



HLS Therapeutics®

CODE OF CONDUCT



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1 INTRODUCTION

- 1.1 HLS Therapeutics Inc. (“HLS” or the “Company”) is committed to the maintenance of high ethical standards in all of its dealings. This Code of Conduct (“Code”) has been adopted by the Board of Directors and summarizes the standards that must guide the actions and activities of Personnel (as defined below). All HLS full-time, part-time, contract and temporary employees, directors and officers (collectively, “Personnel”) must follow this Code, together with all applicable laws, regulations and Company policies. All third party contractors, consultants, agents, and others acting on behalf of, or otherwise representing HLS are expected to follow the principles outlined in this Code. This Code also applies to all office locations, affiliates and subsidiaries. In some countries, due to local laws or business requirements, the policies discussed herein may be supplemented by additional policies or standards to address local requirements. Compliance with laws, regulations, Company policy and other best practices applicable to organizations is critical to HLS’ professionalism and corporate success. Although these laws and best practices can be complex, effective compliance is essential to HLS’ business operations.
- 1.2 This Code was designed to define and clarify legal and ethical Personnel expectations that are conditions of continued employment, and provide information about potentially challenging situations that may arise during the normal course of business.
- 1.3 Certain of the Company’s policies are complemented by specific responsibilities set forth in employee handbooks or policies, the Company’s Insider Trading Policy and the Company’s Disclosure Policy. Those policies should be separately consulted by Personnel and are not incorporated by reference into this Code.

2 ETHICAL DECISION MAKING AND COMPLIANCE

- 2.1 To ensure integrity and excellence, HLS requires careful adherence to all applicable laws and regulations along with a commitment to high standards of corporate and personal integrity. As a result, HLS expects honest and ethical conduct from all of its Personnel while conducting business. HLS Personnel should ask for help and/or assistance when the ethical or legal thing to do is unclear. In some situations, it may be difficult to know the correct action to take. If Personnel are unsure about what to do, Personnel must seek guidance from those with appropriate expertise, such as a manager or other member of senior management.
- 2.2 HLS operates in a highly regulated industry and is therefore subject to laws and regulations of various countries, provinces, states, and organizations, some of which may also apply across borders. Wherever Personnel conduct HLS business, it is their responsibility to understand the requirements for that location. If local laws and policies are more restrictive than HLS policies and procedures, Personnel must conduct their activities in accordance with the more restrictive local

requirements. If the Company policy or standard is more restrictive than local law, HLS Personnel must meet Company requirements unless there is a prior authorized exception for the Personnel's geographical or functional area. If HLS Personnel are conducting a business activity that includes participants from more than one country, those Personnel shall seek advice on all local laws and policies that may apply to the activity.

3 WORK ENVIRONMENT

- 3.1 HLS respects diversity and the personal dignity of its Personnel. HLS Personnel are expected to treat all other Personnel with respect, integrity, and courtesy. As such, HLS is committed to ensuring that all employee relations are free of discrimination and harassment.
- 3.2 HLS provides an equal opportunity to all individuals without regard to race, color, religion, age, sex, creed, national origin, ancestry, marital status, familial status, sexual orientation, disability, military eligibility or veteran status. Mistreatment of or discrimination against a job applicant or fellow Personnel is unacceptable. As such, HLS prohibits discrimination or harassment of any individual. Discrimination and harassment against colleagues, customers, vendors, agents, consultants or any other third parties is forbidden and is subject to discipline, up to and including termination of employment.
- 3.3 Personnel should not tolerate any type of discrimination or harassment and must report these actions immediately to appropriate HLS Personnel.

