

# Patients First

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## Lannett Code of Business Conduct and Ethics





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## A Message From Our CEO

Dear Colleagues,

At Lannett, we're about so much more than pharmaceuticals. We bring our customers life-enhancing, and sometimes life-changing, medications. It's a responsibility – one that we proudly accept because that is who we are and what we do.

We've shown that we care for over 75 years, making it possible for people to live better, healthier lives by producing great products with an unshakable commitment to product quality and safety. It's up to each of us as members of the Lannett family to build on that legacy, using our Code of Conduct ("Code") as our guide.

We understand that we must follow the many laws that apply to our Company. It can be daunting to keep track of our many obligations but, our Code enables us to do just that and helps us navigate the ethical situations we may face at work. But the Code goes even further, helping us interact ethically, build responsible partnerships, make good decisions, and handle workplace situations with integrity.

The way we conduct our business is as important as the products we sell. Our actions, words, and behaviors matter. When we follow our Code, we show respect to the people with whom we work.

I ask that you read the Code carefully and let it guide your decisions and actions, because every action you take, no matter how small, matters to our Company and the communities and patients we serve.

Let us know if you have questions about the Code or if you ever suspect conduct that may be violating our Code, our policies, or the law.

Thank you for your commitment to Lannett and for showing every day that you care. With your help and dedication to quality and integrity, I'm confident that we will continue to build on our legacy and change lives for the better.

Sincerely,

Timothy C. Crew  
Chief Executive Officer



# Our Code

## Purpose and Overview

Who is Lannett? You are. For more than 75 years, we have been building a reputation as a company that cares. The decisions you make and the actions you take every day help to preserve that reputation and grow our business, while maintaining the trust of both our patients and our partners.

Our Code of Conduct is a critical resource when it comes to honoring our legacy. It is designed to help you:

- Comply with applicable laws, regulations, and Company policies.
- Promote integrity and the highest standards of ethical conduct.
- Address common ethical situations you could encounter in your work.
- Avoid even the appearance of anything improper in connection with our Company's business activities.

All employees of Lannett and its subsidiaries, including corporate officers and members of our Board of Directors, are required to read, understand, and follow our Code. Business partners, such as vendors, consultants, and temporary employees who serve as an extension of Lannett are expected to follow our lead in how we conduct business based on our Code of Conduct.

Keep in mind that there may be different laws and customs that apply in the countries where we do business. If any provision of our Code conflicts with a local law or requirement, follow the requirement that is stricter or seek guidance from the Legal Department.

Of course, it is impossible to anticipate every question you may have or every situation you may face so, in addition to the Code, Lannett also has other resources that can be of help. You'll find these additional resources listed throughout the Code.

## Your Responsibilities

Keep the interests of patients at the core of your decision-making and act with integrity, even when it means making difficult choices. No matter what job you do or where you do it, Lannett counts on each of us to:

- Always act in a professional, honest, and ethical manner when acting on behalf of our Company.
- Know the information in our Code as well as our Company policies and pay particular attention to the topics that apply to our specific job responsibilities.
- Complete all required employee training in a timely manner and keep up-to-date on current standards and expectations.

*Why is doing the right thing so important? Because in every action we take, a patient's well-being is at stake.*



- Report concerns about possible violations of our Code, our policies, or the law to your manager or any of the **resources** listed in our Code.
- Cooperate and tell the truth when responding to an investigation or audit, and never alter or destroy records in response to an investigation or when an investigation is anticipated.

Remember: No reason, including the desire to meet business goals, should ever be an excuse for violating our Code, our policies, or the law.

### Q & A

*I'm a manager and not clear on what my obligations are if someone comes to me with an accusation – and what if it involves a senior manager?*

**No matter who the allegation involves, you have an obligation to report it. Lannett provides several avenues for reporting concerns. If for any reason you are uncomfortable making a report to a particular person, you may talk to another member of management or any of the other resources listed in the Code.**

Are you a manager? If so, Lannett looks to you to lead by example, demonstrate high standards of ethical business conduct and, carry out the following additional responsibilities:

- Help create a work environment that values mutual respect and open communication.

- Be a resource for others. Be available to communicate with employees, suppliers, and other business partners about how the Code and other policies apply to their daily work.
- Be proactive. Look for opportunities to discuss and address challenging situations with others.
- Respond quickly and effectively. When a concern is brought to your attention, ensure that it is treated seriously and with due respect for everyone involved.
- Be aware of the limits of your authority. Do not take any action that exceeds your authority. If you are ever unsure of what is appropriate (and what isn't), discuss the matter with your manager.
- Delegate responsibly. Never delegate authority to any individual whom you believe may engage in unlawful conduct or unethical activities.

### Q & A

*I observed misconduct in an area not under my supervision. Am I still required to report the issue?*

**You are chiefly responsible for employees, contractors, and other third parties under your supervision, but all Lannett employees are required to report misconduct. As a leader, you are especially obliged to be proactive. The best approach is to talk first with the manager who oversees the area where the problem is occurring, but if this isn't feasible or effective, you should use the other **resources** described in our Code.**



## Making the Right Choice – Guidelines for Ethical Decision-Making

Making the right decision is not always easy. There may be times when you'll be under pressure or unsure of what to do. Always remember that when you have a tough choice to make, you're not alone. There are resources available to help you.

### Facing a Difficult Decision?

It may help to ask yourself:

- Is it legal?
- Is it consistent with our Code?
- Does it preserve the trust of patients, partners, and others with whom we do business?
- Would I feel comfortable if senior management and others within Lannett knew about it?
- Would I feel comfortable if my decision or my actions were made public?

If the answer to all of these questions is "yes," the decision to move forward is probably OK, but if the answer to any question is "no" or "I'm not sure," stop and seek guidance.

Remember, in any situation, under any circumstances, it is always appropriate to ask for help.

### One More Thing ...

We value your feedback. If you have suggestions for ways to enhance our Code, our policies, or our resources to better address a particular issue you have encountered, bring them to the Corporate Compliance Manager. Promoting an ethical Lannett is a responsibility we all share.

## Asking Questions and Reporting Concerns – the Compliance Hotline

If you see or suspect any violation of our Code, our policies, or the law, or if you have a question about what to do, talk to your manager.

