

Statement of Compliance with California Law

Valeritas, Inc. ("VLRX") has developed and implemented a Comprehensive Compliance Program ("CCP") that is designed to satisfy applicable federal and state laws, including California Health and Safety Code §§ 119400-119402, and industry standards, based on our good faith understanding of the requirements as they may apply to a medical device manufacturer. To the best of our knowledge, since January 1, 2012, VLRX is in material compliance with our CCP, as described below, and with California Health and Safety Code §§ 119400-119402.

Consistent with the Department of Health and Human Services Office of the Inspector General Compliance Program Guidance for Pharmaceutical Manufacturers ("HHS-OIG Guidance"), VLRX has tailored its CCP to the nature of its business as a medical device manufacturer.¹

VLRX Code of Business Conduct and Ethics does not allow gift-giving to physicians or teaching hospitals. In addition, VLRX has established an annual spending limit for certain promotional activities directed toward healthcare professionals practicing in California ("Annual Spending Limit"). The Annual Spending Limit is set at \$2,000 per year for each applicable California healthcare professional. The Annual Spending Limit applies to meals and receptions, promotional materials, and other items or activities that are provided to an individual California healthcare professional. The only exceptions to the Annual Spending Limit are: i) the value of evaluation product, ii) financial support for continuing medical education forums or health educational scholarships or fellowship grants, iii) fair market value payments, including reimbursement for reasonable expenses, made for legitimate professional services provided by a California healthcare professional made in connection with approved, documented consulting relationships or for healthcare professionals who speak on behalf of the company, iv) research grants, and v) patient education materials and health-related items provided for the patient's benefit.

VLRX is committed to the highest standards of ethical and legal conduct. We have developed a CCP that is reasonably designed to prevent and detect violations, and includes the following:

- **WRITTEN STANDARDS.** We have implemented a Code of Business Conduct and Ethics as well as compliance policies/procedures that are consistent with applicable laws and regulations and industry standards, such as the provisions of the The AdvaMed Code of Ethics on Interactions with Healthcare Professionals ("AdvaMed Code").

- **LEADERSHIP AND STRUCTURE.** We have established effective oversight over the CCP, including selection of a Compliance Officer to develop, operate, and monitor the CCP and creation of a compliance committee to provide strategic direction and oversight.
- **TRAINING AND EDUCATION.** All employees receive copies of our Code of Business Conduct and Ethics and relevant compliance policies/procedures and certify that they have read, understood, and agree to abide by these written standards. We also committed to ongoing comprehensive training on our CCP based on relevant job duties and classifications.
- **LINES OF COMMUNICATION.** To facilitate an open door environment, we have adopted confidentiality and non-retaliation policies as well as mechanisms to facilitate anonymous reporting.
- **AUDITING AND MONITORING.** Our CCP includes ongoing efforts to monitor, audit, and assess compliance.
- **ENFORCEMENT.** VLRX is committed to investigating and appropriately responding to violations.
- **CORRECTIVE ACTION.** VLRX will take appropriate corrective action.

To obtain a print version of our CCP or this declaration, please email gen-info@valeritas.com.
To report potential violations of VLRX's CCP, please contact:

Valeritas

Compliance Officer
293 Boston Post Road W
Suite 330
Marlborough, MA 01752

¹ While California Health and Safety Code §§ 119400-119402 makes reference to compliance with the Pharmaceutical Research and Manufacturers of America's Code on Interactions with Healthcare Professionals ("PhRMA Code"), VLRX manufactures medical devices rather than pharmaceutical products. Therefore, VLRX adopted policies and procedures consistent with The AdvaMed Code of Ethics on Interactions with Healthcare Professionals ("AdvaMed Code") which, although substantially similar to the PhRMA Code, recognizes differences applicable to the medical device industry.