

## **Verus Pharmaceuticals Code of Business Conduct and Ethics**

### **1. Introduction/General Statement**

This Code of Business Conduct and Ethics (“*Code*”) contains general guidelines for conducting the business of Verus Pharmaceuticals, Inc. (“*Verus*”), consistent with the highest standards of business ethics. To the extent that this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code applies to all of our directors, officers and other employees. We refer to all officers and other employees covered by this Code as “Verus employees” or simply “employees,” unless the context otherwise requires.

### **2. Compliance with the Code**

#### **a. Seeking Help and Information**

This Code is not intended to be a comprehensive rulebook and cannot address every situation that employees may face. Employees who feel uncomfortable about a situation or have any doubts about whether it is consistent with Verus’ ethical standards should seek help. They are encouraged to contact their supervisor for help first. If the supervisor cannot answer the question or if employees do not feel comfortable contacting their supervisor, they should contact the Legal Department. Verus has also established an Ethics Helpline that is available 24 hours a day, 7 days a week at 1-877-470-8329. Employees may remain anonymous and will not be required to reveal their identity in calls to the Ethics Helpline, although providing their identity may assist Verus in addressing their questions or concerns.

#### **b. Reporting Violations of the Code**

All employees and directors have a duty to report any known or suspected violation of this Code, including violations of the laws, rules, regulations or policies that apply to Verus. The Open Door Policy describes how employees may report violations, including through the Ethics Helpline. The Legal Department will work with employees who report violations and their supervisors or other appropriate persons to investigate the concern. If an employee does not feel comfortable reporting the conduct to a supervisor or does not receive a satisfactory response, the employee should contact the Compliance Officer directly. Employees may also report known or suspected violations of the Code on the Ethics Helpline that is available 24 hours a day, 7 days a week at 1-877-470-8329, or by mail to the Compliance Officer, Verus Pharmaceuticals, Inc., 12671 High Bluff Drive, Suite 200, San Diego, CA 92130. The employees may remain anonymous and will not be required to reveal their identity in calls to the Ethics Helpline or correspondence to the Compliance Officer, although providing their identity may assist Verus in investigating their concern. All reports of known or suspected violations of the

law or this Code will be handled sensitively and with discretion. Verus will protect the employee's confidentiality to the extent possible, consistent with law and Verus' need to investigate the concern.

It is Verus' policy that any employee or director who violates this Code will be subject to appropriate discipline, which may include termination of employment or removal from the Board, as appropriate. This determination will be based upon the facts and circumstances of each particular situation. Employees who are accused of violating this Code will be given an opportunity to present their version of the events at issue prior to any determination of appropriate discipline. Employees who violate the law or this Code may expose themselves to substantial civil damages, criminal fines and prison terms. Verus may also face substantial fines and penalties and may incur damage to its reputation and standing in the community. If an employee's conduct as a representative of Verus does not comply with the law or with this Code, there may be serious consequences for both the employee and Verus.

**c. Policy Against Retaliation**

Verus prohibits retaliation against an employee or director who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

**d. Waivers of the Code**

Any waiver of this Code for our directors or executive officers may be made only by our Board of Directors. Waivers of this Code for other employees may be made only by our Chief Executive Officer or President and General Counsel and shall be reported to the Audit Committee of the Board of Directors.

**3. Company Records**

Accurate and reliable records are crucial to our business. Our records are the basis of our financial reports, regulatory submissions and many other aspects of our business, and guide our business decision-making and strategic planning. Company records include financial records, personnel records, records relating to our product development, clinical development, manufacturing and regulatory submissions, records relating to our marketing activities and all other records maintained in the ordinary course of our business.

All records must be complete, accurate and reliable in all material respects. Verus has a formal records retention policy that each employee must follow with respect to records within such employee's control. Employees should contact their supervisor or the Legal Department to obtain a copy of this policy or with any questions concerning the policy.

#### 4. Conflicts of Interest

##### a. Identifying Potential Conflicts of Interest

A conflict of interest can occur when an employee's or director's private interest interferes, or appears to interfere, with the interests of Verus as a whole. Employees should avoid any private interest that influences their ability to act in the interests of Verus or that makes it difficult to perform their work objectively and effectively.

