

# **Exhibit 76**

A large, abstract graphic on the left side of the page. It consists of numerous interlocking puzzle pieces of various shades of gray and white. The pieces are arranged to form a stylized, somewhat abstract face or head shape, with the eyes and nose area being darker and more defined.

## Quarterly Ethics & Compliance Report to Board of Directors for 3Q2016

Maggie Feltz

*Executive Director, Ethics & Compliance*

December 1, 2016






Purdue continues to have strong systems and processes in place to prevent and detect violations of law, regulations, and Company policies, and to remediate issues before they become significant problems.

**There have been no significant compliance issues in the 3<sup>rd</sup> quarter, 2016.**

This report focuses on:

- Update on discretionary improvements of the Commercial Compliance program based on review by outside counsel
- 2016 Ethics & Compliance Program Priorities
- Risk Management Efforts
- Suspicious Order Monitoring
- Collaboration with the Law Department
- Summary of Investigations

# Commercial Compliance Program Enhancements

<u>Category</u>	<u>Enhancement Opportunity</u>	<u>Status</u>
Commercial Training	Provide enhanced training of Commercial management	Scheduled Q4
Email Reviews	Implement email monitoring of field force	Pilot Q4 '16/Q1 '17
Ride-Alongs	Conduct 20 - 25 compliance ride-alongs each year	
Engaging HCPs under Fee For Service contracts	Conduct annual overall needs assessment for all HCP consultant programs as part of the budget process	
Criteria to Engage HCPs under FFS Contracts	Formalize the exact criteria consultants must meet to be eligible for each type of HCP consultancy	
Audits of President's Club winners	Conduct reviews of sales force contest winners (both representatives and managers)	
Monitor annual reviews of sales force	Monitor annual reviews of field force (and other formal written performance evaluations)	

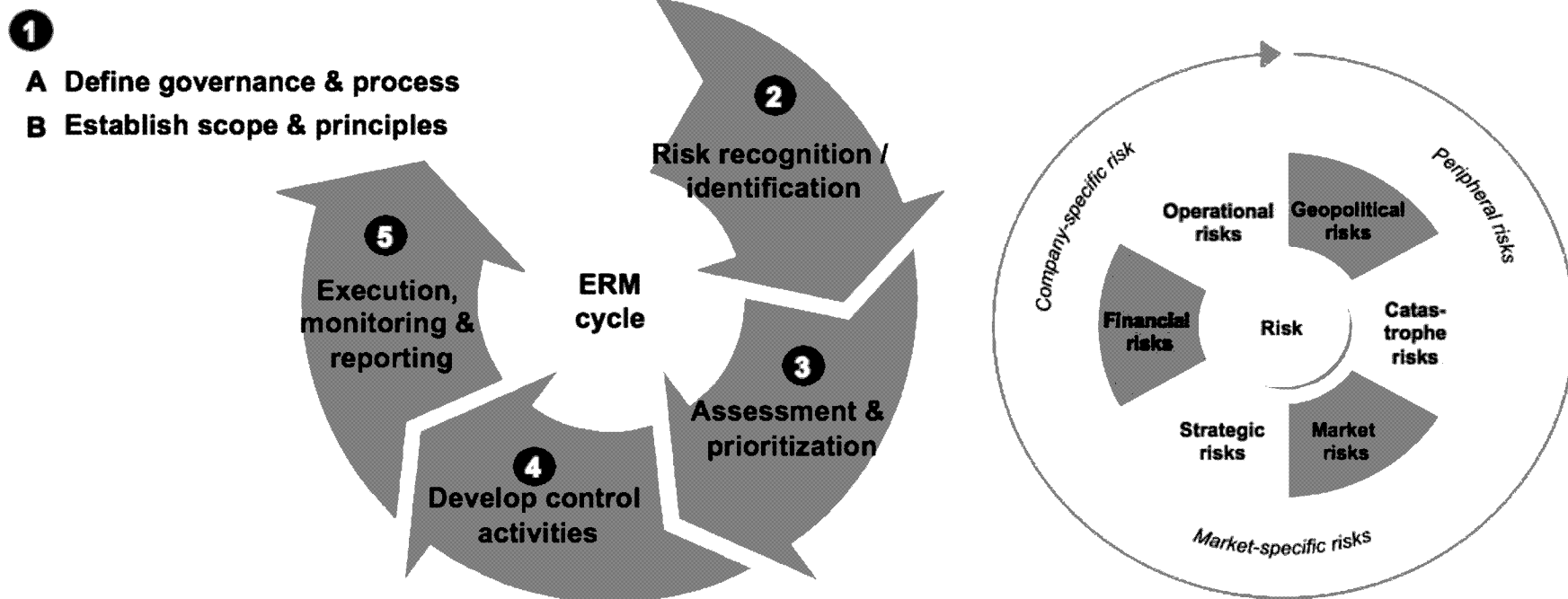
- An annual assessment of the most important areas of compliance risk is conducted each year, with a work stream that follows throughout the year focused on those risks.
- Together with senior business heads, we are focusing on the following areas, consistent with company efforts to Set the New Standard:

<u>Category</u>	<u>Status</u>
Product Promotion consistent with <i>Setting the New Standard</i> Initiative	<ul style="list-style-type: none"> <li>• Materials updated w/ key messages from CDC Guideline</li> <li>• Reduction of Marketing materials</li> <li>• Individualized assessments of sales force personnel</li> </ul>
Field Force Incentives	<ul style="list-style-type: none"> <li>• Balanced Messaging component</li> </ul>
Risks Identified as part of <i>Enterprise Risk Assessment</i> (ERA)	<ul style="list-style-type: none"> <li>• Described on next page</li> </ul>

# Enterprise Risk Assessment - 20 Work Streams

<u>Commercial</u>	<u>Medical Affairs</u>	<u>Public &amp; Corporate Affairs</u>	<u>Ethics &amp; Compliance</u>
<ul style="list-style-type: none"> <li>• Co-pay Card Programs</li> <li>• <b>Speaker Programs</b></li> <li>• <b>Branded and un-branded websites</b></li> <li>• RxHub Pilot Program</li> <li>• Medication Therapy &amp; Management Program</li> <li>• Detailing Guidelines</li> <li>• Forecasting &amp; Analytics</li> </ul>	<ul style="list-style-type: none"> <li>• Patient Assistance Programs</li> <li>• <b>Third Party Funding</b></li> <li>• IR/ER Safety Study</li> <li>• Medical Inquiry Responses</li> <li>• Medical Information Services Materials</li> <li>• Risk Management for Research</li> <li>• Strategic External Database</li> </ul>	<ul style="list-style-type: none"> <li>• Pain Care Forum</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Abuse &amp; Diversion Detection Program</b></li> <li>• <b>Suspicious Order Monitoring program</b></li> <li>• Sales Vendors - Adverse Event Reporting</li> <li>• Documentation Controls</li> <li>• Digital Resource Information Center</li> </ul>

# Redesign of Risk Management Process (RMP) Underway

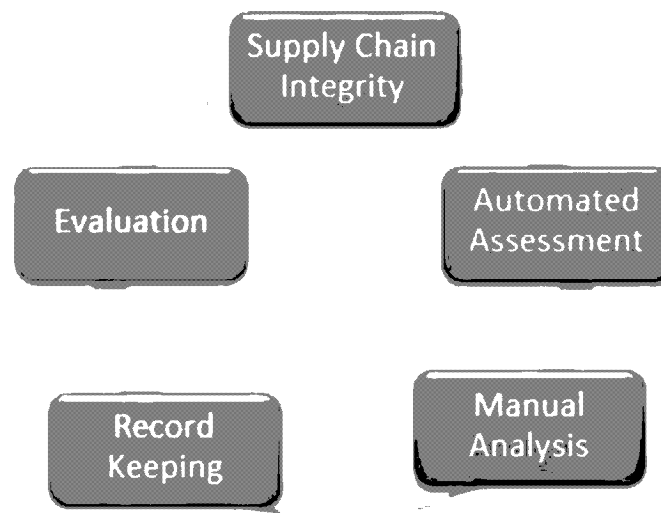


## Three Lines of Accountability for identifying and managing risks:

- Operating Functions - Ongoing identification, management, and escalation of risks by line managers who have the greatest visibility into risks
- Oversight Functions - Policy development & oversight to ensure operating functions are acting appropriately
- Auditing Functions - Independent oversight to ensure robustness and integrity

Graphics from Boston Consulting Group; used with permission.

