



201 Burlington Road, Bedford, MA 01730 - 781-895-3235

Compliance with California Law

The State of California passed a law, effective July 1, 2005 (California Health and Safety Code §§ 119400-119402 (2005)) mandating that each pharmaceutical manufacturer that interacts with medical or health professionals in California adopt and publish a comprehensive compliance program that is in accordance with the HHS-Office of Inspector General's publication "Compliance Program Guidance for Pharmaceutical Manufacturers." The comprehensive compliance program must include policies that ensure the manufacturer's practices are in compliance with the revised PhRMA Code on Interactions with Health Care Professionals ("PhRMA Code") and also set a specific annual limit for items and activities provided by the pharmaceutical manufacturer to health or medical professionals in California. As required by the California law, Augmenix shall make an annual declaration that, in all material aspects, Augmenix is in compliance with its Corporate Compliance Program and the California law.

As part of Augmenix's continues efforts in the area of compliance, Augmenix has established a comprehensive compliance program. As of April 1, 2015, based on our good faith understanding of the statutory requirements and to the best of our knowledge, Augmenix is, in all material respects, in compliance with the provisions of California Health and Safety Code §§ 119400-119402 (2005) and the California Pharmaceutical Marketing Law.

As required by California law, Augmenix, Inc. has established a specific annual dollar limit on certain items and activities provided to individual California medical or healthcare professionals. The annual limit is \$1500 per covered medical or healthcare professional. The annual limit is not a spending goal. Augmenix will use its best efforts to track the aggregate annual value of items, including meals or services provided to medical or health professionals as required by California law. Augmenix does not intend to track or record nominal or minimal items given to medical or health professionals and intends that such items shall only be provided consistent with the principles of the PhRMA Code. Augmenix will assess the annual limit from time to time and reserves the right to revise or adjust the annual limit at any time. The foregoing limit does not represent a usual, customary average or typical amount for medical or healthcare professionals.

Consistent with Augmenix's good faith understanding of the California Compliance Program law, Augmenix excludes certain items and payments from its coverage. Augmenix's annual dollar limit does not include the value of:

- Device samples provided to individual healthcare professionals intended for free distribution to patients.
- Financial support of independent education, including continuing medical educational forums.
- Financial support for health education scholarships.
- Payments for legitimate professional services, including professional speaking, advising, consulting, training or market research services, that are based on the fair market value of the services provided.
- Educational items provided to physicians to give to their patients to enhance patients' understanding or management of a disease state or disorder (items such as patient educational brochures, instruction sheets, and patient self-assessment tools to track medical information).

Copies of this declaration and of the Augmenix, Inc. comprehensive compliance program may be obtained by calling (781) 895-3235.