Identifying potential conflicts of interest may not always be clear-cut. The following situations are examples of conflicts of interest:

- Outside Employment: No employee should be employed by, serve as a director of, or provide any services to a company that the individual knows or suspects is a material customer, supplier or competitor of Verus.
- Improper Personal Benefits: No employee should obtain any material (as to him or her) personal benefits or favors because of his or her position with Verus. Please see "Gifts and Entertainment" below for additional guidelines in this area.
- Financial Interests: No employee should have a "material interest" (ownership or otherwise) in any company that the individual knows or suspects is a material customer, supplier or competitor of Verus. Whether an employee has a "material interest" is determined in light of all of the circumstances, including consideration of the relationship of the employee to the customer, supplier or competitor, the relationship of the employee to the specific transaction and the importance of the interest to the employee.
- Loans or Other Financial Transactions: No employee should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that the individual knows or suspects is a material customer, supplier or competitor of Verus. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.
- Service on Boards and Committees: No employee should serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests reasonably would be expected to conflict with those of Verus.
- Actions of Family Members: The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee's objectivity in making decisions on behalf of Verus. For purposes of this Code, "family members" include employees' spouses or domestic partners, brothers, sisters and parents, in-laws, and children whether such relationships are by blood or adoption.

For purposes of this Code, a company is a "material" customer if Verus has received payments from the company in the past year in excess of \$120,000. A company is a

“material” supplier if Verus has made payments to the company in the past year in excess of \$120,000. Employees who are uncertain whether a particular company is a material customer or supplier should contact the Legal Department for assistance.

Conflict of interest issues concerning Verus’ directors will be addressed by Verus’ Audit Committee.

**b. Disclosure of Conflicts of Interest**

Verus requires that employees disclose any situations that reasonably would be expected to give rise to a conflict of interest. Employees who suspect that they have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, must report it in writing to their supervisor or the Legal Department. The employee’s supervisor and the Legal Department will work with the employee to determine whether there is a conflict of interest and, if so, how best to address it. Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in “Waivers of the Code” above.

**c. Gifts and Entertainment**

The giving and receiving of gifts are subject to a variety of laws, rules and regulations applicable to Verus’ operations. These include, without limitation, laws covering the marketing of pharmaceutical products and bribery and kickbacks. Employees are expected to understand and comply with all laws, rules and regulations, and Verus policies that apply to their job position. If employees have any questions regarding any laws, rules and regulations that apply to their job position, they should seek advice from their supervisor or the Legal Department.

**5. Compliance with Laws and Regulations**

Each employee and director has an obligation to comply with all laws, rules and regulations applicable to Verus’ operations. These include, without limitation, laws covering bribery and kickbacks, the development, testing, approval, manufacture, marketing and sale of our products and product candidates, copyrights, trademarks and trade secrets, information privacy, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. Employees are expected to understand and comply with all laws, rules and regulations, and Verus policies that apply to their job position. If any doubt exists about whether a course of action is lawful, they should seek advice from their supervisor or the Legal Department.

**a. Compliance with Antitrust Laws**

Antitrust laws of the United States and other countries are designed to protect consumers and competitors against unfair business practices and to promote and preserve competition. Our policy is to compete vigorously and ethically while complying with all antitrust, monopoly, competition or cartel laws in all countries, states or localities in

which Verus conducts business. Employees should consult the Legal Department with any questions they may have concerning compliance with these laws.

**b. Public Communications and Regulation**

Verus has adopted a separate Policy for Review of External Publications to maintain Verus' credibility and reputation in the community, to maintain the confidentiality of competitive and proprietary information, and to prevent selective disclosure of sensitive financial data. Employees should contact the Legal Department for a copy of the Policy for Review of External Publications or with any questions about disclosure matters.

**c. Healthcare Laws**

As a pharmaceutical manufacturer, Verus conducts a wide array of activities in the healthcare marketplace, including research, medical and other education, marketing, and sales. Each of these activities is subject to numerous legal and ethical standards, many of which are unique to the healthcare industry. Potentially applicable laws include the Federal Food, Drug, and Cosmetic Act and FDA regulations, the anti-kickback provisions of the federal Social Security Act and Department of Health and Human Services Office of the Inspector General ("*OIG*") regulations, the federal False Claims Act, and comparable state laws. Verus is committed to complying with all applicable laws and regulations and adhering to the highest ethical standards in its marketing, promotional, educational, and research activities.