- An audit was conducted by a third party (and outside counsel). As a result, we are working on several enhancements:
  - Responsibility moved from Law to Ethics & Compliance
  - E&C is doing the following:
    - Hiring a Director to oversee the SOM process (with other compliance responsibilities)
    - Engaging an expert on industry best practices
    - Selecting a new software solution to improve automated evaluation of orders



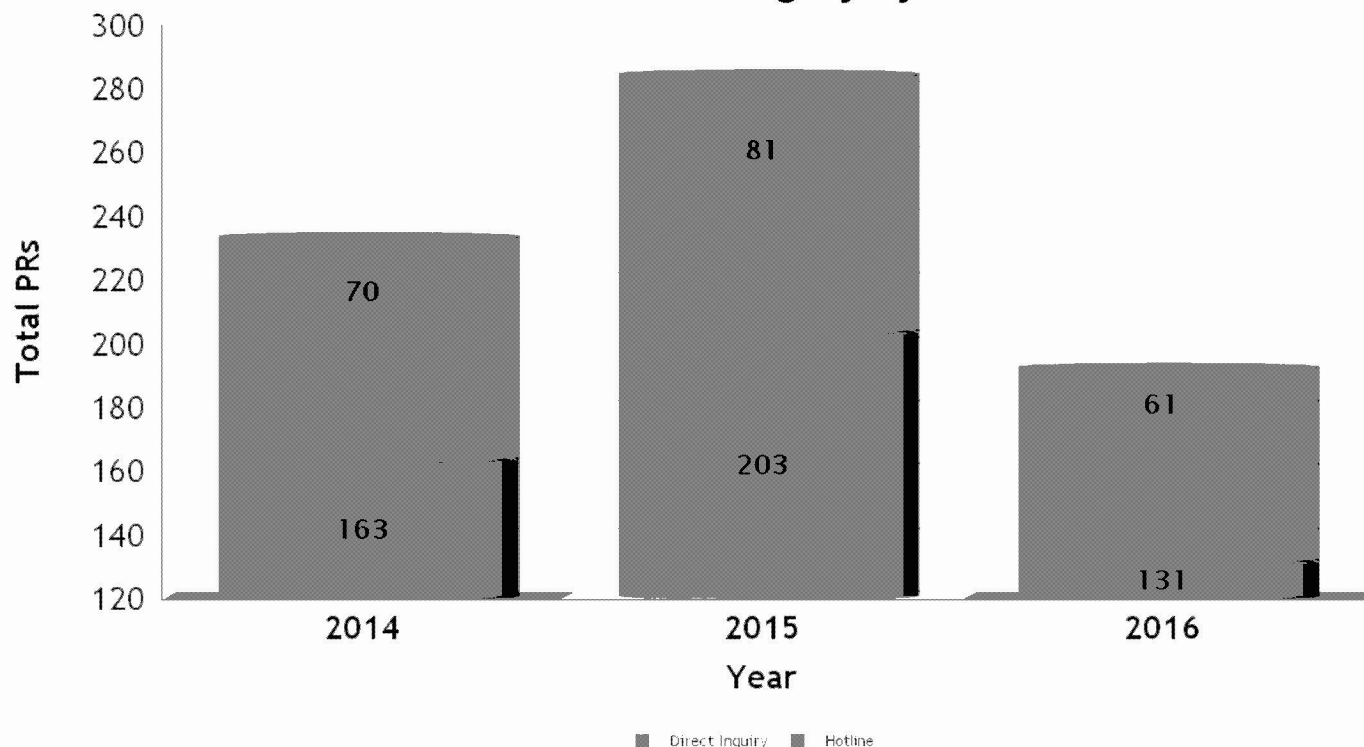
# Increased Collaboration Between Law and Compliance

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- Greater process alignment between Law and Compliance Departments
  - Routine meetings between department management teams to ensure alignment on approaches and discussion of pending risks
  - Collaborate to identify key issues/topics beyond traditional healthcare compliance issues – e.g., government price reporting, data integrity
  
- Expansion of the remit for Ethics & Compliance team
  - Assuming responsibility for a portion of Suspicious Order Monitoring (SOM) and Abuse & Diversion Detection (ADD) Programs from Law
  - Expanding risk monitoring and mitigation activities
  - Identifying key metrics to measure risk and then monitoring against those metrics
  - Conducting gap assessment to ensure robustness of compliance program

# Compliance Matters - 2014 through 2016

## Incident Category by Year



- Year is not yet complete and not all matters have been closed out and entered into the matters database, which can account for the reduction of matters at this point in time
- Decrease in direct inquiries due to reduction in field force matters, conflicts of interest, and aggregate spend disputes/inquiries, however, there were 17 terminations with compliance concerns (higher than previous years)
- Majority of matters were field/marketing-related, mostly pertaining to promotional activity or speaker programs



Thank you



ALWAYS ► ALL WAYS