

## **Metro Medical Comprehensive Compliance Program**

Metro Medical (the “Company”) is engaged in the wholesale distribution of prescription drugs. As such, it may be subject to California Health and Safety Code Sections 119400-119402 (the “Statute”). This document, together with related policies and procedures, constitutes the Company’s Comprehensive Compliance Program and is being published in accordance the Statute. The Company believes it is in full compliance with its Comprehensive Compliance Program and the Statute.

As part of the Comprehensive Compliance Program, the Company has adopted the compliance standards of the Pharmaceutical Research and Manufacturers of America (PhRMA). Many of the pharmaceutical companies (“Vendors”) with which we do business are members of PhRMA. The PhRMA compliance standards are based on the principle that a healthcare professional’s care of patients should be based, and should be perceived as being based, solely on each patient’s medical needs and the healthcare professional’s medical knowledge and experience.

Although the Company does not generally engage in marketing to healthcare professionals, there may be occasions when our employees and representatives interact with such professionals on behalf of the Company or on behalf of a Vendor. This document focuses on our interactions with healthcare professionals under such circumstances.

### **1. Basis of Interactions**

In the event that we interact with healthcare professionals, our relationships are intended to benefit patients and to enhance the practice of medicine. Interactions should be focused on informing healthcare professionals about products, providing scientific and educational information, and supporting medical research and education.

### **2. Informational Presentations by or on Behalf of a Pharmaceutical Company**

Informational presentations and discussions by industry representatives and others speaking on behalf of a company provide valuable scientific and educational benefits. In the event that we sponsor informational presentations on our own behalf or on behalf of a Vendor, we may offer occasional meals (but no entertainment/recreational events) so long as they: (a) are modest as judged by local standards; and (b) occur in a venue and manner conducive to informational communication and provide scientific or educational value. Inclusion of a healthcare professional’s spouse or other guests is not appropriate. Offering “take-out” meals or meals to be eaten without a company representative being present (such as “dine & dash” programs) is not appropriate.

### **3. Third-Party Educational or Professional Meetings**

In the event that we provide or sponsor third-party educational or professional meetings on our own behalf or on behalf of a Vendor, we will abide by the following standards:

- Continuing medical education (CME) or other third-party scientific and educational conferences or professional meetings can contribute to the improvement of patient care and therefore, financial support from companies is permissible. Since the giving of any subsidy directly to a healthcare professional by a company may be viewed as an inappropriate cash gift, any financial support should be given to the conference's sponsor which, in turn, can use the money to reduce the overall conference registration fee for all attendees. In addition, when companies underwrite medical conferences or meetings other than their own, responsibility for and control over the selection of content, faculty, educational methods, materials, and venue belongs to the organizers of the conferences or meetings in accordance with their guidelines.
- Financial support should not be offered for the costs of travel, lodging, or other personal expenses of non-faculty healthcare professionals attending CME or other third-party scientific or educational conferences or professional meetings, either directly to the individuals attending the conference or indirectly to the conference's sponsor (except as set out in section 6 below). Similarly, funding should not be offered to compensate for the time spent by healthcare professionals attending the conference or meeting.
- Financial support for meals or receptions may be provided to the CME sponsors who in turn can provide meals or receptions for all attendees. A company also may provide meals or receptions directly at such events if it complies with the sponsoring organization's guidelines. In either of the above situations, the meals or receptions should be modest and be conducive to discussion among faculty and attendees, and the amount of time at the meals or receptions should be clearly subordinate to the amount of time spent at the educational activities of the meeting.
- A conference or meeting shall mean any activity, held at an appropriate location, where (a) the gathering is primarily dedicated, in both time and effort, to promoting objective scientific and educational activities and discourse (one or more educational presentations(s) should be the highlight of the gathering), and (b) the main incentive for bringing attendees together is to further their knowledge on the topic(s) being presented.

