requires a prompt and diligent response to potential violations of the company's compliance program, including its standards regulating the marketing and promotion of our products. Actions in response to detected problems may include improving policies, procedures, training, communication and monitoring or may require disciplinary action, up to and including termination, to prevent future violations.