If you're uncomfortable speaking with your manager, there are other resources available to help you:

- Contact another member of management.
- Contact Human Resources.
- Contact the Legal Department.
- Contact the Compliance Hotline at **1-855-252-7606** or **[hotline-services.com](https://www.lannett.com/hotline-services.com)**.

Lannett will make every reasonable attempt to ensure that your concerns are addressed appropriately.





## What to Expect When You Use the Compliance Hotline

The Compliance Hotline web portal and phone line are available 24 hours a day, 7 days a week. Trained specialists from Compliance Resource Center, LLC will answer your call, document your concerns, and forward a written report to Lannett for further investigation.

When you contact the Compliance Hotline, you may choose to remain anonymous. If you choose to identify yourself, Lannett will make every effort to protect your identity while an investigation is conducted – but in some cases – it may not be possible to keep your identity confidential due to the nature of the investigation or certain legal requirements. All reports will be treated confidentially whether they are submitted anonymously or not.

After you make a report, you will receive a nine-digit pin so you can track the status of your report. Following up is especially important if you have submitted a report anonymously, as we may need additional information in order to conduct an effective investigation. This nine-digit pin will also enable you to track the resolution of the case. Please note, however, that out of respect for privacy, Lannett will not be able to inform you about individual disciplinary actions.

You have an obligation to cooperate fully in any investigation of reported misconduct and to provide truthful, complete, and accurate information.

Remember, an issue cannot be addressed unless it is brought to someone's attention.





### Q & A

*Someone misused the Compliance Hotline, made an anonymous call, and falsely accused someone of wrongdoing.*

**Experience has shown that the Compliance Hotline is rarely used for malicious purposes, but it is important to know that we will follow up on calls, and anyone who uses the Compliance Hotline in bad faith to spread falsehoods or threaten others, or with the intent to unjustly damage another person's reputation, will be subject to disciplinary action, up to and including termination.**

### Q & A

*I suspect there may be some unethical behavior going on in my department involving my manager. I know I should report my suspicions, and I'm thinking about using the Compliance Hotline, but I'm concerned about retaliation.*

**You are required to report misconduct and, in your situation, using the Compliance Hotline is a good option. We will investigate your suspicions and may need to talk to you to gather additional information. After you make the report, if you believe you are experiencing any retaliation, you should report it. We take claims of retaliation seriously. Reports of retaliation will be thoroughly investigated and, if they are true, retaliators will be disciplined, up to and including termination.**

## Our Non-Retaliation Policy

We do not tolerate any retaliation against any employee who, in good faith, asks questions, makes a report of actions that may be inconsistent with our Code, our policies, or the law, or who assists in an investigation of suspected wrongdoing.

Reporting "in good faith" means making a genuine attempt to provide honest, complete, and accurate information, even if it later proves to be unsubstantiated or mistaken.

## Accountability and Discipline

Misconduct exposes our Company to liability and puts our reputation at risk, so we take violations seriously. Anyone who violates our Code, our policies, or the law – or encourages others to do so – will be subject to corrective action (such as training) or disciplinary action (which may include termination). Depending on the situation, violations of laws or regulations may also result in legal proceedings and penalties including, in some circumstances, criminal prosecution.





# We Promote a Safe and Respectful Workplace

## Celebrating Our Diversity

Lannett helps bring together employees with a wide variety of backgrounds, skills, and cultures. Combining such a wealth of talent and resources creates the diverse and dynamic teams that consistently drive our success.

We treat customers, business partners, and each other with respect.

As a company, Lannett is committed to making employment decisions based on an individual's qualifications, skills, and achievements.

We support laws that prohibit discrimination based on protected characteristics such as a person's race, color, religion, gender, national origin, age, physical or mental disability, sexual orientation, gender identity or expression, citizenship or veteran status, or any other characteristics protected by law.

*We listen and are receptive to different perspectives and points of view.*

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## Do the Right Thing

- » Treat others with dignity.
- » Do not discriminate against others.

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## Watch Out For

- » Comments, jokes, or materials, including emails, which others might consider offensive.
- » Inappropriate bias when judging others. If you supervise others, judge them on performance. Avoid introducing unrelated considerations into your decisions. Use objective, quantifiable standards.



## Q & A

*One of my coworkers sends emails containing jokes and derogatory comments about certain nationalities. They make me uncomfortable, but no one else has spoken up about them. What should I do?*

**You should notify your manager or Human Resources. Sending these kinds of jokes violates our values as well as our policies that relate to the use of email and our standards on diversity, harassment, and discrimination. By doing nothing you are condoning discrimination and tolerating beliefs that can seriously erode the team environment that we have all worked to create.**

## Promoting a Harassment-Free Workplace

We all have the right to work in an environment that is free from intimidation, harassment, and abuse.

We do not permit verbal, non-verbal or physical conduct by any employee that creates an intimidating, offensive, or hostile work environment, interferes with another's work performance or harasses someone based on a category protected by law.

## At Lannett, We Do Not Tolerate:

- Threatening remarks, obscene phone calls, stalking, or any other form of harassment.
- Causing physical injury to another.
- Intentionally damaging someone else's property or acting aggressively in a manner that causes someone else to fear injury.
- Threatening, intimidating, or coercing others on or off the premises – at any time, for any purpose.
- Carrying or storing a firearm or weapon of any kind within any Company building.

## Do the Right Thing

- » Help each other by speaking out when a coworker's conduct makes others uncomfortable.
- » Report all incidents of harassment and intimidation that may compromise our ability to work together and be productive.

## Watch Out For

- » Unwelcome remarks, gestures, or physical contact.
- » The display of sexually explicit or offensive pictures or other materials.
- » Sexual or offensive jokes or comments (explicit or by innuendo) and leering.
- » Verbal abuse, threats, or taunting.



## Sexual Harassment

A common form of harassment is sexual harassment, which in general occurs when:

- Actions that are unwelcome are made a condition of employment or used as the basis for employment decisions such as a request for a date, a sexual favor, or other similar conduct of a sexual nature.
- An intimidating, offensive, or hostile work environment is created by unwelcome sexual advances, insulting jokes, or other offensive verbal or physical behavior of a sexual nature.

