



## EMMAUS MEDICAL, INC. CODE OF CONDUCT

### Introduction

Emmaus Medical, Inc. (“Emmaus”) is committed to improving the lives of people with rare diseases throughout the world by the discovery, development and commercialization of innovative and cost-effective medicines. Emmaus’ corporate values describe who we are and how we conduct ourselves, and are founded on a corporate commitment to integrity, morality, mutual respect and professionalism.

Building trust among our customers and peers is critical to our success. Accordingly, it is important that we conduct our business with the highest ideals of ethics and integrity and in compliance with all applicable legal and regulatory requirements. Emmaus’ Corporate Code of Conduct (“Code”) is a statement of our fundamental principles of business conduct and ethics. The Code applies to all Emmaus employees, consultants, affiliates, representatives, agents, or others who act on behalf of Emmaus (sometimes referred to herein as “personnel” or “you”). The Code requires compliance with federal, state, and local laws and regulations wherever Emmaus conducts business. Emmaus personnel must strive to be aware of and understand the laws and regulations which affect Emmaus. Emmaus resources, such as this Code, Emmaus’ Healthcare Compliance Program, Emmaus training programs and the advice of the Chief Compliance Officer (CCO), are available to assist personnel in becoming familiar with these requirements.

While it is impossible to cover every situation that may arise, the standards in this Code serve as guidelines that should guide Emmaus employees, consultants, affiliates, representatives, agents, or others who act on Emmaus’ behalf at all times. However, no set of guidelines can cover all situations that may be encountered when conducting business. Therefore, if a situation is unclear, if you are in doubt about how to handle a particular situation, or if you have a specific business conduct question, you should ask for guidance from the CCO, who is responsible to administer, update and enforce the Code, before taking action. If you have questions about the application of this Code to you and your role with Emmaus, seek assistance from the CCO. Contact information for Emmaus’ CCO is as follows:

Chief Compliance Officer  
Emmaus Medical, Inc.  
20725 S. Western Ave., Suite 136  
Torrance, CA 90501-1884  
Tel: 877-420-6493  
Email: [compliance@emmausmedical.com](mailto:compliance@emmausmedical.com)

Emmaus expects that its personnel observe ethical standards, conduct themselves accordingly and avoid even the appearance of improper behaviors. It is important to note that the ultimate responsibility for maintaining the Code rests with you. All Emmaus personnel are required to complete annual Code of Conduct training.



It is the responsibility of Emmaus personnel to report immediately any suspected violation of the Code of which they become aware. Details of the procedure for raising integrity concerns and relevant contact information are found in Section VIII of this Code. Emmaus assures individuals who raise integrity concerns in good faith that they will be protected from any adverse impact on their employment as a result. Emmaus actively encourages personnel to raise issues of concern.

Raising a concern under this policy will have no impact on any aspect of an employee's employment. All employees will continue to be held to the performance and policy standards that generally apply to Emmaus employees. It is expected that employees will not use this policy for improper purposes such as attempting to avoid accountability for the performance and policy standards that generally apply to Emmaus employees.

Periodically, Emmaus may establish training programs to address specific areas of risk. Reading this Code is not a substitute for undertaking such training and complying with specific policies and procedures as required. If you have any questions about conflicts between specific policies and procedures and this Code, ask for guidance from the CCO before taking any action.

After initial hire or first receipt of this Code, all personnel must sign and return the Certification which is Exhibit A to this Code to the CCO, verifying that s/he has read, understands, and will comply with this Code at all times. Emmaus may also ask its personnel to periodically certify their commitment to the spirit and letter of this Code.

## **General Policies**

### **I. Avoid Conflicts of Interest**

A conflict of interest is any situation that may involve, or even appear to involve, a conflict between personal interests and the interests of Emmaus. Emmaus generally does not restrict its personnel from investing or participating in other businesses, but does require that its personnel always act in the best interests of Emmaus. However, certain personnel are required to disclose outside business interests and any other potential conflicts of interest with Emmaus.

Emmaus has an obligation to exclude personal advantage in all dealings with current or potential customers, suppliers, contractors, and competitors. You need to avoid relationships and activities that might influence or provide the appearance of influencing your ability to make fair decisions while performing your work for Emmaus. Avoiding conflicts of interest does not preclude you from being friendly with those you interact with in the course of performing Emmaus business, but it does require that you always act in the best interests of Emmaus.

