

COMPLIANCE CODE FOR UNITED STATES BASED EMPLOYEES OF FERRING PHARMACEUTICALS

In addition to the Global Business Ethics and Conflict of Interest Policy, all United States based employees of Ferring Pharmaceuticals and all its subsidiaries and affiliates are required to know and abide by the following Compliance Code. The elements of the code set forth below are not meant to be an exhaustive discussion of all prohibited acts; rather, the intent of this Compliance Code is to protect Ferring and its employees and to give U.S. employees more detailed information about their responsibilities.

1. Regulation of Sales and Marketing

The pharmaceutical industry has complex regulation at the Federal and State levels which proscribe various activities related to sales and marketing that are permitted in other industries. There are severe penalties for violation of these regulations. Ferring requires all of its U.S. based employees to adhere to all regulations. Violation of these regulations is cause for disciplinary action up to and including termination.

Payments to Physicians

It is unlawful to give anything of value to a healthcare provider to induce the provision of services or sale of products. Ferring prohibits any violation of this rule by any employee. There are certain practices which have been determined not to fall within this prohibition because they do not involve an inducement. These practices (which include educational grants and speaking fees) are covered in the Sales and Marketing Policies. The rules covering these practices must be strictly followed to ensure that the payment is not in violation of the law. Several states now require the reporting of all payments to physicians. Any such payment must be accurately recorded and reported.

False Claims Act

It is unlawful to make a claim for payment under a U.S. Government program, or to facilitate such a claim, if the information in the claim is not factual. This rule has been found to be violated by a pharmaceutical company for providing free samples of products to providers, if the company has reason to believe that the provider will charge for the samples. It has also been found to be violated if the company gives a provider a discount on products with any knowledge that the discount will not be disclosed. Ferring prohibits any violation of this rule by any employee. Further information on the provision of samples and other relationships with providers can be found in the Sales and Marketing Policy Manual.

Off-Label Promotion

The U.S. Food and Drug Administration (FDA) prohibits any promotional activities for uses pharmaceutical products that are not approved in the official labeling of the product. The FDA also prohibits making any statements about a product that are not supported by substantial scientific data. Additionally, off-label promotion has been found to be a violation of the False Claims Act. All promotional materials must be approved by the Legal, Medical, Regulatory, Marketing Promotional Review Committee ("LMR Committee"). Ferring employees are prohibited from using any materials or making any statements which are not approved by the LMR Committee.

Samples

The Prescription Drug Marketing Act requires that all pharmaceutical product samples given to providers be requested in writing and fully accounted for. It is the responsibility of each Ferring

employee involved in the provision of samples to keep accurate and complete records of all samples distributed.

2. Antitrust

The U.S. Antitrust laws are designed to protect competition and the free market. Ferring supports the antitrust laws as a cornerstone of competition. There are severe civil and criminal penalties for violations of the antitrust laws. Ferring employees must comply with the antitrust laws. If an employee has any questions regarding the U.S. anti-trust laws, the employee should seek guidance from U.S. counsel.

Price Fixing

It is unlawful for competitors to agree on market allocation, prices, discounts, rebates or other terms and conditions of sale of competing products. The agreement does not need to be in writing or even be explicit to be in violation. Antitrust violations have been found based on evidence that representatives of competing companies were present at a meeting where pricing was discussed and they subsequently adjusted their prices to be substantially the same. No Ferring employee may have discussions with employees of a competitor on any topic without first clearing the discussion with the U.S. General Counsel and obtaining antitrust guidance.

Resale Price Maintenance

Some restrictions on which our customers may sell products to their customers may be unlawful. All contracts with customers must be approved by the U.S. General Counsel.

Monopolization

It is unlawful to take any action that has the effect of foreclosing the market to any competitor. Actions that have been found to be in violation include pricing below cost and exclusive dealing or tying arrangements. All agreements with customers and all pricing regimens must be approved by the U.S. General Counsel and Pricing Committee.

Price Discrimination

It is unlawful to give one customer in a given class of trade (e.g. wholesalers) a discount that is not available to other customers in the same class of trade. All agreements with customers and all pricing regimens must be approved by the U.S. General Counsel and Pricing Committee.

3. Employment Discrimination

Ferring is an Equal Opportunity Employer. As such we fully support the laws prohibiting discrimination in employment, in all its forms. Further information on our employment policies and practices can be found in the employee handbook.

Discrimination in Employment Decisions

It is unlawful to make employment decisions including hiring, promotion, termination or other benefits of employment based on race, color, national origin, religion, sex, age, handicap or veteran's status. In some areas it is unlawful to make such decisions based on sexual preference. No Ferring employee may make an employment decision in violation of these laws.

Sexual Harassment

Sexual harassment is unwanted sexual advances, or visual, verbal or physical conduct of a sexual nature. All Ferring employees are prohibited from engaging in such conduct.

Affirmative Action

Ferring is a government contractor and is therefore obliged to take affirmative action to employ, retain and promote women and minorities. Ferring maintains an Affirmative Action Plan and makes regular reports on progress to the Office of Federal Contract Compliance Programs.

4. Reporting and Non-Retaliation

ANY EMPLOYEE OF FERRING PHARMACEUTICALS WHO BELIEVES THAT THERE HAS BEEN A VIOLATION OF ANY OF THE LAWS REFERRED TO IN THIS CODE OR THE GLOBAL BUSINESS ETHICS AND CONFLICT OF INTEREST POLICY HAS THE RIGHT AND THE RESPONSIBILITY TO REPORT SUCH VIOLATION. SUCH A REPORT CAN BE MADE EITHER DIRECTLY TO THE EMPLOYEE'S SUPERVISOR OR ANONYMOUSLY THROUGH THE COMPLIANCE AlertLINE. THERE WILL BE NO RETALIATION FOR THE MAKING OF SUCH REPORT.

THE COMPLIANCE ALERTLINE NUMBER IS 1-800-446-1494 or E-mail address is DKO-AlertLine@ferring.com.

Any violation of this policy will result in disciplinary action up to and including termination.