#### **4. Consultants**

It is appropriate for consultants who provide services to be offered reasonable compensation for those services and to be offered reimbursement for reasonable travel, lodging, and meal expenses incurred as part of providing those services. Compensation and reimbursement that would be inappropriate in other contexts can be acceptable for bona fide consultants in connection with their consulting arrangements. In the event that we engage healthcare professionals to serve as consultants on behalf of the Company or on behalf of a Vendor, we will not use token consulting or advisory arrangements to justify compensating healthcare professionals for their time or their travel, lodging, and other out-of-pocket expenses. The following factors support the existence of a bona fide consulting arrangement (not all factors may be relevant to any particular arrangement):

- a written contract specifies the nature of the services to be provided and the basis for payment of those services;
- a legitimate need for the services has been clearly identified in advance of requesting the services and entering into arrangements with the prospective consultants;
- the criteria for selecting consultants are directly related to the identified purpose and the persons responsible for selecting the consultants have the expertise necessary to evaluate whether the particular healthcare professionals meet those criteria;
- the number of healthcare professionals retained is not greater than the number reasonably necessary to achieve the identified purpose;
- the retaining company maintains records concerning and makes appropriate use of the services provided by consultants;
- the venue and circumstances of any meeting with consultants are conducive to the consulting services and activities related to the services are the primary focus of the meeting, and any social or entertainment events are clearly subordinate in terms of time and emphasis.

It is not appropriate to pay honoraria or travel or lodging expenses to nonfaculty and non-consultant attendees at company-sponsored meetings including attendees who participate in interactive sessions.

## **5. Speaker Training Meetings**

It is appropriate for healthcare professionals who participate in programs intended to recruit and train speakers for company sponsored speaker bureaus to be offered reasonable compensation for their time, considering the value of the type of services provided. In the event that we sponsor speaker training meetings on behalf of the Company or on behalf of a Vendor, we will only offer reimbursement for reasonable travel, lodging, and meal expenses, when (1) the participants receive extensive training on the company's drug products and on compliance with FDA regulatory requirements for communications about such products, (2) this training will result in the participants providing a valuable service to the company, and (3) the participants meet the criteria for consultants (as discussed in part 4 above ).

## **6. Scholarships and Educational Funds**

In the event that we sponsor, on behalf of the Company or on behalf of a Vendor, financial assistance for scholarships or other educational funds to permit medical students, residents, fellows, and other healthcare professionals in training to attend carefully selected educational conferences, we may do so only as long as the selection of individuals who will receive the funds is made by the academic or training institution. "Carefully selected educational conferences" are generally defined as the major educational, scientific, or policy-making meetings of national, regional, or specialty medical associations.

## **7. Educational and Practice-Related Items**

In the event that we provide educational and practice-related items on behalf of the Company or on behalf of a Vendor, we will abide by the following standards:

- Items primarily for the benefit of patients may be offered to healthcare professionals if they are not of substantial value (\$100 or less). For example, an anatomical model for use in an examination room primarily involves a patient benefit, whereas a VCR or CD player does not. Items should not be offered on more than an occasional basis, even if each individual item is appropriate. Providing product samples for patient use in accordance with the Prescription Drug Marketing Act is acceptable.
- Items of minimal value (\$20 or less) may be offered if they are primarily associated with a healthcare professional's practice (such as pens, notepads, and similar "reminder" items with company or product logos).
- Items intended for the personal benefit of healthcare professionals (such as floral arrangements, artwork, music CDs or tickets to a sporting event) should not be offered.
- Payments in cash or cash equivalents (such as gift certificates) should not be offered to healthcare professionals either directly or indirectly, except as compensation for bona fide services (as described in parts 4 and 5). Cash or equivalent payments of any kind create a potential appearance of impropriety or conflict of interest.

## **8. Independence and Decision Making**

No grants, scholarships, subsidies, support, consulting contracts, or educational or practice related items should be provided or offered to a healthcare professional in exchange for prescribing products or for a commitment to continue prescribing products. Nothing should be offered or provided in a manner or on conditions that would interfere with the independence of a healthcare professional's prescribing practices.