It is Verus' policy that the marketing of its products be evidence-based and aimed at enhancing the practice of medicine and appropriate patient care. Interactions with healthcare professionals and other customers must focus on (1) providing current, accurate, and balanced information about Verus products, and (2) transmitting sound scientific and educational information. In no case shall Verus employees offer or pay anything of value to a healthcare professional, or other person or entity in a position to influence prescribing, in order to induce them to purchase, prescribe, use, recommend, or dispense a Verus product.

Verus operates in a highly competitive market environment. Competitors may choose to compete in ways that are not consistent with these policies. However, business pressures or competitive activities are not an acceptable reason for failure to comply with Verus policies or procedures.

Verus employees should ensure they are familiar with and adhere to applicable Verus policies for particular marketing, sales, educational, and research activities (including, for example, product promotion, research and independent medical education grants, and physician consulting and service agreements). In light of the broad scope of the promotional, educational, and research activities conducted by Verus, some arrangements may not be specifically addressed by Verus policies or procedures. Employees who are uncertain about how a policy applies to a particular arrangement or who encounter a situation that does not seem to be covered by any policy or procedure should discuss the matter with their supervisor or the Legal Department.

## **6. Interactions with the Government**

Verus may conduct business with the federal, state, and local governments and the governments of many other countries. Verus is committed to conducting its business with all governments and their representatives with the highest standards of business ethics and in compliance with all applicable laws and regulations, including the special requirements that apply to communications with governmental bodies that have regulatory authority over our products and operations, such as the FDA. In their interactions with the government, Verus personnel should:

- Be forthright and candid at all times. No employee or director should intentionally misstate or omit any material information from any written or oral communication with the government.
- Ensure that all required written submissions are made to the government and are timely, and that all written submissions, whether voluntary or required, satisfy applicable laws and regulations.
- Not exchange any gifts, gratuities or favors with, or pay for meals, entertainment, travel or other similar expenses for government employees, or offer to do so.

Employees whose job responsibilities include interacting with the government are expected to understand and comply with the special laws, rules and regulations that apply to their job position as well as with any applicable standard operating procedures that Verus has implemented. If any doubt exists about whether a course of action is lawful, they should seek advice immediately from a supervisor and the Legal Department.

Company employees with responsibilities in the areas governed by FDA and the Federal Food, Drug, and Cosmetic Act are required to understand and comply with these laws and regulations. These employees are expected to have a thorough understanding of the laws, regulations and other relevant standards applicable to their job positions, and to comply with those requirements. Verus has developed policies related to compliance with these laws, regulations, and ethical standards and provides periodic training to aid employees in understanding and complying with the applicable requirements. If any doubt exists regarding whether a job position or a particular course of action is governed by these laws and regulations, employees should seek advice immediately from their supervisor and the Legal Department.

## **7. Political Contributions and Activities**

Verus encourages its employees and directors to participate in the political process as individuals and on their own time. However, federal and state contribution and lobbying laws severely limit the contributions Verus can make to political parties or candidates. It is Verus policy that Company funds or assets not be used to make a political contribution to any political party or candidate, unless prior approval has been given by our Chief Executive Officer or President and General Counsel.

The following guidelines are intended to ensure that any political activity pursued by Verus personnel complies with this policy:

- Contribution of Funds: Employees may contribute their personal funds to political parties or candidates. Verus will not reimburse employees for personal political contributions nor will Verus make matching contributions.
- Volunteer Activities: Employees may participate in volunteer political activities during non-work time. They may not participate in political activities during working hours.
- Use of Company Facilities: Verus' facilities generally may not be used for political activities (including fundraisers or other activities related to running for office). However, Verus may make its facilities available for limited political functions, including speeches by government officials and political candidates, with the approval of our Chief Executive Officer or President and General Counsel.
- Use of Company Name: When employees participate in political affairs, they should be careful to make it clear that their views and actions are their own, and not made on behalf of Verus. For instance, Verus letterhead should not be used to send out personal letters in connection with political activities nor should Verus email accounts be used in connection with political activities.

These guidelines are intended to ensure that any political activity employees pursue is done voluntarily on their own resources and time, and not inadvertently attributed to Verus. Please contact the Legal Department with any questions about this policy.

