



Ascend Therapeutics, Inc.

CALIFORNIA COMPLIANCE POLICY SUMMARY AND DECLARATION

Background

It is the policy of Ascend Therapeutics, Inc. ("ASCEND") to comply with all applicable laws and regulations and industry standards, including the PhRMA Code on Interactions with Healthcare Providers (the "PhRMA Code") and the Compliance Program Guidance for Pharmaceutical Manufacturers developed by the United States Department of Health and Human Services Office of the Inspector General (the "OIG Guidance"). ASCEND holds its Representatives and Vendors to the same standards of applicable laws and regulations including the PhRMA Code and OIG Guidance.

ASCEND Sales and Marketing Personnel interact with Healthcare Professionals daily to provide them with information about ASCEND products, therapeutic areas in which ASCEND has an interest and other educational or scientific topics.

ASCEND believes that these interactions provide significant educational value to Healthcare Professionals in these areas and help benefit patients. In connection with certain of these interactions, ASCEND may provide a Healthcare Professional with a meal or item intended to benefit patients or related to the Healthcare Professional's practice. ASCEND wants to ensure that the activities of its Sales and Marketing Personnel are not viewed as inappropriate or in violation of any applicable laws. ASCEND's Comprehensive Compliance Program is designed to help ensure that all Sales and Marketing Personnel activities meet that goal.

California Health & Safety Code §§119400-119402 requires certain pharmaceutical companies doing business in California to make available their program for compliance with applicable federal and state laws and industry standards regulating the marketing and promotion of their products. In addition, California law requires pharmaceutical companies to establish annual dollar limits on items and promotional materials given to healthcare professionals. Each company must publish an annual statement declaring its compliance with the law.

California Annual Spend Limit

ASCEND's relationships with Healthcare Professionals are intended to benefit patients and to enhance the practice of medicine. Informational presentations and discussions by ASCEND representatives and others speaking on behalf of ASCEND provide valuable scientific and educational benefits. In connection with such presentations or discussions, ASCEND may offer occasional meals and healthcare practice related items in accordance with the PhRMA Code on Interactions with Healthcare Professionals. Items intended to benefit patients, including text books and anatomical models, are permissible, but may not cost more than \$100, including tax and any shipping charges, and offered only on an occasional basis. ASCEND has established a specific annual dollar limit of \$1500 per Healthcare Professional in California on promotional materials, healthcare practice items, and activities in accordance with California Health & Safety Code §§119400-119402.

In accordance with California law, certain items and payments are excluded in determining whether the annual limit has been met. The annual spending limit does not include the value of:

- Drug samples provided to individual healthcare professionals intended for free distribution to patients;
- Financial support of independent education, including continuing medical education forums;
- Financial support for health education scholarships;
- Payments for legitimate professional services, including professional speaking, advising, consulting, training or market research services, that are based on the fair market value of the services provided;
- Reminder items with *de minimis* value (*e.g.*, pens, notepads); or
- Items, including but not limited to patient educational brochures, anatomical instruction sheets, diaries or other materials to track medical information, provided to patients by their physician with the purpose of enhancing patients' understanding or management of a disease state or disorder.

**Annual Declaration for Purposes of
California Health & Safety Code, §§ 119400-119402**

ASCEND maintains a Comprehensive Compliance Program that is designed to comply with all applicable State and Federal laws and regulations, including the PhRMA Code, the OIG Guidance as related to the marketing and promotion of our products. To our knowledge, as of the date of this declaration, ASCEND is, in all material respects, in compliance with California Health & Safety Code §§ 119400-119402.

Confidential Reporting of Policy Violations

Please call the Corporate Compliance Officer toll-free on 888-412-5751 if:

- You would like a copy of this summary and declaration document
- You are aware of any activity that violates this policy and would like to discuss that activity anonymously.
- You would like to anonymously report an incident that you believe should be brought to management's attention