### Q & A

*While on a business trip, a colleague of mine repeatedly asked me out for drinks and made comments about my appearance that made me uncomfortable. I asked him to stop, but he wouldn't. We weren't in the office and it was after regular working hours, so I wasn't sure what I should do. Is it harassment?*

**Yes, it is. This type of conduct is not tolerated, not only during working hours but in all work-related situations, including business trips. Tell your colleague such actions are inappropriate and must be stopped, and if they continue, report the problem.**

## Complying with Labor Laws

We comply with applicable employment laws and never knowingly do business with any individual or company that violates these laws or participates in human rights abuses, including forced labor, child labor or human trafficking, or slavery.

If you suspect an employee, business partner, or other third party of engaging in any activity that goes against our policies or the law, report it.

## Maintaining Safety and Health

Ensuring safety is an integral part of everything we do. Each of us is responsible for acting in a way that protects ourselves and others.

We can only achieve our goal of a safe and healthy workplace through the active participation and support of everyone. Situations that may pose a health, safety, or environmental hazard should be reported immediately. All reports can be made without fear of reprisal.

# Respect



## Do the Right Thing

- » Help make Lannett an injury-free workplace – observe the safety, security, and health rules and practices that apply to your job.
- » If safe, remove/mitigate unsafe obstacles. For instance, if a box is in a walking path, and it is safe to do so, move the box to the side so others do not trip.
- » Notify your manager immediately about any unsafe equipment, or any situation that could pose a threat to health or safety or damage the environment. As an employee, you have the right and the responsibility to stop any work if you feel your safety is at risk.
- » Maintain a neat, safe working environment by keeping workstations, aisles, and other workspaces free from obstacles, wires, and other potential hazards.
- » Comply with physical security standards and policies, such as those that relate to facility entry procedures and password protocols.

## Alcohol and Drugs

While at work or on Company business:

- You should be always ready to carry out your work duties – never impaired.
- Do not use, possess, or be under the influence of illegal drugs, alcohol, or any substance that could either interfere with a safe and productive work environment or put Lannett's reputation at risk.

## Smoking

Smoking (of cigarettes, non-tobacco cigarettes, or cigarette substitutes) is prohibited at Lannett except in designated areas, located outside of our facilities.

## Workplace Violence

Violence of any kind has no place at Lannett. We do not tolerate:

- Intimidating, threatening, or hostile behavior.
- Acts of vandalism, arson, sabotage, or other criminal activities.
- Inflicting or threatening injury or damage to another person's life, health, well-being, family, or property.

Subject to applicable law, we prohibit weapons on Company premises, while conducting Company business or while attending or participating in Company events, regardless of any permit held. Contact Human Resources if you have questions as to what constitutes a prohibited weapon.

## Q & A

*A subcontractor commits a violation of our standards. Are subcontractors expected to follow the same health, safety, and security policies and procedures as employees?*

**Absolutely. Managers are responsible for ensuring that subcontractors and vendors working on Lannett premises understand and comply with all applicable laws and regulations governing the particular facility, as well as any additional requirements our Company may impose.**



# We Safeguard Our Company

## Safeguarding Our Assets

We are entrusted with Company assets and are personally responsible for protecting them and using them with care. Company assets include funds, facilities, equipment, information systems, intellectual property, and confidential information. Protect these assets as you would your own – keep them safe from theft, loss, or unauthorized use.

Personal use of Company assets is discouraged, but where permitted, should be kept to a minimum and have no adverse effect on productivity (yours or anyone else's).

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## Do the Right Thing

- » Only use Lannett facilities, materials, and equipment to carry out your job responsibilities, never for your personal use or activities that are improper or illegal.
- » Speak up if you suspect incidents of fraud or theft.
- » Be a good steward of our electronic resources and systems:
  - Do not use Lannett equipment or information systems to create, store, or send content that others might find offensive.
  - Use strong passwords and don't share them with others, including coworkers, friends, or family.
  - Only use software that has been properly licensed. The copying or use of unlicensed or "pirated" software on Company computers or other equipment to conduct Company business is strictly prohibited. If you have any questions about whether a particular use of software is licensed, contact the IT Department.

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## Watch Out For

- » Requests to borrow or use Lannett equipment without approval.
- » Unknown individuals without proper credentials entering our facilities.
- » Excessive use of Lannett resources for personal purposes.





## Protecting Confidential Information

Lannett commits substantial resources to technology development and innovation. The creation and protection of our intellectual property rights are critical to our business. Intellectual property includes items such as proprietary information, trade secrets, and patents.

Each of us must be vigilant and protect Lannett's confidential information and intellectual property. This means keeping it secure, limiting access to those who have a need to know in order to do their job, and only using it for authorized purposes.

## Do the Right Thing

- » Properly label confidential information to indicate how it should be handled, distributed, and destroyed.
- » Use and disclose confidential information only for legitimate business purposes and make sure that any third parties have signed a Non-Disclosure Agreement before you share information.
- » Protect our intellectual property and confidential information by sharing it only with authorized parties with a "need to know."
- » Only store or communicate confidential information using Lannett's information systems – make sure to observe Lannett's IT safety protocols and precautions.
- » Contact the Legal Department if you have any questions regarding confidential information, including if a Non-Disclosure Agreement is in place, and if you are unsure if certain information can be shared.

*Research and scientific data, clinical study information, and manufacturing designs and processes are all examples of confidential information that we must protect.*

## Watch Out For

- » Discussions of Lannett confidential information in places where others might be able to overhear – for example on planes and elevators and when using mobile phones.
- » Sending confidential information to unattended fax machines or printers.
- » Sending emails to unintended recipients. Confirm the email address is correct when sending confidential information. This includes sending an email to multiple recipients.

## Intellectual Property

Intellectual property (IP) is an important asset that must be protected.

Examples of our IP include:

- Trade secrets and discoveries
- Methods, know-how, and techniques
- Innovations and designs
- Patents, trademarks, and copyrights

Contact the Legal Department if you receive any statements or questions from third parties regarding

- (1) the scope of Lannett's intellectual property rights,
- (2) the applicability of Lannett's rights to another company's products or
- (3) the applicability of a third party's intellectual property rights to Lannett's intellectual property rights or products.

Promptly disclose to Company management any inventions or other IP that you create while you are employed by Lannett.



