

SORRENTO THERAPEUTICS, INC.

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “**Board**”) of Sorrento Therapeutics, Inc. (the “**Company**”) has adopted the following Corporate Governance Guidelines (the “**Guidelines**”) to assist the Board in the exercise of its responsibilities in the best interests of the Company and its stockholders. The Guidelines acknowledge the leadership exercised by the Board’s standing committees and their chairs and are intended to serve as a flexible framework within which the Board and these committees may conduct their business – they are not intended to be a set of legally binding obligations on the Board, the committees or the Company. The Guidelines are subject to modification from time to time as the Board deems appropriate or as required by applicable laws and regulations.

A. Role and Composition of the Board

1. General. The Board, which is elected by the stockholders, is the ultimate decision-making body of the Company, except with respect to those matters reserved to the Company’s stockholders. The Board selects the senior management team, which is charged with conducting the Company’s business and operations. The Board acts as an advisor and counselor to senior management and monitors senior management’s performance.

2. Joint Chairman and CEO. It is the policy of the Company that the positions of Chairman of the Board (“**Chairman**”) and Chief Executive Officer of the Company (“**CEO**”) be held by the same person, except in unusual circumstances.

3. Board Size. It is the policy of the Company that the number of directors not exceed a number that can function efficiently as a body.

4. Director Independence. The Board shall consist of a majority of independent directors. The Company defines an “independent director” in accordance with the NYSE Amex requirements. The NYSE Amex independence definition includes a series of criteria. However, because it is not possible to anticipate or explicitly provide for all potential conflicts of interest and other circumstances that may affect independence, the Board is also required to make an affirmative determination as to each independent director that no relationship exists which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of that director. In making these determinations, the Board reviews information provided by the directors and the Company with regard to each director’s business and personal activities as they may relate to the Company and its management. The Board considers all relevant facts and circumstances in making a determination as to director independence.

5. Selection Criteria. The Board considers candidates to fill new positions created by an increase in Board size, as well as vacancies that occur as a result of removal, resignation, retirement or any other reason, and makes recommendations to the Board with respect thereto. Each year, the Board will recommend a slate of directors for election by stockholders at the annual meeting of stockholders. In accordance with the Bylaws of the Company, the Board will also be responsible for filling vacancies on the Board that occur between annual meetings of stockholders.

In reviewing potential candidates for director nomination, the Board shall consider the director’s qualifications, diversity, age, skills and such other factors as it deems appropriate given the current needs of the Board, the committees and the Company, to maintain a balance of knowledge, experience, diversity and capability. In the case of incumbent directors whose terms of office are set to expire, the Board shall

review such directors' overall service to the Board, the committees and the Company during their term, including the number of meetings attended, level of participation, quality of performance and any other relationships and transactions that might impair such directors' independence. In the case of new director candidates, the Board shall also determine whether the nominee must be independent for NYSE Amex purposes, which determination shall be based upon applicable NYSE Amex listing standards and rules and regulations of the Securities and Exchange Commission (the "SEC").

The Board does not prescribe any minimum qualifications for director candidates. The Board shall consider a potential director candidate's experience, areas of expertise and other factors relative to the overall composition of the Board and Board committees, including the following characteristics:

- the highest ethical standards and integrity and a strong personal reputation;
- a background that demonstrates experience and achievement in business, finance, biotechnology or other activities relevant to the Company's business and activities;
- a willingness to act on and be accountable for Board and, as applicable, committee decisions;
- an ability to provide reasoned, informed, and thoughtful counsel to management on a range of issues affecting the Company and its stockholders;
- an ability to work effectively and collegially with other individuals;
- loyalty and commitment to driving the Company's success and increasing long-term value for the Company's stockholders;
- sufficient time to devote to Board and, as applicable, committee membership and matters; and
- meeting the independence requirements imposed by the SEC and NYSE Amex.

The Board retains the right to modify these criteria from time to time. The Board shall evaluate the proposed director's candidacy, including proposed candidates recommended by security holders, and recommend whether the Board should nominate the proposed director candidate for election by the Company's stockholders.

6. Director Service on Other Public Boards. Ordinarily, directors should not serve on more than four boards of publicly-held companies, including the Board. Current positions in excess of these limits may be maintained unless the Board determines that doing so would impair the director's service on the Board. No director shall serve on the board of directors of any Company competitor, publicly-held or privately-held.

7. Director Compensation. It is the general policy of the Board that Board compensation be paid either in cash, equity or in a combination of cash and equity. Employee directors will not be paid for Board membership in addition to their regular employee compensation. Independent directors may not receive consulting, advisory or other compensatory fees from the Company in addition to their Board compensation. To the extent practicable, independent directors who are affiliated with a Company service provider will undertake to ensure that their compensation from such provider does not include amounts connected to payments made by the Company.