4 ACCURATE STATEMENTS AND FALSE/MISLEADING REPRESENTATIONS

- 4.1 As a public company, HLS is required to record and publicly report all internal and external financial records in compliance with Canadian Generally Accepted Accounting Principles (GAAP). For this and other reasons, all HLS Personnel are responsible for creating, developing or processing information regarding HLS that is truthful, accurate and not misleading in order to ensure compliance and promote honesty and integrity within all business activities. HLS information should be completely and accurately reflected in any information or materials distributed to the public.
- 4.2 HLS Personnel are prohibited from creating, developing or distributing deliberate misrepresentations of HLS information. HLS Personnel must never knowingly make false or disparaging statements about competitors or their products. Any Personnel who become aware of false or misleading statements being created or distributed by other HLS Personnel must promptly inform their manager and/or another member of senior management of such, or otherwise follow the anonymous reporting procedures in the Company's Complaints Reporting and Whistleblowing Policy.

5 Conflicts of Interest

- 5.1 HLS Personnel should not engage in any activity, practice or act which conflicts with the interests of the Company. A conflict of interest occurs when a director, officer or employee places or finds himself/herself in a position where his/her private interests conflict with the interests of the Company or have an adverse affect on the such person's motivation or the proper performance of their job. Examples of such conflicts could include, but are not limited to:

- accepting outside employment with, or accepting personal payments from, any organization which does business with the Company or is a competitor of the Company;
- accepting or giving gifts of more than modest value to or from vendors or clients of the Company;
- competing with the Company for the purchase or sale of property, services or other interests or taking personal advantage of an opportunity in which the Company has an interest;
- personally having immediate family members who have a financial interest in a firm which does business with the Company; and
- having an interest in a transaction involving the Company or a customer, business partner or supplier (not including routine investments in publicly traded companies).

Directors, officers and employees must not place themselves or remain in a position in which their private interests conflict with the interests of the Company.

If the Company determines that an employee's outside work interferes with performance or the ability to meet the requirements of the Company, as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain employed by the Company. To protect the interests of both employees and the Company, any such outside work or other activity that involves potential or apparent conflict of interest may be undertaken only after disclosure to the Company by the employee and review and approval by management.

6 INSIDER TRADING

6.1 The Company encourages all employees to become shareholders on a long-term investment basis. However, management, employees, members of the Board of Directors and others who are in a special relationship with the Company from time to time, may become aware of corporate developments or plans which may affect the value of the Company's shares before these developments or plans are made public. In order to avoid civil and criminal insider trading violations, the Company has established an Insider Trading Policy. All Personnel must adhere with such Insider Trading Policy.

7 DISCLOSURE

7.1 The Company is committed to providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities laws. The goal of our Disclosure Policy is to raise awareness of the Company's approach to disclosure among the board of directors, officers and employees and those authorized to speak on behalf of the Company. All Personnel must adhere with such Disclosure Policy.

8 CONFIDENTIAL INFORMATION

8.1 The protection of confidential scientific and business information and trade secrets ("**Confidential Information**") is vital to the interests and success of HLS. Confidential Information includes, but is not limited to:

- Unpublished financial information including, but not limited to, financial models, sales and revenue information and pre-launch information;

- Inventions, trade secrets, know-how;
- Operational and/or marketing plans, systems, techniques, information and budgets;
- Personal information including, but not limited to, compensation, wage and benefits information;
- Information pertaining to specific customers, customer information and customer requirements;
- Patient information (i.e. individually identifiable health information such as name, address, birth date, Social Security Number, etc.); and/or
- Information pertaining to HLS' relationship with business and existing or potential strategic partners, suppliers, distributors, consultants and any other information that is not publicly available.

8.2 It is the ethical responsibility of all HLS Personnel to maintain the privacy of Confidential Information pertaining to HLS' business operations and activities. As such, Confidential Information must never be used for personal gain or used in an inappropriate or illegal manner. This Confidential Information is entrusted to HLS Personnel by HLS and must only be used as deemed appropriate to advance HLS' interests and in accordance with the employee's roles and responsibilities, unless distributed in connection with a confidentiality agreement. Personnel with access to Confidential Information must take reasonable care to keep this information private and confidential.