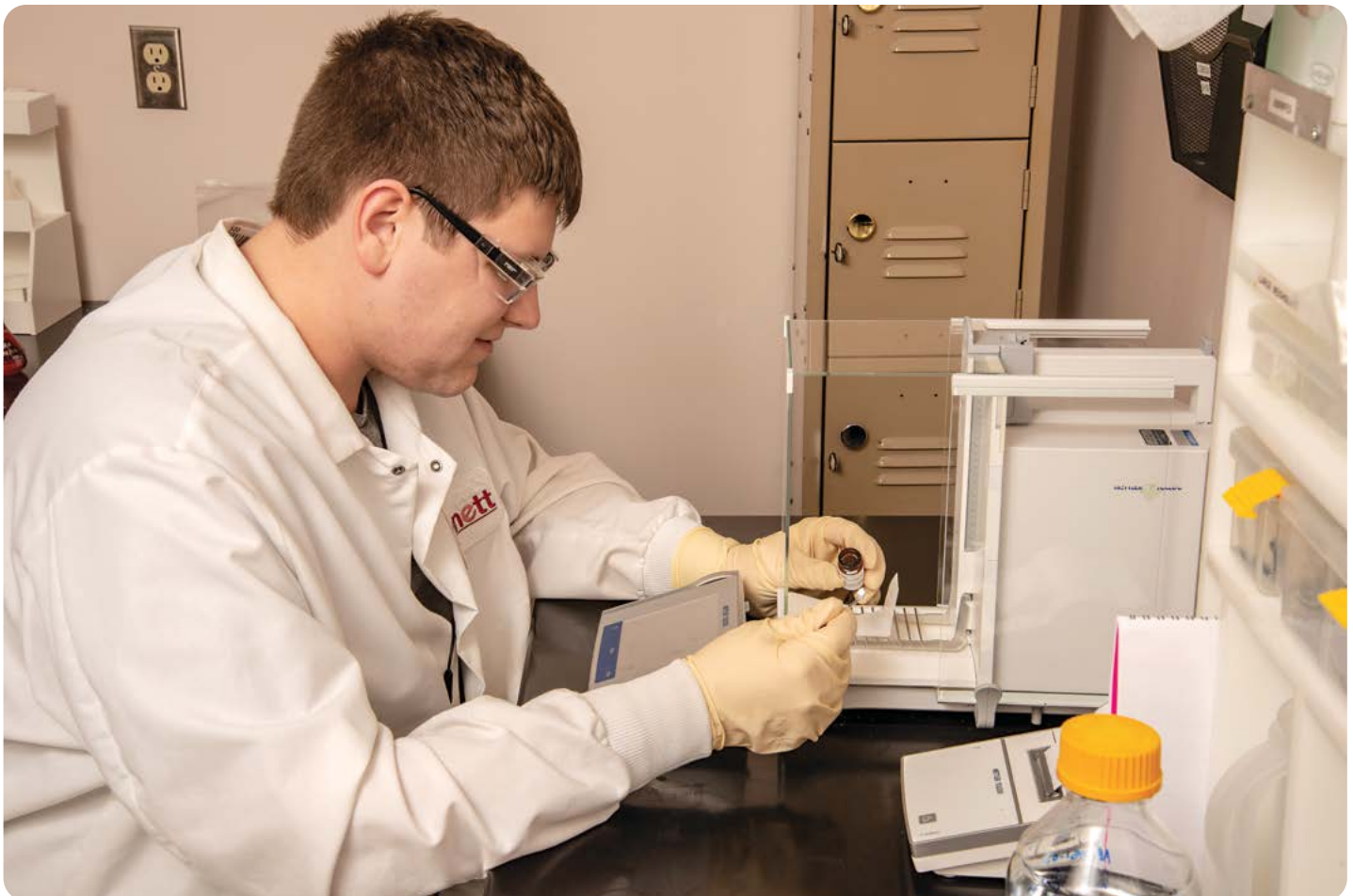
## Cooperating with Investigations and Audits

All employees are expected to fully cooperate with internal and external investigations and audits that are conducted by our Company or government agencies. Ensure that any information you provide is true, accurate, and complete.

If you receive inquiries or requests from government regulators regarding Lannett or learn of a potential government investigation or inquiry, immediately notify your manager and either the Legal Department or Regulatory Affairs before taking or promising any action.

### Watch Out For

- » Falsified information. Never destroy, alter, or conceal any document in anticipation of or in response to a request for these documents.
- » Unlawful influence. Never provide or attempt to influence others to provide incomplete, false, or misleading statements to a Company or government investigator.





## Avoiding Conflicts of Interest

A conflict of interest can occur whenever you have a personal interest or activity that may interfere with your ability to make an objective decision on behalf of Lannett. Each of us is expected to use good judgment and avoid situations that can lead to even the appearance of a conflict, which can undermine the trust others place in us.

Conflicts of interest may be actual, potential, or even just a matter of perception. Since these situations are not always clear-cut, you need to fully disclose them to your manager so that we can properly evaluate, monitor, and manage them.

Be alert to situations, including the following, which are common examples of potential conflicts of interest:

### Corporate opportunities

If you learn about a business opportunity because of your job, it belongs to Lannett first. This means that you should not take that opportunity for yourself unless you get approval from your manager.

### Friends and relatives

On occasion, it is possible that you may find yourself in a situation where you are working with a close friend or relative who works for a customer, supplier, or competitor. Since it is impossible to anticipate

all situations that may create a potential conflict, you should disclose your situation to your manager in order to determine if any precautions need to be taken.

### Outside employment

To ensure that there are no conflicts and that potential issues are addressed, disclose and discuss outside employment with your manager. If approved, you must ensure that the outside activity does not interfere – or compete – with your work at Lannett. Working for a customer, supplier, or competitor may raise conflicts that will need to be resolved.

### Personal investments

A conflict can occur if you have a significant ownership or other financial interest in a customer, supplier, or competitor. Make sure you know what's permitted – and what's not – by our policies and seek help with any questions.

### Civic activities

Unless Company management specifically asks you to do so, you shouldn't accept a seat on the board of directors or advisory board of any of our customers, suppliers, or competitors, especially if your current job gives you the ability to influence our relationship with them.



## Do the Right Thing

- Avoid conflict of interest situations whenever possible.
- Always make business decisions in the best interest of Lannett.
- Think ahead and proactively address situations that may put your interests or those of a family member in potential conflict with Lannett.
- Discuss with your manager full details of any situation that could be perceived as a potential conflict of interest.

