

## **Compliance at Pacira BioSciences, Inc.**

Pacira BioSciences, Inc. and its subsidiaries (“Pacira” or the “Company”) are committed to conducting its business ethically and in compliance with all applicable laws, regulations, guidelines, policies, and industry best practices. In keeping with that commitment, the Company has implemented a comprehensive Compliance Program which governs its entire business operations. The Compliance Program is organized around the seven elements of the Office of Inspector General, U.S. Department of Health and Human Services’ Compliance Program Guidance for Pharmaceutical Manufacturers (“OIG Compliance Guidance”).

### **Elements of the Compliance Program**

#### **A. Compliance Officer**

The Company has appointed a Chief Compliance Officer and has a dedicated Compliance Department. The Company’s Chief Compliance Officer is responsible for overseeing the implementation and administration of the Compliance Program and reports at least annually on Compliance Program operations to the Company’s Audit Committee of the Board of Directors. The Chief Compliance Officer has a direct line of communication to both the Chief Executive Officer and the Board of Directors, with independent authority to review ongoing compliance activities and to effectuate change within the organization where needed. The Chief Compliance Officer’s responsibility is to direct and implement compliance-related changes in the organization and exercise independent judgment in assessing and implementing compliance-related matters. The Chief Compliance Officer is also charged with reporting compliance-related issues directly to the organization’s senior management, and where appropriate, to the Board of Directors.

#### **B. Compliance Committee**

The Company has established a Compliance Committee which meets at least biannually. The mission of the Compliance Committee includes, among other things:

- Ensuring the implementation and effectiveness of all components of the Compliance Program;
- Supporting the development and implementation of compliance-related policies, standards, and procedures in the organization;
- Supporting the development and implementation of corrective and disciplinary action to address and prevent recurrence of non-compliance; and
- Providing advice, counsel and support to the Chief Compliance Officer.

#### **C. Compliance-Related Policies**

The Company has implemented compliance-related policies and a Code of Conduct that are consistent with the evolving business and strict regulatory environment. Pacira enforces compliance-related policies and expects its employees and contractors to fully comply with its Compliance Program and Code of Conduct. Any employee who violates these standards is subject to appropriate disciplinary action, up to and including termination. Company policy expressly prohibits retaliation or retribution against any employee who reports or makes a good faith effort to report suspected misconduct or improper behavior.

The Company’s compliance policies and procedures are designed to ensure that interactions with Healthcare Professionals are appropriate, ethical, and consistent with all applicable laws, regulations, guidelines, policies and standards. The Compliance Program is designed following the framework laid

out by the OIG Compliance Guidance, Food And Drug Administration industry guidance, the Advanced Medical Technology Association (“AdvaMed”) “Code of Ethics on Interactions with Health Care Professionals,” revised July 1, 2009 (“AdvaMed Code”), and the Pharmaceutical Research and Manufacturers of America (PhRMA) “Code on Interactions with Healthcare Professionals,” revised effective January 2009 (“PhRMA Code”). Pacira has tailored its Compliance Program to meet the specific needs of the Company and continuously assesses the effectiveness of the Program.

#### **D. Training and Educational Programs**

The Company’s Compliance Program includes training and educating employees regarding their general ethical obligations and their specific obligations to comply with Company policies and procedures and with all applicable laws and regulations. The training programs also involve educating employees on new and existing Corporate Policies, and on the standards and procedures applicable to their job functions. New employees receive compliance training as part of their initial training, and annual compliance training thereafter. Also, employees whose job functions involve interactions with Health Care Professionals receive on-going compliance training on a routine and periodic basis. Regularly scheduled update-training and tests are scheduled after the initial training to provide necessary reinforcement on compliance.

To ensure that the Company’s culture remains compliance-focused, the Compliance Department is involved in training and assessment in order to assure a consistent understanding of compliance throughout the organization. High-level personnel in the Compliance Department are regularly assessing and re-assessing the training programs to ensure that any updates in the applicable laws/regulations are included and also to address any real or perceived short-comings in order to strengthen the overall effectiveness of the training programs.

#### **E. Communicating Compliance Issues and Concerns**

Pacira is committed to fostering an environment where open communication regarding the Company’s Compliance Program’s policies and procedures is encouraged. This includes, in particular, the airing of concerns and reporting of suspected improper practices. Any employee who has concerns about a particular activity that the employee feels may violate policies or the law is required to report such concerns. The Company is committed to open communication regarding compliance issues and employees are encouraged to ask questions about compliance matters. Employees may either report their concerns to their managers or to any member of the Compliance, Legal or Human Resources Departments, including the Company’s Chief Compliance Officer or Chief Executive Officer. The Company has also established a toll-free compliance hotline telephone number, available 24 hours a day and 7 days a week which is staffed by a third-party provider and which allows confidential anonymous reporting of suspected compliance violations. Employees may also email or call the Chief Compliance Officer directly.

Pacira evaluates and amends its Compliance Program periodically to reflect changes in regulations and the overall regulatory environment. The Chief Compliance Officer reviews all changes suggested for implementation. The Compliance Department is responsible for communicating changes in the Compliance Program to Company employees in a timely manner.

#### **F. Monitoring and Auditing**

The Compliance Program includes activities designed to monitor, audit, and ensure compliance with the Company’s policies and procedures. The Chief Compliance Officer oversees periodic monitoring and auditing to ensure adherence to applicable policies. The Chief Compliance Officer (or designee) is

charged with developing an annual audit and monitoring plan which is subject to re-assessment and refinement in the course of the year to address unforeseen issues. A variety of internal and external auditing & monitoring resources are used to conduct those activities periodically. The Chief Compliance Officer (or designee) works with relevant internal and external experts and management to evaluate auditing and monitoring findings and ensure the implementation of any corrective action deemed necessary as a result of audits or routine monitoring activities. The results of the auditing and monitoring program are communicated to the Audit Committee at least annually.

### **G. Discipline**

Adherence to the Compliance Program is a condition of employment at Pacira. Any violation of an employee's obligations under the Compliance Program can subject an employee to serious disciplinary measures, including possible termination of employment. Although each situation is considered on a case-by-case basis, Pacira undertakes significant efforts to ensure consistent and appropriate disciplinary action is taken in response to violations.

If an investigation determines that noncompliant conduct occurred, the matter is forwarded to the appropriate parties for corrective and/or disciplinary action. Such response and disciplinary action may include (but is not limited to): terminating or otherwise disciplining the employee(s) involved; disciplining supervisors in accordance with the facts for failure to supervise adequately and control the behavior of the employee(s); revising guidelines, policies, and procedures or any function of the Compliance Program to prevent the reoccurrence of misconduct in the area; increasing auditing and monitoring procedures; a verbal or written warning; or retraining.

### **H. Investigations and Corrective Action**

The Chief Compliance Officer (or designee) reviews and evaluates concerns communicated to the Compliance Department to determine whether further investigation is required of activities that may be inconsistent with the policies and procedures of the Compliance Program or applicable law(s). The Chief Compliance Officer may, as necessary, request assistance from members of the Compliance Committee or outside experts to conduct an investigation, depending on the nature of the alleged misconduct. Investigations are and shall be conducted confidentially to the greatest extent possible and with every effort to respect the rights of all concerned.

In the event that Pacira becomes aware of violations of law or company policy, we will promptly investigate the matter and, where appropriate, take disciplinary action up to and including termination. Where appropriate, Pacira will also implement corrective measures to address potential policy gaps and prevent future violations.

**For a written copy of the Compliance Program description,**

**Email:** [Compliance@Pacira.com](mailto:Compliance@Pacira.com).

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