



Delivering Quality of Life

## Code of Conduct and Business Ethics

November 11, 2019

# Our Culture

## Purpose of the Code

Valeritas Holdings, Inc. and each of its subsidiaries (“**Valeritas**” or the “**Company**”) is committed to conducting business with the highest ethical and professional standards. This Code of Conduct and Business Ethics (the “**Code**”) outlines the conduct or behaviors we must follow to uphold our Company’s high ethical standards. Our reputation and integrity are based upon our dedication and commitment to conducting business in accordance with all applicable federal and state laws and regulations.

This Code helps to guide us in considering and resolving ethical dilemmas and provides contact information we should use when there are questions or concerns.

## Scope of the Code

The Code applies to all of us – including employees, officers, directors and contractors – regardless of our job function or where we are located. We expect everyone performing duties on behalf of Valeritas – including consultants, agents, suppliers and business partners – to adhere to our ethical standards. We may never ask a third party to engage in any activity that is inconsistent with the standards outlined in the Code.

As employees, officers and directors of Valeritas, we have made a commitment to understand and abide by the standards within the Code and the related Company policies and procedures. Additionally, if anyone suspects or has actual knowledge of a colleague who has potentially violated the law, this Code or related Company policies and procedures, you have an obligation to report it as described below.

## Seeking Guidance

At Valeritas, many channels exist for seeking guidance or reporting legal or compliance concerns. Valeritas strongly encourages dialogue among employees and their managers to make everyone aware of situations that give rise to ethical questions. If you have questions related to this Code or related Company policies and procedures, please contact or utilize, as appropriate, any of the following:

- Your Manager
- Any member of the Company’s Executive Team
- Any member of the Human Resources Department
- Compliance Officer
- A member of the Audit Committee
- Compliance Intake Website ([www.valeritas.ethicspoint.com](http://www.valeritas.ethicspoint.com))
- Compliance and Ethics Hotline (844-299-1085)

The various federal, state and international laws governing the activities of our organization are often complex. If there is any conflict between a national, state or local law, rule or regulation and this Code or related Company policies and procedures, we must always comply with the law, custom, or practice that is most stringent. Those in a supervisory or management role have the additional responsibility to ensure that employees both understand the behaviors expected of them and conduct themselves

accordingly when performing their duties at Valeritas. We must all strive to create a positive work environment where employees are comfortable raising questions or concerns.

It is Valeritas' intention that this Code of Conduct and Business Ethics be its written code of ethics required under Section 406 of the Sarbanes-Oxley Act of 2002 and in compliance with the standards set forth in Securities and Exchange Commission Regulation S-K Item 406.

## Reporting and Enforcement

### Reporting and Investigation of Violations

If you are aware of or reasonably believe that a colleague has potentially violated the law, this Code or related Company policies and procedures, you have a duty to report the concern or seek guidance. While you are encouraged to speak with your manager, or another member of Company management, with whom you feel comfortable, the anonymous reporting system or the Compliance and Ethics Hotline can also be utilized so you can report the issue or concern anonymously, if desired. The Compliance and Ethics Hotline is available 24 hours a day, seven days a week and is managed by an independent third-party service provider.

**Compliance Intake Website:** [www.valeritas.ethicspoint.com](http://www.valeritas.ethicspoint.com)

**Compliance and Ethics Hotline:** 844-299-1085

Actions prohibited by this code involving directors or executive officers must be reported to the Audit Committee or through the anonymous reporting system or the Compliance and Ethics Hotline. Actions prohibited by this code involving any other person must be reported to the Chief Executive Officer, Chief Financial Officer (or if there is no Chief Financial Officer, then such other principal financial officer or principal accounting officer (the “**Chief Financial Officer**”)), Compliance Officer, or your manager, or through the anonymous reporting system or the Compliance and Ethics Hotline. Any manager shall immediately report such actions to the Chief Executive Officer or Chief Financial Officer.

After receiving a report of an alleged prohibited action, the Audit Committee, Chief Executive Officer, Chief Financial Officer or Compliance Officer must promptly take all appropriate actions necessary to investigate. All directors, officers and employees are expected to cooperate in any internal investigation of misconduct.

### Confidentiality

Valeritas will investigate all reports of suspected non-compliance in a manner designed to promptly and accurately ascertain the facts and to determine the underlying cause or causes of any substantiated, non-compliant conduct. The identity of all parties to an investigation, whether a source, witness or subject, will be protected to the extent possible, given the circumstances.

If you are involved in a compliance investigation, you are expected to cooperate and provide truthful information. You are not to discuss the investigation with anyone, including your manager or others you believe may have knowledge of the investigation.

## Enforcement

The Company must ensure prompt and consistent action against violations of this Code. If, after investigating a report of an alleged prohibited action by a director or executive officer, the Audit Committee determines that a violation of this Code has occurred, the Audit Committee will report such determination to the Board of Directors. If, after investigating a report of an alleged prohibited action by any other person, the Chief Executive Officer or Chief Financial Officer determines that a violation of this Code has occurred, the Chief Executive Officer or Chief Financial Officer will report such determination to the Company's general counsel, or if no such position exists, the Company's outside counsel.