## Knowing the Rules about Gifts and Entertainment

A modest gift may be a thoughtful “thank you,” or a meal may be an appropriate setting for a business discussion. If not handled carefully, however, the exchange of gifts, entertainment, or hospitality may create a conflict of interest or suggest misconduct.

This is especially true in the highly regulated industry in which we work. The rules may differ somewhat based on the individuals involved, but one rule applies across the board: We do not give or accept anything (gifts, entertainment or hospitality) if the intent is to improperly influence a decision.



*When it comes to healthcare professionals (HCPs)...*

Except for very specific situations that are described in our policies, we do not offer payments, gifts, or anything else of value to HCPs.



*When it comes to government officials ...*

Laws around the world may vary, but for us it’s simple: We do not offer payments, gifts, or anything else of value to government officials without obtaining authorization in advance from your manager and the Legal Department.



*When it comes to suppliers and other business partners ...*

Only give and accept gifts and entertainment that are nominal in value, foster goodwill in business relationships and:

- Comply with the policies of both the giver and receiver.
- Are not cash or cash equivalents.
- Would not embarrass you or our Company (e.g., entertainment at sexually oriented establishments).
- Do not obligate – or appear to obligate the recipient.

*Appearances matter. We do not accept gifts of any kind from a business partner when we’re involved in contract negotiations with that partner.*

### Q & A

*A long-time supplier is in town. She offers to take my family and me out to dinner. Is that OK?*

**No. It is not acceptable for the supplier to take an employee’s family out to dinner. However, it would be acceptable for the supplier to take the employee out to lunch or dinner at a modest restaurant.**



## Speaking on Behalf of Our Company

We need a consistent voice when making disclosures to regulators or providing information to the public. For this reason, it is important that only authorized persons speak on behalf of Lannett. Communications with media, investors, stock analysts, and other members of the financial community should be referred to executive management.

### Full, Fair, and Timely Disclosures

As a public Company, Lannett is committed to meeting its obligations of full, fair, and timely disclosure in all reports and documents that describe our business and financial results and other public communications.

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### Watch Out For

- » Giving public speeches, writing articles for professional journals or other public communications that relate to Lannett without appropriate management approval.
- » The temptation to use your title or affiliation outside of your work for Lannett without it being clear that the use is for identification only.
- » Invitations to speak “off the record” to journalists or analysts who ask you for information about Lannett or its customers or business partners.

### What About Social Media?

Take care in using social media. If you participate in internet discussion groups, chat rooms, bulletin boards, blogs, social media sites, or other electronic communications, even under an alias, never disclose confidential business information, personally identifiable information or give the impression that you are speaking on behalf of Lannett.

If you believe a false statement about our Company has been posted, don't post or share nonpublic information in response, even if your intent is to “set the record straight.” Your posting might be misinterpreted, start false rumors, or be inaccurate or misleading. Instead contact the Legal Department.

### Q & A

*A coworker posted on Facebook that she just completed a big project at work, and the group was going out to celebrate. Someone commented and asked about the project. The coworker shared very detailed information about the project. Is that OK?*

**No. Your coworker most likely disclosed confidential information and that is not permitted. Depending on the information shared, Lannett or your coworker could be held liable. Contact Human Resources and the Legal Department. If you are not comfortable contacting Human Resources or the Legal Department, file a report with the Compliance Hotline at 1-855-252-7606 or [hotline-services.com](https://www.lannett.com/hotline-services.com).**





# We Comply with Applicable Laws

## Abiding by Healthcare Laws/Regulations

We comply with all applicable laws that regulate our business. Many of these laws concern the way we promote and sell our products. It is never acceptable to try to influence purchasing decisions in any way that is unethical, inappropriate, or illegal, or creates a potential conflict of interest. We are honest, open, and up-front when we interact with those who may be interested in buying or prescribing our products.

### The Laws That Apply to Our Business

We abide by all laws, regulations, policies, and procedures that apply to our jobs, including:

- U.S. Anti-Kickback Statute. We do not give anything of value to induce an HCP to use or recommend pharmaceutical products that are paid for or reimbursed by the government.
- U.S. False Claims Act and similar laws in other countries. We do not submit or cause the submission of false claims for health-care reimbursement to the government.
- Food, Drug, and Cosmetic Act and similar laws in other countries. We do not promote a regulated product or an indication that has not received Food and Drug Administration (FDA) or other appropriate regulatory approval.
- Transparency Laws. We report certain payments to physicians and other customers, as required by transparency laws and regulations in every location where we operate.
- U.S. Foreign Corrupt Practices Act, the UK Bribery Act and similar laws in other countries. We do not participate in bribery or corruption and adhere to all local laws and regulations that cover bribery and corruption.



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## Do the Right Thing

- » Understand how these laws apply to your job and ask for guidance from the Legal Department if you are ever unsure of the proper course of action.
- » If you are in a situation outside the United States where local regulations, rules, or laws seem to conflict with our Code or applicable U.S. regulations, consult your manager or seek guidance from the Legal Department.

## Promoting Financial Integrity

The accuracy and completeness of our disclosures and business records is essential to making informed decisions and supporting investors, regulators, and others. Our books and records must accurately and fairly reflect our transactions in sufficient detail and in accordance with our accounting practices and policies.

Some employees have special responsibilities in this area. If you are involved in any aspect of our financial reporting, make sure you meet all applicable procedural and legal requirements. Take care to ensure reports or disclosures about our financial records are full, fair, accurate, complete, objective, and timely, and never falsify or mischaracterize any book, record, account, entry, or transaction that relates to Lannett. If you are unsure of the accuracy of any information, confirm the content with the manager responsible for this area of expertise.

## Records Management

Maintain, store, and dispose of documents in compliance with Lannett's record retention policies and applicable laws and regulations. Never hide or destroy documents – or direct someone else to do so – in anticipation of an investigation or audit.

Hold on to documents, when directed to do so by our Legal Department, if needed for litigation or to fulfill a government request – this process is called a “legal hold.”

If you have any questions or concerns about retaining or destroying Lannett records, please contact the Legal Department.

