

**Solstice Neurosciences, Inc. Comprehensive Compliance Program**  
**--Effective July 1, 2010**

**Introduction**

Solstice Neurosciences, Inc. (“Solstice”) is a specialty biopharmaceutical company focused on the development, manufacture, sales and marketing of specialty biopharmaceutical products. Solstice and its employees are committed to adopting the highest ethical standards in their dealings with patients, physicians and the community-at-large. As such, Solstice has developed a Comprehensive Compliance Program (“CCP”) in accordance with the “Compliance Program Guidance for Pharmaceutical Manufacturers,” published by the Office of the Inspector General, U.S. Department of Health and Human Services ( “OIG Guidance”). Our Compliance Program, established by our Board of Directors in conjunction with Solstice senior management, is a central component of our commitment to the highest standards of corporate conduct.

**Compliance Officer**

Solstice’s General Counsel or Acting Compliance Officer is charged with overseeing the continued development and implementation of its CCP. The General Counsel or Acting Compliance Officer has direct access to both the CEO and CFO and is charged with developing the standards of conduct issued as part of the CCP, directing auditing and monitoring activities, as appropriate, and implementing corrective measures, as necessary.

**Comprehensive Compliance Plan**

The primary purpose of Solstice’s CCP is to promote the highest standards of ethical conduct and to help prevent and detect violations of law or company policy. The CCP is based on the OIG Guidance and will address the specific risk areas identified therein, as well as others identified by the General Counsel or Acting Compliance Officer. However, as the OIG Guidance explicitly recognizes, the implementation of a compliance program cannot guarantee that all improper employee conduct will be eliminated. Nonetheless, it is Solstice’s expectation that its employees will comply with the CCP.

Solstice has developed a Code of Business Conduct and Ethics (the “Code”), as well as additional policies that have been established in support of that Code. The Code has been adopted by Solstice’s Board of Directors and applies to all Solstice employees. While Solstice is not a member of the Pharmaceutical and Research Manufacturers of America (“PhRMA”), Solstice has adopted and does adhere to the tenets of the PhRMA Code on Interactions with Healthcare Professionals (the “PhRMA Code”). Similarly, Solstice adheres to the Advanced Medical Technology Association (“AdvaMed”) Code of Ethics on Interactions with Healthcare Professionals (the “AdvaMed Code”) with respect to Injector Training. All of Solstice’s personnel are expected to adhere to the Code of

Business Conduct and Ethics, the PhRMA Code, the AdvaMed Code and all applicable compliance policies.

Solstice will provide effective compliance training for all of its employees on all elements of the CCP as well as on applicable laws and regulations. In addition, the Company will conduct internal auditing and monitoring as necessary to evaluate compliance with company standards.

It is expected that employees will report any compliance-related concerns. As such, a non-retaliation policy is in effect at the Company. Employees may report their concerns either anonymously or directly to the General Counsel or Acting Compliance Officer, any manager, or the Human Resources Department.

In the event that Solstice becomes aware of a violation of law, regulation, or company policy, Solstice is committed to investigating the matter, and where appropriate, taking disciplinary action, and implementing corrective measures to prevent further such violations.

In accordance with and as explicitly recognized in the OIG Guidance, Solstice has tailored its CCP to fit its unique environment and size. Additionally, Solstice's CCP is a living program, constantly involving regular assessment and adjustment to ensure the Program is responsive to the Company's evolving business and associated compliance risks.

### **Annual California Spending Limit**

Solstice has established annual spending limits as per California Business and Professional Code §119402(d)(1) for certain promotional activities directed toward healthcare professionals in California. This annual dollar limit is \$2,000 excluding reasonable reimbursement for travel expenses associated with injector training, consistent with the AdvaMed Code. Spending limits are established as the maximum boundaries for spending, and do not represent a spending "goal" or "average." In most cases, the Company spends significantly less per physician than the stated spending limit.

### **SB 1765 Declaration**

As part of our ongoing efforts in the area of compliance, Solstice has developed a Comprehensive Compliance Program (CCP) that is reasonably designed to prevent and detect violations of law or company policy. To the best of our knowledge, and based on our good faith understanding of the statutory requirements, we have established a CCP that is compliant with the requirements of Cal. Health & Safety Code §§119400-119402.

In making this Declaration of compliance, Solstice is not asserting or making any representation that every employee, agent, contractor or partner will always fully comply with its CCP or that Solstice can prevent individual employees from engaging in improper conduct. While we are constantly reassessing our compliance program to

improve it, government standards on compliance programs recognize that no program can completely prevent individual employees from improper conduct.

Based upon our good faith understanding of the statutory requirement, and to the best of Solstice's knowledge, Solstice declares that, as of the date of this declaration, we are, in all material respects, in compliance with our Comprehensive Compliance Program, as described here, and with California Health & Safety Code §§119400-119402.

Ensuring ethical and legal conduct is an ongoing company commitment. The CCP is a dynamic program that will continue to evolve to meet the company's compliance needs. Solstice will assess its program as often as necessary, but at least once each year prior to July 1<sup>st</sup>.

Solstice Neurosciences, Inc.

July 1, 2010

A copy of this Declaration may be obtained via E-mail at [compliance@solsticeneuro.com](mailto:compliance@solsticeneuro.com) or by calling toll-free, 1-888-461-2255.