8.3 HLS Personnel are required to protect Confidential Information both during and after employment with the Company (whether such termination is voluntary or involuntary). Any HLS Personnel who improperly use or disclose Confidential Information may be subject to disciplinary action, up to and including termination of employment and legal action, even if he or she does not personally benefit from the disclosure.

9 COMPETITIVE INTELLIGENCE

9.1 HLS is committed to free and open competition in the marketplace and believes that proper business planning includes the assessment of its competitors. However, HLS fully respects the privacy and confidentiality of its competitors' information and only wishes to gather such information pertaining to competitive advantages in a reasonable and ethical manner. Obtaining a competitor's confidential, non-public information through unethical practices, such as misrepresentation, deception, theft, spying, bribery, or breach of a competitor's nondisclosure agreement, is not permitted and in most instances may be illegal. The improper gathering of competitive information could subject HLS and its Personnel to criminal and civil liability. As such, any HLS Personnel found to acquire a competitor's private and confidential information through the aforementioned means is subject to disciplinary action, up to and including termination.

10 COMPANY ASSETS

- 10.1 All HLS Personnel have a responsibility to protect the Company's assets against theft, loss, misappropriation, or other misuse. It is imperative that HLS Personnel exercise proper measures to ensure reasonable care, as theft, carelessness and waste, pertaining to Company assets, may be harmful to HLS' financial status, business operations, and profitability.

The Company's assets include, but are not limited to, items such as Company property, proprietary and Confidential Information, resources and systems. Company property includes, but is not limited to, office space, office supplies, computer hardware and software, products, laboratory supplies, etc. Company space and equipment shall only be used for legitimate business purposes and should not be used for any other non-business related purpose, though incidental personal use may be permitted.

- 10.2 Any and all data and/or other information currently existing in or transmitted through HLS computer and/or communication systems, such as email, word documents and other files, shall remain the property of HLS and are subject to inspection, retention and review by HLS with or without knowledge, consent or approval, to the extent permitted by applicable law.
- 10.3 HLS does not tolerate the use of Company assets or property for unlawful or improper purposes. Improper purposes include any form of self-dealing or any form of misuse of corporate opportunities. While acting on behalf of HLS or while using HLS computer software/hardware or communication equipment and/or facilities, Personnel shall not access another entity's internal computer system ("hacking") or other resource without express written authorization from the entity responsible for operating that resource. HLS Personnel shall not use Company assets to commit any unlawful or illegal act including harassment, libel, fraud, sending of unsolicited bulk email (also known as "spam") or espionage. All HLS Personnel shall take reasonable and appropriate care when dealing with HLS' assets. Any misuse of HLS' assets that any Personnel become aware of should be reported to a manager and/or a member of senior management immediately.

11 HEALTHCARE PROFESSIONAL (HCP) INTERACTIONS

- 11.1 Appropriate and ethical relationships with healthcare professionals ("HCPs") are an essential business component to any pharmaceutical company. One critical element of this relationship is ensuring that HCPs have the most accurate information available in regards to prescription medicines. As such, HLS expects all Personnel to conduct themselves in an appropriate manner when interacting with HCPs. HCPs are subject to specific laws and regulations and HLS Personnel should exercise heightened care and be sensitive to the regulatory environment in which HCPs operate when communicating with such HCPs.
- 11.2 All HLS Personnel must ensure that all interactions they may have with HCPs are according to high ethical standards and should be conducted in a manner consistent with all applicable laws, codes, regulations, industry best practices and guidance.

12 REPORTING OF ANY KNOWN OR SUSPECTED VIOLATIONS

12.1 HLS is committed to ensuring compliance with all relevant laws and regulations, Company policies and procedures, and official orders or decrees that apply to the Company business. If any Personnel know of or suspect a violation of such, in good faith, such Personnel must report it to the Company immediately. HLS Personnel are also encouraged to report other ethical concerns or issues even if they do not relate directly to a law or Company policy, standard or procedure. HLS encourages all Personnel to report any suspected violation to an individual's manager, another member of senior management, via the US Compliance Email: compliance@hlstherapeutics.com, or otherwise in accordance with the anonymous reporting procedures in the Complaints Reporting and Whistleblowing Policy. HLS expects its Personnel to report concerns so that the Company can evaluate the reports and identify and correct any issues as promptly as possible.

