

CALIFORNIA COMPLIANCE LAW

Section 119402 of the California Health & Safety Code requires a pharmaceutical company to adopt a Comprehensive Compliance Program (the “Program”) that is in accordance with the U.S. Department of Health and Human Services, Office of Inspector General’s (“OIG”) “Compliance Program Guidance for Pharmaceutical Manufacturers” (“OIG Compliance Guidance”), and include policies for complying with the Pharmaceutical Research and Manufacturers of America Code (“PhRMA Code”). Further, the law requires that the Program include an annual limit for certain items and activities given to healthcare professionals covered by this California law. Finally, the law requires that each manufacturer make its Program and an annual declaration of compliance with its Program publicly available.

AltaThera Pharmaceuticals LLC (“AltaThera” or the “Company”) commits significant time and resources to the development of each of its policies, procedures, and processes that make up its Program, including the establishment of an internal training program designed to help ensure compliance with the Program. The Program is designed to ensure that it is able to identify potential non-compliance through audit and employee reporting, and provide a mechanism for investigation and resolution of such situations. Resolution, when appropriate, may involve disciplinary action up to and including termination of employment. The Program also includes an annual spend limit of \$2,000 for items and activities provided to healthcare professionals in California. This annual limit does not include the following:

- Drug samples given to physicians and healthcare professionals
- Financial support for continuing medical education forums
- Financial support for health educational scholarships
- Payments for legitimate professionals services, and any meals or expenses associated with the provision of such services
- Items of nominal value with a retail value of less than \$10 (e.g., visual aids, reprints of medical journal articles)
- Patient educational materials provided to patients by their physician with the purpose of educating the patient or enhancing the patient’s understanding or management of the condition

ANNUAL COMPLIANCE STATEMENT (JUNE 2015)

In ensuring compliance coverage through policies, procedures and processes, AltaThera reviewed the OIG Compliance Guidance and the PhRMA Code, and believes that its Program is consistent with a reasonable interpretation of those guidelines and is in compliance with other applicable laws and regulations as of the date of this declaration. Based upon AltaThera’s good faith understanding of applicable laws and regulations, and to the best of its knowledge, AltaThera is in substantial compliance with its Program and the California law.

Anyone wishing to obtain a copy of AltaThera’s Corporate Compliance Program Overview, the Code of Conduct or a copy of this Declaration, please email info@altathera.com or go to www.altathera.com.