The following describes a non-exhaustive list of examples of activities that could represent actual or perceived conflicts of interest and thus, are areas you are obligated to avoid:

- Engaging in activities that are competitive with those in which Emmaus is engaged.
- Using Emmaus assets, property, information or other resources, or your position at Emmaus for personal gain.



- You, or any member of your immediate family holding a significant financial interest in or an obligation to any outside enterprise which does or seeks to do business with Emmaus or which is a competitor of Emmaus. Investments involving less than 1% of outstanding stock of a company whose shares are traded on a stock exchange are considered insignificant and are not considered a conflict of interest under the Code.
- Diverting a business opportunity from Emmaus for your own benefit. Emmaus personnel have a duty to advance the legitimate interests of Emmaus. If you become aware of an opportunity to acquire or profit from a business venture in which Emmaus is or may become involved, or in which Emmaus may have an existing interest, you should disclose the facts to the CCO.
- Employment by or acting as a consultant to a competitor, customer, supplier, business partner, or collaborator of Emmaus.

Emmaus expects that its personnel act in the best interest of Emmaus at all times and disregard any personal preference or advantage. If you become aware of a conflict or a potential conflict, including but not limited to those outlined above, you are obligated to bring it to the attention of the CCO. Failure to disclose any actual or potential conflict of interest is a violation of the Code.

## **II. Fair Dealing with Customers, Suppliers and Competitors**

Emmaus prides itself on fair dealing and honest relationships and does not seek to gain any advantage through the improper use of favors or other inducements. To maintain such honest relationships, it is important to avoid even the appearance of favoritism. Offering, providing, soliciting, or receiving any form of bribe to or from a customer or supplier is strictly prohibited. In addition, Emmaus personnel may not take unfair advantage of anyone through manipulation, misrepresentation, inappropriate threats, fraud, abuse of confidential information or other bad faith conduct.

The following is a non-exhaustive list of guidelines you must follow:

- You and your immediate family may not accept a gift that is in the form of cash from a supplier.
- You and your immediate family may not accept a discount on personal purchases from a supplier because that discount may be perceived as being offered because of your role at Emmaus. An exception is permitted for discounts that are offered to all personnel and have been approved by Emmaus.
- You may not ask a supplier for a gift, entertainment or favor, either directly or indirectly through a third party.
- You may accept promotional items such as those a company would use to advertise or introduce themselves. Such items would typically include a corporate logo such as a coffee mug, pen or hat. If the gift is more than token value, you should talk to the CCO for guidance.

- You may accept business meals, refreshments and modest entertainment from a supplier or a potential supplier. Business meals and entertainment should be consistent with accepted business practices and should not be lavish, extravagant, frequent or long in duration. They should be for the express purpose of fostering or maintaining a business relationship.
- If you feel any gift may unduly influence you or make you feel obligated to “pay back” the other party with Emmaus business or otherwise, it would be unacceptable for you to accept that gift.
- Certain local customs or other exceptional circumstances may call for an exchange of gifts of more than nominal value as part of the business relationship. Such gifts must only be provided or accepted with written approval from the CCO.
- Special restrictions apply when dealing with the government. For a discussion specific to government relations, please see Section III, “Dealings with the Government.”
- If you ever are in doubt as to whether you should accept or provide a gift, you should discuss the matter with the CCO.

### **III. Dealings with the Government**

You must adhere to the highest standards of ethical conduct in all relationships with government employees and must not improperly attempt or give the appearance of attempting to influence the actions of a public official.

#### *Payments to Government Personnel*

Payments or gifts shall not be made directly or indirectly to any government official if the gift or payment is illegal under the laws of the country having jurisdiction over the transaction, or if it is for the purpose of influencing or inducing the recipient to do, or omit to do, any act in violation of his or her lawful duty. If you need guidance in this area, please contact the CCO.

#### *Government Procurement*

The United States government and many state and local governments have comprehensive laws and regulations governing their purchase of products from private contractors. When selling Emmaus products to government procurement agencies, Emmaus is accountable for complying with all applicable procurement laws, regulations and requirements. If you require assistance in this area, please contact the CCO.

#### *Political Contributions and Participation*

Emmaus corporate funds or assets may not be contributed to political campaigns unless such use has been approved by the CCO. Approval should not be given to any political contributions by Emmaus which, by their scale or affiliation, might be viewed as excessive or inappropriate. Any approved political contribution must be reported by Emmaus.



Lawful political preferences, opinions and activities of Emmaus personnel, as individuals, will have no bearing on any aspect of employment, including assignment, working conditions, pay and promotion.