Remember, everyone at Lannett contributes to the process of recording business results and maintaining records. Whether you are filing an expense report, preparing a financial statement, or simply completing a timesheet, be honest, accurate, and complete.

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## Do the Right Thing

- » Create business records that accurately reflect the truth of the underlying event or transaction. Be guided by the principles of transparency and truthfulness.
- » Write carefully in all your business communications. Write as though someday the records you create may become public documents.



## Watch Out For

- » Records that are not clear and complete or that obscure the true nature of any action.
- » Undisclosed or unrecorded funds, assets, or liabilities.
- » Improper destruction of documents.
- » Actions intended to deceive, influence, coerce, manipulate, or mislead officials involved in auditing Lannett's financial statements.

### Q & A

*At the end of the last quarter reporting period, my manager asked me to record additional expenses, even though I had not yet received the invoices from the supplier and the work has not yet started. I agreed to do it, since we were all sure that the work would be completed in the next quarter. Now I wonder if I did the right thing.*

**No, you didn't. Costs must be recorded in the period in which they are incurred. The work was not started, and the costs were not incurred by the date you recorded the transaction. It was therefore a misrepresentation and, depending on the circumstances, could amount to fraud.**

### Q & A

*An analyst performed finished product dissolution testing for a new product whose launch was planned for the day of FDA approval. The day before the scheduled launch, the notebook auditor found that the actual rpm for the dissolution test was not recorded in the notebook by the analyst. The method of testing stated to use Apparatus 2 at 75 rpm. The data was similar to previously tested batches. The lab supervisor asked the analyst if they had followed the method and ran at 75 rpm. The analyst responded "yes". The supervisor asked the analyst to record 75 rpm in the notebook post-testing. The analyst complied with their supervisor's request. After a refresher training on data integrity, the analyst wondered if they did the right thing.*

**No, the analyst and supervisor were both incorrect. Since there is no way to confirm the actual rpm was the same as described in the method and the rpm was not documented at the time of testing, an analytical deviation should have been opened to document the incident and justify repeating the dissolution test even if it meant the launch would be delayed. The data reported is considered fraudulent data by the FDA.**

# Integrity



## Preventing Bribery and Corruption

We believe that all forms of bribery and other corrupt practices are an inappropriate way to conduct business regardless of local custom. Lannett is committed to complying with all applicable anti-corruption laws everywhere we operate.

We do not pay bribes, kickbacks, or facilitation payments, at any time for any reason. And we do not permit anyone who represents Lannett to bribe on our behalf.

### Key Definitions – Bribery, Corruption, and Facilitation Payments

**Bribery** means giving or receiving anything of value (or offering to do so) in order to obtain business, or financial, or commercial advantage.

**Corruption** is the abuse of an entrusted power for private gain.

**Facilitation** Payments are typically small payments to a low-level government official that are intended to encourage the official to perform his responsibilities.

It is especially important that we exercise due diligence and carefully monitor third parties acting on our behalf. We carefully screen all third parties, including suppliers, consultants, and vendors who work on our Company's behalf, particularly when dealing in countries with

high corruption rates and in any situations where “red flags” would indicate further screening is needed before retaining the third party. Third parties must understand that they are required to operate in strict compliance with our standards and to maintain accurate records of all transactions.

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## Do the Right Thing

- » Comply with our zero-tolerance policy on corruption and bribery – never give or accept anything of value if it would violate the law. If you are not sure whether an offer is lawful or not, the safest course of action is to not give and not accept.
- » Understand the standards set forth under anti-bribery laws which apply to your role at Lannett.
- » Follow Company policies that relate to gifts, hospitality, and entertainment to avoid even the perception that a business courtesy could be perceived as a bribe.
- » Accurately and completely record all payments to third parties.

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## Watch Out For

- » Apparent violations of anti-bribery laws by our business partners.
- » Agents who do not wish to have all terms of their engagement with Lannett clearly documented in writing.



## Q & A

*I work with a foreign agent in connection with our operations in another country. I suspect that some of the money we pay him goes toward making payments or bribes to government officials. What should I do?*

**This matter should be reported to the Legal Department for investigation. If there is bribery and we fail to act, both you and Lannett could be liable. While investigating these kinds of matters can be culturally difficult in some countries, any agent doing business with us should understand the necessity of these measures. It is important and appropriate to remind our agents of this policy.**

## Competing Fairly

We believe in a free and open marketplace and never engage in improper practices that may limit competition. We look to gain a competitive advantage only through ethical and legal business practices.

We work with our customers and business partners to understand and meet their needs, while always remaining true to our own ethical standards. We deal fairly – never taking unfair advantage of anyone by manipulating, concealing, abusing privileged information, misrepresenting material facts, or engaging in any other unfair practices. That's just not how we do business.

*We tell the truth about our services and capabilities and never make promises we can't keep.*

Antitrust laws are complex and compliance requirements can vary depending on the circumstances, but in general, the following activities are red flags and should be avoided and, if detected, reported to the Legal Department:

- Sharing our Company's competitively sensitive information with a competitor.
- Sharing competitively sensitive information of business partners or other third parties with their competitors.
- Attempting to obtain nonpublic information about competitors from new hires or candidates for employment.

## Do the Right Thing

- » Compete vigorously, but fairly.
- » Do not enter into agreements with competitors or others to engage in any anti-competitive behavior, including setting prices or dividing up customers, suppliers, or markets.
- » Do not engage in conversations with competitors about competitively sensitive information.







## Watch Out For

- » **Collusion** – when companies secretly communicate or agree on how they will compete. This could include agreements or exchanges of information on pricing, terms, wages, or allocations of markets.
- » **Bid-rigging** – when competitors or service providers manipulate bidding so that fair competition is limited. This may include comparing bids, agreeing to refrain from bidding, or knowingly submitting noncompetitive bids.
- » **Tying** – when a company with market power forces customers to agree to services or products that they do not want or need.
- » **Predatory pricing** – when a company with market power sells a service below cost to eliminate or harm a competitor, with the intent to recover the loss of revenue later by raising prices after the competitor has been eliminated or harmed.

### Q & A

*I received sensitive pricing information from one of our competitors. What should I do?*

**You should contact the Legal Department without delay and before any further action is taken. It is important, from the moment we receive such information, that we demonstrate respect for antitrust laws, and we make it clear that we expect others to do the same. This requires appropriate action that can only be decided on a case-by-case basis and may include sending a letter to the competitor.**

Information about competitors is a valuable asset in today's competitive business environment. When collecting business intelligence, Lannett employees and others who are working on our behalf must always live up to the highest ethical standards. Obtain competitive information only through legal and ethical means, never through fraud, misrepresentation, or deception.

Be careful when accepting information from third parties. You should know and trust their sources and be sure that the knowledge they provide is not protected by trade secret laws, or non-disclosure or confidentiality agreements.

### Q & A

*I just left a competitor to join Lannett and brought information with me which might be useful to the Company. May I share this information with my new team?*

**No. You have an obligation to keep confidential information from your former employer confidential, even after you have left the company. That same obligation applies should you leave Lannett.**

## Avoiding Insider Trading

In the course of business, you may learn confidential information about Lannett – or about other publicly traded companies with which we do business – that is not available to the public at large. Trading securities while aware of such material, nonpublic information, or disclosing such information to others who then trade (“tipping”), is prohibited by various laws.



## Material Information

Material information is the kind of information a reasonable investor would take into consideration when deciding whether to buy or sell a security. Some examples of information about a company that may be material are:

- Major contract awards or cancellations
- A proposed acquisition or sale of a business
- A significant expansion or cutback of operations
- A significant product development or information about new products or technologies
- Extraordinary management or business developments
- Changes in strategic direction such as entering new markets
- Pending lawsuits

## Do the Right Thing

- » Do not buy or sell securities of any company when you have material, nonpublic information about that company.
- » Protect material, nonpublic information from the general public including information in both electronic form and in paper copy.
- » Discuss any questions or concerns about trading Company stock with the Legal Department.

## Watch Out For

- » Requests from friends or family for information about companies that we do business with or have confidential information about. Even casual conversations could be viewed as illegal “tipping” of inside information.
- » Sharing material, nonpublic information with anyone, either on purpose or by accident, unless it is essential for Lannett-related business. Giving this information to anyone else who might make an investment decision based on your inside information is considered “tipping” and is against the law regardless of whether you benefit from the outcome of their trading.

## Protecting the Environment

We are dedicated to establishing environmentally and socially responsible business practices and strategies that will minimize damage to the environment as a result of our activities, products, and services.

## Do the Right Thing

- » Fully cooperate with environmental, health, and safety training and with our Company’s periodic compliance reviews of our products and operations.
- » Be proactive and look for ways that we can minimize waste, energy, and the use of natural resources.



# We Honor Our Responsibilities to Others

## Ensuring Ethical Interactions

We work with a variety of healthcare professionals (HCPs), including physicians, nurses, pharmacy personnel, investigators, and formulary committee members. We also work with a variety of healthcare organizations (HCOs), including hospitals, clinics, systems, medical practices, universities, pharmacies, professional associations, and medical societies. And we work with a network of suppliers and other business partners to develop and deliver our products to the marketplace.

With every person, in every transaction, we put patients first.

## Healthcare Professionals

We comply with federal and state laws as well as industry codes of conduct that govern our relationships with HCPs, making sure that our interactions are professional and serve a legitimate business purpose. Never provide anything of value or engage in any conduct that is intended to improperly influence – or could even suggest the appearance of improperly influencing – an HCP's decision.

## Suppliers

We evaluate and engage with qualified suppliers (including vendors) on an objective basis grounded in fairness. In selecting suppliers, assess the ability of each to satisfy our business and technical needs and requirements. In making purchasing decisions, assess the long-term cost and benefit to Lannett. Ensure that all agreements are negotiated in good faith and are fair and reasonable for both parties.

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## Do the Right Thing

- » Never pay or offer to pay anyone, including colleagues, physicians, or any other professional to refer a patient. If you are offered any kind of payment for a patient referral, turn it down.
- » Do not offer or give anything of value to influence or reward prescribing, using, purchasing, leasing, or recommending certain products or services.



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### Watch Out For

- » Gift giving – federal and state laws and our policies strictly limit what we may give an HCP in the way of gifts, entertainment, promotional items, and other hospitality and business courtesies.
- » Improper influence – don't interfere with an HCP's independent judgment.

## Maintaining Data Privacy

We are committed to protecting the privacy of information provided to us by employees, customers, HCPs, patients, and clinical trial subjects. Follow our policies and all applicable laws in collecting, accessing, using, storing, sharing, and disposing of sensitive information. Limit the collection of information to only what is needed to meet our business purpose and use it – and share it with others outside of Lannett – only for legitimate business purposes.

Make sure you know the kind of information that is considered personal information. It includes anything that could be used to identify someone, either directly or indirectly, such as a name, email address, phone number, or credit card number.

### Privacy and HIPAA

Lannett complies with laws such as the Health Insurance Portability and Accountability Act (HIPAA) which protect the privacy of personally identifiable information (PII) and protected health information (PHI).

- PII is information that can be used to trace someone's identity or can be combined with other **personal information** to do so (for example, a name, address, social security number, driver's license number, or account number).
- PHI is a specific type of personal information that identifies an individual and relates to a person's physical or mental health, treatment, or payment for healthcare.

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### Watch Out For

- » Failing to provide notice or obtain consent, when required by local laws or regulations.
- » Failing to shred or securely dispose of sensitive information.
- » Using "free" or individually purchased internet hosting, collaboration, or cloud services.

# Responsibility



## Promoting Product Safety and Quality

We develop our products with patient communities in mind and are dedicated to ensuring they receive safe, high-quality products. Our commitment to safety and quality has allowed us to earn the trust of patients and physicians.

### How We Inspire Trust

We deliver on our promises and ensure that we meet the highest standards by:

- Following regulatory standards issued by the U.S. Food and Drug Administration (FDA), the U.S. Federal Trade Commission (FTC), the Securities and Exchange Commission (SEC), and many other federal, state and local agencies.
- Innovating our processes and operations everywhere we do business.
- Testing our products to ensure that only those of the highest quality reach the market.
- Evaluating the performance of our products throughout their life to ensure quality and reliability.

We responsibly manage controlled substances, using them for appropriate medical, scientific, and commercial purposes, while maintaining a closed system of distribution that ensures proper controls in acquiring, manufacturing, transporting, storing, using, distributing, and disposing of them.

We understand our obligation to report any issue that could compromise the quality or safety of the products or services we produce. If you become aware of a product complaint or

adverse event experienced by a patient who used – or is using – a Lannett product, report it within 24 hours to:

**1-844-834-0530**

By acting quickly, you help us to address and correct the issue before it presents a risk to those we serve.

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## Do the Right Thing

- » Help Lannett continue producing quality products by always making patient safety a priority, adhering to the highest standards, and never sacrificing quality to meet a Company target or deadline.
- » If you see or suspect activity that goes against our commitment, speak up.

## Responsible Marketing and Advertising

There are many laws, regulations, and industry codes in place – as well as our Company policies – that govern the marketing and promotion of our products, and we comply with them. It's another way we earn the trust of patients and customers and preserve the reputation of a company that cares.

We work to ensure that HCPs have the information they need to make fully informed prescribing decisions. In communications about our products, we:

- Are accurate, not misleading.
- Make only properly substantiated claims.
- Reflect a balance between risks and benefits.

*Compliance with Good Manufacturing Practices (GMPs), Good Clinical Practices (GCPs), and Good Laboratory Practices (GLPs) is also part of our commitment to safety and quality.*





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## Do the Right Thing

- » Honor the commitment we make to use only applicable, approved product labeling.
- » Only promote our pharmaceutical products for uses that have been approved or authorized by appropriate government or regulatory agencies (e.g., don't promote in the United States a use that has been approved by another country's government but not the U.S. government).
- » Make sure product claims are grounded in scientific evidence, accepted medical practice, and government-approved labeling rules in all countries where we operate.
- » If you interact with HCPs, make sure you complete all applicable training that relates to responsible marketing and advertising.

## Following Research Protocols

Research is a critical component of healthcare delivery and is at the heart of all medical advances.

Protect the integrity of our research and development process by following all applicable laws and regulations as well as the generally accepted ethical standards of the scientific community.

Make sure any research we conduct at Lannett is approved in advance and that participant enrollment in any research study (or clinical trial) is voluntary.

## Data Integrity

Lannett will not tolerate research misconduct of any kind. That includes:

- Fabrication – making up data or results and recording or reporting the fabricated information.
- Falsification – manipulating research materials, equipment, or processes, or changing or omitting data or results to misrepresent the research.
- Plagiarism – using another person's ideas, processes, results, or words without giving appropriate credit.

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## Do the Right Thing

- » Review and follow all policies regarding the proposal, approval, conduct, and reporting of research.
- » Watch for any research-related billing errors by helping us carefully determine the right coding and billing assignment when research participants are involved.
- » Honor the terms of research funding that we receive. Make sure those funds are used responsibly – that any use is necessary, reasonable, authorized, and well documented.
- » Direct any research-related questions (that your team can't answer) or participant complaints to your manager.





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## Watch Out For

- » Situations that could lead to conflicts. Avoid any relationship or activity that could influence or appear to influence your ability to protect research participants or compromise the validity of research results.
- » Possible misconduct.

### Q & A

*I realized I made a mistake in recording data for one research subject, but the data was not final. Is that considered misconduct?*

**No. Making a mistake is not intentional misconduct. It would be if you knowingly included the data in the final results. If you become aware of a mistake, correct that subject's data appropriately and notify the study principal investigator.**

## Ethical Testing and Treatment of Animals

We are dedicated to the ethical and responsible treatment of all animals used in the development of our products and comply with all applicable laws and regulations related to animal-based research. We work to replace the use of live animals, reduce the number of animals used, and refine our procedures to minimize distress, whenever scientifically valid and acceptable to regulators.

## Guarding Against Fraud, Waste, and Abuse

Lannett is committed to the integrity of the healthcare system and to detecting, correcting, and preventing false claims. As part of this commitment, we expect our employees to be able to recognize and report instances of fraud, waste, and abuse.

Each of us has a responsibility to ensure payments and transactions are properly authorized and fully and accurately recorded in compliance with all applicable laws and Lannett policies.

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## Do the Right Thing

- » Complete all required training and know the definitions of “fraud,” “waste,” and “abuse.”
- » Ensure timely and accurate documentation and billing that reflect services ordered and actually performed.
- » Only bill for services we actually provide.
- » Promptly report any instances of suspected fraud, waste, or abuse.

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## Watch Out For

- » Activities that constitute fraud, waste, or abuse, such as:
  - Billing for services, procedures, or supplies that have not actually been provided.
  - Intentionally misrepresenting or manipulating information to receive payment for services that were not provided.
- » Lack of supporting documentation, where it is required.



## Key Definitions – Fraud, Waste, and Abuse

**Fraud** is attempting to obtain something of value through willful misrepresentation.

**Waste** is squandering money or resources.

**Abuse** is behaving improperly or unreasonably or misusing your position or authority.

## Being a Good Corporate Citizen

We believe in making a positive difference in people's lives and maintaining the health and welfare of the communities where we live and work. We promote, encourage, and support a diverse range of corporate and social responsibility activities. You are encouraged to get involved in the many initiatives we support.

We also encourage you to make a difference on a personal level, but, in general, ask that you do so on your own time and at your own expense, making sure that your activities are lawful and consistent with our policies. Unless you receive approval in advance, please do not use Lannett funds, assets or the Lannett name to further your personal volunteer activities.

## Engaging in Political Activities

You have the right to voluntarily participate in the political process, including making personal political contributions. However, you must always make it clear that your personal views and actions are not those of Lannett, and never use Company resources, facilities, or funds for any political purpose without proper authorization.

## Watch Out For

- » Lobbying. Interactions with government officials or regulators that could be seen as lobbying must be discussed in advance and coordinated with the Legal Department.
- » Pressure. Never apply direct or indirect pressure on another employee to contribute to, support, or oppose any political candidate or party.
- » Improper influence. Avoid even the appearance of making political or charitable contributions in order to gain favor or in an attempt to exert improper influence.
- » Conflicts of interest. Holding or campaigning for political office must not create, or appear to create, a conflict of interest with your duties at Lannett.

### Q & A

*I will be attending a fundraiser for a candidate running for local office. Is it OK to mention my position at Lannett as long as I don't use any Company funds or resources?*

**No. It would be improper to associate Lannett's name in any way with your personal political activities.**