Management of the Company will report from time to time to the Compensation Committee of the Board (the "**Compensation Committee**") regarding the status of Board compensation for publicly-held companies similarly-situated to the Company and with regard to trends and developments in director compensation for publicly-held companies.

8. Stock Ownership Requirements. The Company encourages directors to purchase and own shares of the Company's stock. However, the number of shares of the Company's stock owned by any director is a personal decision and, at this time, the Board has chosen not to adopt a policy requiring ownership of a minimum number of Company shares by directors.

9. Change in Employment or Status. When a director, including any director who is currently an officer or employee of the Company, resigns from any employment position, materially changes his or her position with an employer or becomes aware of personal circumstances that may adversely reflect upon the director or the Company, the director should promptly notify the Board of the circumstances of the change. The Board will consider the circumstances and may, in certain cases, request that the director tender his or her resignation from the Board if the director's continuing service on the Board is inconsistent with the criteria deemed necessary for continuing Board service or is deemed detrimental to the Company and its stockholders.

10. Term Limits. The Board does not endorse arbitrary term limits on directors' service, nor does it believe in automatic re-nomination of directors. While term limits could help insure that there are new ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who over time have developed increasing insight into the Company and its operations.

11. Director Orientation and Continuing Education. In furtherance of its policy of having major decisions made by the Board as a whole, each director is expected to maintain the necessary level of expertise to perform his or her responsibilities as a director. Members of the Board shall regularly review developments in the areas of corporate governance and board service, hold periodic meetings with key members of the Company's management and, as deemed appropriate, make visits to key Company facilities.

12. Annual Meeting Attendance. All Board members are invited to attend the Company's annual meetings of stockholders. Board members may attend annual meetings of stockholders in person, by telephone or by webcast.

13. Code of Business Conduct and Ethics. Directors shall act at all times in accordance with the requirements of the Company's Code of Business Conduct and Ethics. This obligation shall include, without limitation, adherence to the Company's policies with respect to conflicts of interest, confidentiality, protection of the Company's assets, ethical conduct in business dealings and respect for and compliance with applicable law. Any waiver of the requirements of the Company's Code of Business Conduct and Ethics with respect to a director shall be reported to, and be subject to the approval of, the Board.

B. Responsibilities of the Board

14. General. The duties of the Board are largely defined by the Delaware General Corporation Law, federal securities laws and regulations and NYSE Amex. The primary responsibilities of the Board are oversight, counseling and direction to management of the Company for the benefit of the Company and its stockholders. The Board's detailed responsibilities include:

- (a) advising and counseling management regarding significant issues facing the Company;
- (b) selecting, regularly evaluating the performance of, and approving the compensation of the CEO and other senior executives;
- (c) planning for succession with respect to the position of CEO and monitoring management's succession planning for other senior executives;
- (d) reviewing and, where appropriate, approving the Company's major financial objectives, strategic and operating plans and actions;

(e) overseeing the conduct of the Company's business to evaluate whether the business is being properly managed; and

(f) overseeing the processes for maintaining the integrity of the Company with regard to its financial statements and other public disclosures, and compliance with laws.

The Board has delegated to the CEO, working with the Company's other executive officers, the authority and responsibility for managing the business of the Company in a manner consistent with the standards and practices of the Company, and in accordance with any specific plans, instructions or directions of the Board. The CEO and other members of management are responsible for seeking the advice and, in appropriate situations, the approval of the Board with respect to extraordinary or otherwise significant actions proposed to be undertaken by the Company.

15. CEO Evaluation and Management Succession. The Board will conduct an annual review of the CEO's performance to ensure that the CEO is providing the best leadership for the Company in the long- and short-term. The Board will also work to identify and evaluate potential successors to the position of CEO. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

16. Communication with Outside Parties. It is the policy of the Company that management speaks for the Company. Each director should refer all inquiries from institutional investors, the press or customers regarding the Company's business, operations and financial condition to management. Directors may, from time to time at the request of management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman.

C. Board Function

17. Agenda. The Chairman/CEO sets the agenda for Board meetings with the understanding that the full Board is responsible for providing suggestions for agenda items that are aligned with its advisory and monitoring functions. Agenda items for Board meetings are expected to change on a periodic basis to reflect Board requests, changes to the Company's operations, significant actions, new legal issues and other matters raised by management and the Board's committees. The Board's annual agenda will include the long-term strategic plan for the Company and the principal issues that the Company expects to face in the next year. Any member of the Board may request that an item be included on the agenda.

18. Board Meetings. Board members are expected to rigorously prepare for, attend and participate in all Board meetings. Each Board member is expected to ensure that other existing and planned future commitments, including other board service, do not materially interfere with the member's service as a director of the Company. Any other commitments will be considered by the Board when reviewing Board candidates and in connection with the Board's annual self-assessment process. In determining whether to recommend a director for reelection, the Board shall consider the director's past attendance at meetings and his or her participation in, and contributions to, the activities of the Board.

At the invitation of the Board, members of senior management shall attend Board meetings, or portions thereof, for the purpose of updating the Board regarding the Company's operations and participating in the Board's discussions. Generally, presentations of matters to the Board shall be made by the manager responsible for that area of the Company's operations.

19. Board Materials. Board meeting materials shall be provided to the directors sufficiently in advance of the meetings to allow the directors to prepare for a full discussion of the items. Supplemental

written materials will be provided to the Board on a periodic basis and at any time upon request of any director. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance of or at the meeting.

20. Director Access to Corporate and Independent Advisors. In addition, Board members shall have free access to all other members of management and employees of the Company and, as necessary and appropriate, Board members may consult with outside legal, financial and accounting advisors to assist them in fulfilling their duties to the Company and its stockholders.

21. Disclosure of Potential Conflicts of Interest. Directors must disclose to the rest of the Board any potential conflict of interest they may have with respect to a matter under discussion and, if appropriate, refrain from voting on a matter for which they may have a conflict.

22. Executive Sessions. Executive sessions, or meetings of outside directors without management present, shall be held regularly (at least four times per year) to review the report of the Company's independent registered public accounting firm, the criteria upon which the performance of the Chairman/CEO and other senior managers are based, the performance of the Chairman/CEO and other senior managers against such criteria, the compensation of the Chairman/CEO and other senior managers, and any other relevant matters. Meetings shall be held from time to time with the Chairman/CEO for a general discussion of relevant subjects.

23. Annual Board Self-Evaluation. The Board will prepare an annual performance self-evaluation.

D. Board Committees

24. Policy. It is the general policy of the Company that all major decisions be considered by the Board as a whole. As a consequence, the committee structure of the Board is limited to those committees considered to be basic to, or required for, the operation of a publicly-held company. Currently, the Company has the following Board committees: the Audit Committee and the Compensation Committee (collectively, the "Committees").

25. Committee Charters. Each Committee has a written charter approved by the Board that describes the Committee's general authority and responsibilities. Each Committee will undertake an annual review of its charter, and will work with the Board to make such revisions to its charter as are deemed necessary or appropriate. The Committee charters shall generally provide for the following:

(a) **Audit Committee.** The Audit Committee reviews the work of the Company's internal accounting and audit processes and independent registered public accounting firm. The committee has sole authority to appoint and dismiss the Company's independent registered public accounting firm and to approve any significant non-audit relationship with the independent registered public accounting firm.

(b) **Compensation Committee.** The Compensation Committee reviews and approves the Company's goals and objectives relevant to compensation, monitors market levels of compensation and, based on evaluations submitted by management and other assessments, approves compensation for the CEO, all other executive officers and certain other employees that correspond to the Company's goals and objectives, and reports to the Board concerning these matters. The committee produces an annual report on executive compensation for inclusion in the Company's proxy statements, in accordance with applicable rules and regulations. The committee periodically reports to the Board concerning its compensation determinations with respect to management and

employees and also makes recommendations to the Board concerning compensation of the Company's non-employee directors.

26. Composition. The Committees are made up of solely independent directors. The Audit Committee consists of at least three members who must satisfy an additional NYSE Amex independence standard. Specifically, Audit Committee members may not accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries other than compensation they may receive as directors. The Compensation Committee consists of at least three members.

27. Appointment and Rotation of Committee Members. The Board appoints Committee members and Committee chairpersons according to criteria set forth in the applicable Committee charter and such other criteria that the Board determines to be appropriate in light of the responsibilities of each Committee. Committee membership and the position of Committee chair will not be rotated on a mandatory basis unless the Board determines that rotation is in the best interests of the Company and its stockholders.

28. Meeting Conduct. The frequency, length and agenda of meetings of each Committee shall be determined by the chairperson of the Committee. Sufficient time to consider the agenda items shall be provided. Materials related to agenda items shall be provided to the Committee members sufficiently in advance of the meeting where necessary to allow the members to prepare for discussion of the items at the meeting.

29. Reporting to the Board. Each Committee will regularly report to the Board concerning the Committee's activities, decisions and recommendations.

30. Access to Corporate and Independent Advisors. Each Committee may consult with outside legal, financial and accounting advisors to the extent it considers appropriate to assist the Committee in fulfilling its obligations.

31. Annual Committee Self-Evaluation. Each Committee shall prepare an annual performance self-evaluation.

E. Review and Modification of Corporate Governance Principles

32. Annual Review. The Guidelines shall be reviewed by the Board at least annually.

33. Amendment; Waiver. The Board may amend, waive, suspend or repeal any of the Guidelines at any time, with or without public notice, as it determines necessary or appropriate, in the exercise of the Board's judgment or fiduciary duties.