

**CALIFORNIA DRUG MARKETING PRACTICES ACT
REQUISITE ANNUAL POSTING OF COMPANY'S PHYSICIAN SPENDING
LIMITS**

The California Drug Marketing Practices Act requires each pharmaceutical company to post on its corporate website the company's annual spending limits on certain types of company expenditures on physicians. While **Novasys Medical does not manufacture drugs or pharmaceuticals**, we are posting the following information:

Based on our good faith understanding of the statutory requirements, Novasys Medical, Inc. believes that our Corporate Compliance Program, as described below and included on our website, is in compliance in all material respects with the requirements of Chapter 8, Part 15, Division 104 of the California Health and Safety Code (119400-119402). Novasys also believes that it complies with its Corporate Compliance Program in all material respects. While, of course, establishment of a Corporate Compliance Program cannot eliminate individual instances of noncompliance, Novasys has established compliance policies and implemented procedures to identify and address noncompliance with its policies. Novasys imposes the following annual spending limits per physician or other medical or healthcare professional practicing in California. It is important to note that these are maximum amounts and the average spending amount per professional is appreciably less in each category.

Practice Related Promotional Materials

Cost is not tracked per physician but amount is of minimal value (e.g. less than \$1.00 - \$2.00 per item; approximate total maximum of \$25.00 per physician per year.

Business Meals

\$300.00 per year maximum

Physician Training on Medical Devices Manufactured by Novasys Medical, Inc.

Less than \$1,000.00 per year maximum

Gifts

NO GIFTS are provided by Novasys Medical, Inc. to its customers. Items which benefit patients, serve a genuine educational function or are practice-related are infrequently provided at no more than \$100.00 per year maximum.

Novasys Medical adheres to the AdvaMed Code of Ethics as an integral part of its Comprehensive Compliance Plan regarding interactions with healthcare professionals.

This Declaration is effective July, 1, 2009.