## **8. Environment, Health and Safety**

Verus is committed to providing a safe and healthy working environment for its employees and to avoiding adverse impact and injury to the environment and the communities in which we do business. Verus employees and directors must comply with all applicable environmental, health and safety laws, regulations and Company standards. Employees are responsible for understanding and complying with the laws, regulations and policies that are relevant to their job. Failure to comply with environmental, health and safety laws and regulations can result in civil and criminal liability against the employee and Verus, as well as disciplinary action by Verus, up to and including termination of employment. Employees should contact the Legal Department with any questions about the laws, regulations and policies.

### **a. Environment**

All Verus employees and directors should strive to conserve resources and reduce waste and emissions through recycling and other energy conservation measures. Employees have a responsibility to report promptly any known or suspected violations of environmental laws or any events that may result in a discharge or emission of hazardous materials.

**b. Health and Safety**

Verus is committed to complying with all relevant health and safety laws, and to conducting business in a manner that protects the safety of its employees. All employees and directors are required to comply with all applicable health and safety laws, regulations and policies relevant to their positions. Employees should immediately report concerns about unsafe conditions or tasks that present a risk of injury to themselves or any individuals, to their supervisor or the Human Resources Department.

**9. Employment Practices**

Verus pursues fair employment practices in every aspect of its business. Copies of our detailed policies, including the Verus Employee Handbook, are available from the Human Resources Department. All Verus employees are responsible for understanding and complying with all applicable laws, regulations, and policies. Employees should contact the Human Resources Department or the Legal Department with any questions about these laws, regulations and policies.

**a. Harassment and Discrimination**

Verus is committed to providing equal employment opportunities to all individuals on the basis of merit, without discrimination because of race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law. Verus also prohibits harassment based on these characteristics in any form, whether physical or verbal and whether committed by supervisors, non-supervisory personnel or non-employees. Harassment may include, but is not limited to, unwanted sexual flirtations, unwelcome sexual advances or propositions, verbal abuse (including lewd jokes and suggestive comments), sexually or racially degrading words, or the display in the workplace of offensive objects or pictures of a sexual or racial nature.

Employees who have any complaints about discrimination or harassment should report such conduct to their supervisor or the Human Resources Department. All complaints will be treated with sensitivity and discretion. Verus will protect the employees' confidentiality to the extent possible, consistent with law and Verus' need to investigate the concern. Where our investigation uncovers harassment or discrimination, we will take prompt corrective action, which may include disciplinary action by Verus, up to and including termination of employment. Verus strictly prohibits retaliation against an employee who, in good faith, files a complaint.

Any member of management who has reason to believe that an employee has been the victim of harassment or discrimination or who receives a report of alleged harassment or discrimination is required to report it to the Human Resources Department immediately.

**b. Alcohol and Drugs**

Verus is committed to maintaining a drug-free work place. All employees must comply strictly with Verus policies regarding the abuse of alcohol and the possession, sale and

use of illegal substances. Drinking alcoholic beverages is prohibited while on duty or on the premises of Verus, except at specified Company-sanctioned events or in connection with Verus business entertainment. Possessing, using, selling or offering illegal drugs and other controlled substances is prohibited under all circumstances while on duty or on the premises of Verus. Likewise, employees are prohibited from reporting for work, or driving a Company vehicle or any vehicle on Company business, while under the influence of alcohol or any illegal drug or controlled substance.

**c. Violence Prevention and Weapons**

The safety and security of Verus employees is vitally important. Verus will not tolerate violence or threats of violence in, or related to, the workplace. Employees who experience, witness or otherwise become aware of a violent or potentially violent situation that occurs on Verus' property or affects Verus' business must immediately report the situation to their supervisor or the Human Resources Department.

Verus does not permit any individual to have weapons of any kind on Company property or in Company vehicles, while on the job or off-site while on Company business. This is true even if an employee has obtained legal permits to carry weapons.

**10. Conclusion**

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of Verus consistent with the highest standards of business ethics. Employees who have any questions about these guidelines should contact their supervisor or the Legal Department or the Ethics Helpline at 1-877-470-8329. We expect all of our employees and directors to adhere to these standards.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Verus policy. We reserve the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.