



Compliance Reporting Policy

This Compliance Reporting Policy (this “**Policy**”) is binding upon you as an employee, officer or director of Emmaus Life Sciences, Inc. (“**Emmaus**”) or any of its subsidiaries (collectively, “**we**,” “**our**,” “**us**,” “**Emmaus**” or the “**company**”). Please consult with Emmaus’s Human Resources Manager if you have any questions about this Policy.

Policy Overview

The purpose of this Policy is to enhance the business integrity of the company by providing a safe and reliable means for employees and others to report concerns they may have about possible misconduct at the company. By following this Policy, you can raise concerns, confidentially and anonymously if desired, and free of any retaliation, discrimination or harassment.

Accordingly, whether you are an employee, officer or director, or someone who does business with us, we ask that you follow this Policy to report legitimate, good-faith concerns regarding any of the following:

A suspected violation of our Code of Conduct, which we refer to in this Policy as an “Ethics Violation.”

A suspected violation of any other company policies or procedures, which we refer to in this Policy as a “Corporate Policy Violation.”

A questionable accounting matter, violation of our internal accounting controls, or any other suspicious auditing or financial matter, or the reporting of fraudulent financial information, which we refer to in this Policy as “Fraudulent Auditing and Accounting Activity.”

A suspected violation of law or fraudulent activity other than a Fraudulent Auditing and Accounting Activity, which we refer to in this Policy as a “Legal Violation,” and collectively with Ethics Violations and Corporate Policy Violations as “Violations.”

If requested, we also expect that you will cooperate by providing truthful information in connection with our handling of reports or any inquiry or investigation by a court, regulatory or law enforcement agency or other governmental authority.

Who Does This Policy Cover?

This Policy applies to all employees, officers, and directors of the company, all of whom are referred to collectively as “employees” or “you” throughout this Policy.

As an employee, if you are aware of a potential Violation or Fraudulent Auditing and Accounting Activity and do not report it according to this Policy, your inaction may be considered a Corporate Policy Violation, itself, which may result in disciplinary action, up to and including termination of your employment or any other relationship that you may have with us. As described below in this Policy, please be assured that the company strictly prohibits and does not tolerate retaliation against any person who files a report in accordance with this Policy.

Reporting and Investigation

If you believe that any Violation or Fraudulent Auditing and Accounting Activity has occurred or is occurring, we encourage you to promptly take one or more of the following actions:

- Discuss the situation with your manager.
- If you are uncomfortable speaking with your manager or believe your manager has not properly handled your concern or is involved in the Violation or Fraudulent Auditing and Accounting Activity, contact our Human Resources Manager, General Counsel, Chief Financial Officer or Chief Operating Officer.
- If you do not believe your concern is being adequately addressed, or you are not comfortable speaking with one of the above-noted contacts, report your concern using one of the methods listed below, through which you may choose to identify yourself or to remain anonymous as you see fit:
 - via our ethics hotline by phone toll-free at 844-764-2319 or online at emmausmedicalethicspoint.com;
 - by email to our Human Resources Manager at ctran@emmauslifesciences.com; or
 - by mail to 21250 Hawthorne Blvd., Suite 800, Torrance, California 90503-5513, Attention: Human Resources Manager.

This Policy provides a mechanism for us to be made aware of possible wrongdoing and address them as soon as possible. Although, nothing in this Policy is intended to prevent any employee from reporting information to federal or state law enforcement agencies when an employee has reasonable cause to believe that the violation of a federal or state statute has occurred, we encourage you to take advantage of this Policy to report to us as soon as possible any suspected wrongdoing. A report to law enforcement, regulatory, or administrative agencies may be made instead of, or in addition to, a report directly to us through the ethics hotline or any other reporting method specified in this Policy.

Receipt of the report will be acknowledged to the sender within a reasonable period following receipt if the sender supplied an address for a response.

All reports of Violations or Fraudulent Auditing and Accounting Activity will be taken seriously and will be promptly investigated. Any action taken in response would depend upon the nature

and gravity of the conduct or circumstances reported, the credibility of the report and the results of any investigation.

If a Violation or Fraudulent Auditing and Accounting Activity has been reported, investigated, and confirmed, the Company will take corrective action proportionate to the seriousness of the offense. This action may include disciplinary action against the accused party, up to and including termination of employment or any other relationship that the offending party may have with us. Reasonable and necessary steps will also be taken to prevent any further Violation or Fraudulent Auditing and Accounting Activity.

A party who knowingly and intentionally files a false report or provides false or deliberately misleading information in connection with an investigation of a report may face disciplinary action, up to and including termination of employment or other legal proceedings.