#### **IV. Protecting Company Assets**

Emmaus' assets are critically important to its continued success. Thus, proper protection of Emmaus' assets is the fundamental responsibility of Emmaus personnel. Emmaus personnel must comply with security programs to safeguard its assets against unauthorized use or removal, as well as against loss. Emmaus resources should only be used for the proper advancement of Emmaus and not for personal gain. The guidelines in this section also apply to the property of others entrusted to Emmaus.

##### *Use of Company Property*

The removal of Company property from Emmaus facilities is prohibited, unless authorized by your supervisor in order to conduct business at an off-site location, such as making a presentation or attending a meeting. This applies to furniture, equipment and supplies leased or owned by Emmaus, as well as property created or obtained by Emmaus for its exclusive use, such as, trade secrets, client and patient lists, files, personnel information, reference materials and reports, databases and computer software.

Emmaus' products and services are its property – contributions made or services provided by any personnel to Emmaus are the property of Emmaus and remain the property of Emmaus even subsequent to the termination of the employment relationship.

##### *Confidential Information*

Another important asset is information gathered to maintain and develop business. This information is proprietary and extremely confidential. The loss of such information through inadvertent or improper disclosure could be harmful to Emmaus. In addition to any other obligations to keep Emmaus information confidential:

- Do not use confidential information for anything other than Emmaus business.
- Do not disclose confidential information to anyone outside Emmaus unless disclosure is protected, absolutely necessary to further Emmaus' business interests and authorized by Emmaus.
- Do not discuss confidential information in public places where others may overhear.
- Do not use confidential information for your own personal benefit.

Examples of confidential information that is the property of Emmaus are:



- Business and sales prospects
- Technical developments and inventions
- Information concerning or obtained from customers and suppliers
- Personnel records and systems
- Financial information which is not made public
- Results of clinical trials
- Research and development data
- Unannounced products and/or contracts
- Computer systems and databases
- Trade secrets
- Marketing, advertising or promotional data
- Sales data
- Pricing information and strategies
- Patents
- Manufacturing techniques and data

Confidential information is the property of Emmaus and must not, unless legally required, be disclosed outside Emmaus without proper authority.

#### *Accurate Records and Reporting*

Emmaus is responsible to maintain and furnish financial information to potential investors, creditors and government agencies in a timely manner. Emmaus is required to keep books, records and accounts that accurately reflect all transactions, dispositions of assets, and other events that are the subject of regulatory record keeping requirements. In keeping with that responsibility:

- All Emmaus books, records and accounts, including financial reports, accounting records, sales reports, expense accounts, invoices, purchase orders and other documents must clearly and accurately reflect the true nature of the transactions and the relevant facts thereto.
- Undisclosed or unreported liabilities or funds are not permissible at Emmaus, regardless of the purpose intended.
- Emmaus reports must not mislead the reader in any way nor omit information necessary to make them anything but full, fair and accurate.
- All Emmaus books, records and accounts must be kept up to date.
- Improper entries must not knowingly be made on books, records or accounts.
- No payment on behalf of Emmaus may be made with the intention or awareness that any portion of the payment is to be used for any other purpose than that described in the documentation supporting the transaction.



Emmaus personnel must ensure that all reports or communications published or filed by Emmaus are full, fair, accurate, timely and understandable. If you have a good faith belief that Emmaus' books, records and accounts are not in accord with regulatory requirements, you should immediately notify the CCO of suspected violations.

#### *Document Retention*

Federal and state regulations govern the retention of several records and documents that are maintained by companies such as Emmaus. In keeping with those legal requirements, personnel may not discard, falsify, alter, or otherwise make unavailable any record in paper or electronic format, relevant to a threatened, anticipated, or actual inquiry, investigation or lawsuit once aware of its existence. If you have doubt regarding retention of any record, do not discard or alter the record, but instead seek guidance from the CCO.

### **V. Positive Work Environment**

Emmaus intends to hire the best people. It is Emmaus' policy to promote a diverse workforce at all levels by hiring qualified people without regard to age, race, color, religion, sex, national origin, sexual preference, disability, or political preference. Emmaus values the individuality, creativity and diversity that every employee brings and supports the continuous development of their skills and abilities.

All Emmaus recruiting, hiring, training, compensation, benefits, promotions, transfers and Emmaus-sponsored educational, social and recreational programs will be free of discriminatory practices and conduct. Overall, success and advancement within Emmaus shall depend solely on personal ability, behavior and work performance.

Emmaus strives to provide a workplace that is free from any form of harassment. Any harassment, whether sexual or verbal, religious, racial, or otherwise, is prohibited and is unacceptable in any form. Any person who believes that they have been personally harassed should report the incident and circumstances to their immediate supervisor, or another supervisor, who will arrange for it to be investigated impartially and confidentially.

All Emmaus personnel have the responsibility to follow these policies and promote a positive work environment. Those in supervisory roles are expected to ensure equal participation in the opportunities available at Emmaus.

### **VI. Safe Work Environment**

Emmaus strives to provide its personnel with a safe work environment. You are responsible to follow safety and health rules and practices and to report accidents, injuries and unsafe equipment, practices and conditions.

In accepting responsibility for safety, personnel must observe all warnings and regulations, report to supervisors any accident or injury sustained on the job and report to supervisors any



operation of equipment or performance of processes that is not in accordance with standard operating procedures.

In addition, personnel are not permitted to engage in violence or threatening behavior. While performing duties on behalf of Emmaus, personnel should remain in a condition to perform their duties free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated.

## **VII. Environmentally Friendly Workplace**

Emmaus is committed to complying with all applicable laws relating to the protection of the environment.

Personnel must:

- Accept responsibility for protecting our environment.
- Follow Emmaus policy on using, storing, transporting and disposing hazardous materials.
- Operate equipment and perform processes to minimize the impact on the environment.
- Follow Emmaus policy on reporting circumstances under which hazardous materials or wastes come into contact with the environment.

## **VIII. Reporting Suspected Violations**

If you in good faith suspect a violation of this Code, or become aware of a situation that may lead to a violation of this Code, you must immediately report it to Emmaus' hotline. The hotline is accessible 24 hours per day, 7 days per week at 1-877-420-6493. Emmaus has attempted to design procedures that ensure maximum confidentiality, anonymity and freedom from the fear of retaliation for reporting violations of the Code. Reports may be made on a completely anonymous and confidential basis. Each reported violation is handled on a case-by-case basis based on the specific facts presented. Emmaus will undertake disciplinary and corrective action when appropriate to address inappropriate conduct.

Consistent with its commitment to the Code, Emmaus adopted monitoring and auditing processes to detect and investigate suspected breaches of our policies. All personnel are required to cooperate fully in the investigation of reported or suspected violations of the Code and to provide truthful, accurate and complete information. In addition, any personnel who interfere with an investigation, or provide information that the individual knows to be untrue or inaccurate, will be subject to disciplinary action, which may include termination or legal action. Emmaus will take appropriate disciplinary and corrective action, up to and including dismissal or legal action, where appropriate, when behavior inconsistent with the Company's commitment to high ethical standards is detected.

## **Conclusion**



This Code is an attempt to point all Emmaus personnel in the right direction, but no document can achieve the level of compliance that Emmaus is seeking. We must all work together to uphold Emmaus' commitment to compliance with the law, regulatory and ethical standards, and this Code. You are never expected to violate a law or policy and are always expected to act with integrity. Before taking any action on behalf of Emmaus you should ask yourself:

- Does it feel right?
- Is this action ethical in every way?
- Is this action in compliance with the law?
- Could this action create an appearance of impropriety?
- Would I feel uncomfortable explaining this action to my family or close friends?
- Would I feel uncomfortable seeing my action reported on the front page of the local newspaper?

If any action could elicit a negative response to one of these questions, do not take it. If you have any reason to doubt the legality of any action you plan to take on behalf of Emmaus, be sure to ask before you act. Emmaus believes that it is always best to be honest, forthright and loyal. If you act in bad faith or fail to report illegal or unethical conduct, then you may be subject to disciplinary procedures.



## EXHIBIT A

### EMMAUS MEDICAL, INC. CODE OF CONDUCT CERTIFICATION OF RECIPIENT

I have read and understand the Emmaus Medical, Inc. Code of Conduct (“Code”), and I hereby agree to comply with its terms. I hereby certify as follows:

1. I have received a copy of the Code for my review.
2. I have read, understand, and agree to comply with the Code.
3. I am currently in compliance with the terms of the Code and all obligations imposed by it.
4. I understand that my participation in complying with and upholding the Code is mandatory.
5. I understand that my violation of the Code or my failure to report in good faith a suspected or actual violation of the Code may subject me to disciplinary action, up to and including termination or legal action.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date