13 INVESTIGATION AND ENFORCEMENT

13.1 HLS will immediately and thoroughly investigate any good faith reports of compliance violations in accordance with the Company's Complaints Reporting and Whistleblowing Policy. All information shall be treated as confidential and remain anonymous except as deemed necessary for investigation purposes. All HLS Personnel must cooperate in all internal investigations concerning actual or suspected violations.

14 DISCIPLINARY ACTION

14.1 All HLS Personnel are subject to disciplinary action for:

- Authorizing or participating in an activity that results in a violation of the law, company policies, standards, or procedures, or an official order or decree that applies to HLS operations.
- Failing to report a violation or suspected violation.
- Refusing to cooperate with the investigation of a suspected violation.
- Retaliating against an individual who reports a suspected violation.
- Failing to complete required training.
- Making statements or reports, or otherwise creating records that such Personnel knows are false.
- In the case of a supervisor, failing to detect a violation as a result of inadequate supervision.

14.2 Circumstances vary in each case involving the potential for disciplinary action by HLS. Therefore, each situation shall be evaluated and handled on a case-by-case basis. The nature and level of any disciplinary action taken will depend on the nature and severity of the problem, expectation of the position, and circumstances involved. If disciplinary action is warranted, subject to local law, it may range anywhere from a warning to termination of employment. In certain circumstances, individual Personnel may even be subject to criminal fines, imprisonment, and an official prohibition on working in the pharmaceutical industry.

15 RETALIATION PROHIBITED

- 15.1 If in good faith any HLS Personnel reports a suspected breach of this Code, an applicable law or regulation, or compliance policy or standard of procedure, he or she will not be reprimanded, punished, terminated, demoted, threatened or harassed in any way. HLS prohibits any victimization, harassment, threatening behavior, or any other retaliatory act by any Personnel against another Personnel for reporting an actual or suspected violation in good faith, making a complaint, or otherwise bringing inappropriate conduct to the Company's attention. It is critical that management take appropriate measures to prevent retaliation in their areas of responsibility. Any Personnel who participates in such unethical behavior will be subject to appropriate disciplinary actions. However, disciplinary action will be taken against any Personnel who knowingly makes a false compliance violation allegation.

16 SOCIAL MEDIA

- 16.1 HLS respects the right of all Personnel to use social media tools as a form of self-expression, for networking, research and, in some cases, for furthering HLS' interests. However, when participating in social media platforms or online conversations that reference HLS (or such Personnel's relationship with HLS) it is expected that all Personnel take reasonable steps to ensure that he or she is not seen as speaking for or acting on behalf of HLS, and that all content is appropriate.

17 CERTIFICATION

- 17.1 HLS requires that all Personnel participate annually in training on this Code. As part of this annual training, all Personnel must certify their understanding of and compliance with the principles of the Code and related HLS policies and procedures.

18 WAIVERS AND AMENDMENTS

- 18.1 Only the Board of Directors of the Company may waive application of or amend any provision of this Code.

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of our business. It is not intended to and does not, in any way, constitute an employment contract or an assurance of continued employment or create any rights in any employee, director, client, supplier, competitor, stockholder or any other person or entity.

REVIEW AND APPROVAL			
Approved By:	Board of Directors	Adopted:	March 12, 2018

SCHEDULE "A"

Certification – Code of Conduct of HLS THERAPEUTICS INC.

The undersigned hereby certifies that he/she has read and understands the Company's Code of Conduct, a copy of which is attached hereto, and agrees to comply with the procedures and restrictions set forth therein.

Date: _____

Signature: _____

Name: _____
(please print)