Handling Reports

Reports of Violations, Fraudulent Auditing and Accounting Activity, or other questionable conduct that are submitted by any means specified in this Policy will be handled as follows:

All reports received relating to Fraudulent Auditing and Accounting Activity will be entered on an accounting and auditing matters log, which will include, among other things: (1) the date the report was received, (2) a description of the report, (3) the reporting party (if provided), and (4) the status and disposition of any investigation of the report.

Emmaus' General Counsel will promptly report to the Audit Committee of the company's Board of Directors: (1) reports of Ethics Violations or Fraudulent Auditing and Accounting Activities, including any such reports that are received by the General Counsel but were not directed to the Audit Committee, (2) any Violation or Fraudulent Auditing and Accounting Activity involving the Company's executive officers or directors, and (3) such other matters as the General Counsel deems significant. If warranted, the Audit Committee shall direct and oversee an investigation of such reports, as well as any reports initially directed to the Audit Committee, as it determines to be appropriate. The Audit Committee may also delegate the oversight and investigation of such reports to management, including the Human Resources Manager, General Counsel or Chief Financial Officer or outside advisors, as appropriate.

All other reports regarding accounting or auditing matters shall be reviewed under the direction and oversight of the General Counsel, who will involve such other parties (such as the members of the Finance Department or outside advisors) as he deems appropriate.

The General Counsel shall provide the Audit Committee with a quarterly report of all accounting or auditing reports received and an update of pending investigations. The Audit Committee may request special treatment for any report and may assume the direction and oversight of an investigation of any such report.

All other reports will be logged separately and shall be reviewed under the direction and oversight of the Human Resources Manager, who will forward them to the appropriate person or department for investigation, unless the Human Resources Manager in consultation with the General Counsel determines that other treatment is necessary or appropriate.

All reports will be retained in accordance with our records retention policies in effect from time to time.

Confidentiality

Information disclosed during any investigation will remain confidential in accordance with the Company's Code of Conduct, except as may be reasonably necessary under the circumstances to facilitate the investigation, take remedial action or comply with applicable law.

For any Violation or Fraudulent Auditing and Accounting Activity not reported through an anonymous report, we will advise the reporting party that the Violation or Fraudulent Auditing and Accounting Activity has been addressed and, if we can, of the specific resolution. However, due to confidentiality obligations, there may be times when we cannot provide the details regarding any corrective or disciplinary action that was taken.

Nothing in this Policy in any way prohibits or is intended to restrict or impede employees from disclosing information as permitted by law.

No Retaliation

The company strictly prohibits and does not tolerate retaliation against any employee for reporting a Violation or Fraudulent Auditing and Accounting Activity or suspected Violation or Fraudulent Auditing and Accounting Activity in good faith or otherwise cooperating in an investigation of a Violation or Fraudulent Auditing and Accounting Activity. All forms of retaliation are prohibited, including any form of adverse action, discipline, threats, intimidation or other form of retaliation for reporting under or complying with this Policy. Retaliation is itself, a Corporate Policy Violation, which will result in disciplinary action, up to and including termination of employment or any other working relationship with us.

If you have been subject to any conduct that you believe constitutes retaliation for having made a report in compliance with this Policy or for having participated in any investigation relating to an alleged Violation or Fraudulent Auditing and Accounting Activity, please immediately report the alleged retaliation to the Human Resources Manager or General Counsel. If, for any reason, you do not feel comfortable discussing the alleged retaliation with these people, please report the alleged retaliation through the ethics hotline as described above.

Your report should be as detailed as possible, including the names of all individuals involved and any witnesses. The company will directly and thoroughly investigate the facts and circumstances of all perceived retaliation and will take prompt corrective action, if appropriate.

Additionally, any manager or supervisor who observes retaliatory conduct must report the conduct to the Human Resources Manager or General Counsel so that an investigation and corrective action can be taken, if appropriate.

Bringing any alleged retaliation to our attention promptly enables us to honor our values and to promptly and appropriately investigate the reported retaliation in accordance with the procedures outlined above.

Any employee, regardless of position or title, who has been determined to have engaged in retaliation in violation of this Policy will be subject to appropriate disciplinary action, up to and including termination of employment or any other relationship with us.

Modification

The company expressly reserves the right to change, modify, or delete the provisions of this Policy without notice.

Administration

The Audit Committee, with the assistance of the Human Resources Manager, General Counsel and other authorized officers, is responsible for the administration of this Policy. All employees are responsible for consulting and complying with the most current version of this Policy. If you have any questions regarding this Policy or concerning the scope or delegation of authority, please contact the Human Resources Manager or General Counsel.

Effective Date

- This Policy is effective as of August 22, 2019.
- Revision History: