

CALIFORNIA DECLARATION

Section 119402 of the California Health & Safety Code requires pharmaceutical to adopt a Comprehensive Compliance 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 Comprehensive Compliance Program include an annual limit for certain items of value given to healthcare professionals covered by this California law. Finally, the law requires that each manufacturer make its Comprehensive Compliance Program and an annual declaration of compliance publicly available.

Chiasma believes that this compliance program is consistent with and based on a good faith understanding of the OIG Compliance Guidance, the PhRMA Code, as well as the California Health and Safety Code §§119400-119402.

Comprehensive Compliance Program (CCP) Description

Chiasma is committed to conducting its business ethically and in accordance with compliance standards. Chiasma's CCP contains the elements of an effective compliance program identified in the OIG Compliance Guidance. In addition, Chiasma has adopted the PhRMA Code and Chiasma's policies and procedures are intended to be consistent with the PhRMA Code's requirements.

Chiasma is committed to conducting its business in compliance with all applicable laws and regulations and requires its employees to act ethically whenever and wherever it conducts business, in accordance with Chiasma's Code of Business Conduct and Ethics. Chiasma's CCP includes the following fundamental elements designed to ensure compliance with applicable legal, regulatory and company standards.

Leadership and Structure

Chiasma's General Counsel (GC) is charged with developing, operating, and monitoring the CCP. This GC reports directly to the CEO, interacts routinely with senior management, and makes regular reports to the Board of Directors. Chiasma has established an Audit Committee to advise the GC to assist in the implementation of the CCP. The Audit Committee meets on a regular basis to monitor Company activities and compliance developments.

Written Standards

Chiasma has established its commitment to compliance through a number of Company policies and procedures, including the Code of Business Conduct and Ethics. These include restrictions on items of value that may be provided to healthcare providers that conform to the PhRMA Code. The standards in these policies and procedures apply to all Chiasma employees, and adherence to them is a condition of employment.

In accordance with California Health and Safety Code §§ 119400-119402, Chiasma has also established a total annual aggregate dollar limit of \$750 per healthcare professional licensed in California for meals and other items of value that Chiasma may give or otherwise provide to an individual medical or health care professional in accordance with its CCP. This annual limit may be revised by the Company from time to time. Per Cal. Health & Safety Code §§ 119400-402, the annual aggregate limit does not apply to drug samples provided to HCPs that are intended for free distribution to patients and payments for legitimate professional services provided by an HCP.

Education and Training

Chiasma regularly provides compliance training to all employees. Chiasma trains employees on Company policies, and on all applicable laws, regulations and industry codes that Chiasma's business.

Open Lines of Communication

Chiasma is committed to fostering open lines of communication between management and employees in order to be able to respond to compliance questions and concerns. Employees also are instructed on their obligation to report actual or potential compliance violations, and are provided with various resources including an independent, third-party operated Compliance Hotline by which they can anonymously report compliance questions, concerns or violations without fear of retaliation.

Auditing and Monitoring

Chiasma regularly evaluates risk areas to inform the growth and development of its program. Chiasma engages in routine compliance monitoring and compliance audits. Reports of these activities are shared with the Compliance Committee and senior management as appropriate. Identified issues and opportunities for enhancement are addressed, and education, training and corrective action are taken when necessary.

Responding to Potential Violations

Chiasma is expected to respond promptly to potential violations of law, regulation, industry codes or Company policies. Potential violations are investigated and evaluated on a case-by-case basis. Disciplinary action, up to and including termination, is taken when deemed appropriate.

Corrective Action

After investigation of a reported or detected compliance issue, the Company assesses whether additional corrective action is appropriate. The assessment includes a determination as to whether a violation is due, in part, to any gaps in our policies, training or internal controls. If a gap is identified, Chiasma will take action to correct it.

To the best of our knowledge, Chiasma's compliance program meets the requirements of the California Health and Safety Code §§119400-119402, and we are not aware of any violations that have not been addressed or corrective action taken.

Copies of this Declaration and this Comprehensive Compliance Program description may be obtained by contacting 844-312-2462 or info@chiasmapharma.com.