

California State Regulations

NOTICE: This information is provided pursuant to the requirements of California 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

Aralez Pharmaceuticals US Inc. (“Aralez” or “the Company”) has established a comprehensive program designed to materially comply with applicable federal and state laws, which program follows the Compliance Program Guidance for Pharmaceutical Manufacturers, published by the Office of Inspector General of the United States Department of Health and Human Services (the “OIG Guidance”). The OIG Guidance advises that effective compliance programs are comprised of seven elements. As described below, these elements form the basis of Aralez’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

Aralez has written policies to assure substantial compliance 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 (PhRMA Code) published by the Pharmaceutical Research and Manufacturers of America (PhRMA). Aralez 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.

2. Assigned Compliance Officer

Aralez has appointed a Chief Compliance Officer, who is authorized to exercise independent judgment and has free and unencumbered access to senior management.

Aralez has appointed a Compliance Committee, comprised of the Company’s Chief Compliance Officer and members of the Company’s management team.

3. Training

Aralez has an annual Compliance Training process that 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

Aralez encourages open and candid discussion between management and employees regarding any compliance concerns. Aralez employees are encouraged to report their concerns to their manager, to the Human Resources Department, to the Law Department or to the Company's Chief Compliance Officer.

5. Auditing and Monitoring

Aralez self-assesses and periodically audits its compliance with its policies and procedures.

6. Enforcement and Disciplinary Guidelines

Aralez will take disciplinary actions in response to violation of the Company's compliance policies or procedures. Aralez 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

Aralez 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 to prevent future violations.

III. DECLARATION FOR CALIFORNIA COMPLIANCE LAW

As part of Aralez Pharmaceuticals US Inc.'s ongoing compliance efforts, we have developed a Comprehensive Compliance Program that is designed to comply with applicable federal and state laws and industry standards relating to the marketing and promotion of our products. To our knowledge as of the date of this declaration, Aralez is in compliance with our Comprehensive Compliance Program, as described herein, and with California Health & Safety Code sections 119400-119402, including establishment of an annual limit of \$1,000 on meals and educational items (as the aggregate value of the items or activities) that may be provided to California healthcare professionals.

To request a copy of this declaration and a summary of Aralez Pharmaceuticals US Inc.'s Comprehensive Compliance Program, please call 1-610-557-3321.

Dated: July 1, 2017