Upon receipt of a determination that there has been a violation of this Code, the Board of Directors or the Company's general counsel, if such position exists, will take such preventative or disciplinary action as it deems appropriate, including, but not limited to, reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities.

## Waivers of the Code

Any waiver of this Code for our directors or executive officers may be made only by our Board of Directors and will be disclosed to the public as required by law or the rules of The NASDAQ Stock Market, when applicable. Waivers of this Code for other employees may be made only by our Chief Executive Officer or Chief Financial Officer and will be reported to our Audit Committee.

## Anti-Retaliation

Retaliation against any employee who, for lawful purposes, reports a concern, reports misconduct or participates in an investigation is strictly prohibited. Any employee, who in good faith, reports a suspected violation of law, non-compliance with this Code or related policies or procedures, or misconduct relating to the handling of accounting, internal accounting controls, or an audit matter, should have no fear of dismissal or retaliation of any kind.

If an individual, regardless of his or her role, is determined to have retaliated against an employee who has truthfully and in good faith reported a potential violation, Valeritas will take appropriate disciplinary action, up to and including termination of employment, as local law permits. If you suspect that you have experienced or witnessed an act of retaliation, please report your concern promptly as described above.

## Our Legal Obligations

Valeritas is subject to numerous laws, regulations and rules, including those designed to protect consumers and patients, improve the quality of drugs, medical devices and healthcare services, and help to eliminate fraud within the federal healthcare programs.

Because Valeritas is a global organization, the laws and regulations of not only the United States, but also those of other countries may apply. Additionally, many states have enacted laws and regulations that impact the activities of the Company. Employees, officers and directors should comply, both in letter and spirit, with all applicable laws, rules and regulations in the cities, states and countries in which the Company operates. In the event that a local law or regulation differs from a national U.S. law, the stricter law must apply. If you have any questions regarding which law applies to your conduct, please contact your manager or the Compliance Officer.

The Company is committed to full and accurate financial disclosure and to maintaining its books and records in compliance with all applicable laws, rules and regulations. The Company wishes to encourage employees and interested third-party vendors, customers and business partners to make us aware of any practices, procedures or circumstances that raise concerns about the integrity of our financial disclosures, books and records. Please refer to procedure [COMP-10 Complaints Regarding Accounting, Internal Accounting Controls, Fraud or Auditing Matters](#).

As Valeritas employees, officers and directors we must be familiar with the standards of conduct that apply to our business and our specific assigned job functions. By following this Code and related policies and procedures, we can ensure compliance with the various laws and regulations that apply to our Company.

## Finance Code of Ethics

Compliance with the Finance Code of Ethics, other policies and laws is the responsibility of all Finance employees of Valeritas and all of its current and future operating companies and subsidiaries (collectively "Valeritas").

Valeritas' Chief Executive Officer (CEO), Chief Financial Officer (CFO), Sr. VP, Controller, Finance and other employees of the finance organization hold an important and elevated role in corporate governance in that they are uniquely capable and empowered to ensure that all stakeholders' interests are appropriately balanced, protected and preserved. This Finance Code of Professional Ethics embodies principles to which we are expected to adhere and advocate. These principles for ethical business conduct encompass rules regarding both individual and peer responsibilities, as well as responsibilities of Valeritas employees, the public and other stakeholders. The CEO, CFO and Finance organization employees are expected to abide by this Code as well as all applicable Valeritas business conduct standards. Any violations of the Valeritas Finance Code of Professional Ethics may result in disciplinary action, up to and including termination of employment.

All employees covered by this Finance Code of Ethics will:

- Act with honesty and integrity, avoiding actual or apparent conflicts of interest in their personal and professional relationships.

- Provide stakeholders with information that is accurate, complete, objective, fair, relevant, timely and understandable, including in our filings with and other submissions to the U.S. Securities and Exchange Commission.
- Comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
- Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work will not be used for personal advantage.
- Share knowledge and maintain professional skills important and relevant to stakeholder's needs.
- Proactively promote and be an example of ethical behavior as a responsible partner among peers, in the work environment and the community.
- Achieve responsible use, control, and stewardship over all Valeritas assets and resources that are employed or entrusted to us.
- Not unduly or fraudulently influence, coerce, manipulate, or mislead any authorized audit or interfere with any auditor engaged in the performance of an internal or independent audit of Valeritas' financial statements or accounting books and records.

If you are aware of any suspected or known violations of this Finance Code of Ethics, the Code of Conduct or other Valeritas policies or guidelines, you have a duty to promptly report such concerns either to your manager, another responsible member of management, a Human Resources representative, the Compliance Officer or the 24-hour independent third party ethics and compliance "Hotline". The procedures to be followed for such reports are outlined in the Code of Conduct within the Compliance and Reporting of Violations Policy. Valeritas will handle all inquiries discretely and make every effort to maintain, within the limits allowed by law, the confidentiality of anyone requesting guidance or reporting questionable behavior and/or a compliance concern.

## Compliance with Laws and Regulations

### The Food, Drug and Cosmetic Act and Interactions with the Food and Drug Administration

The Company's products, product candidates and operations are subject to extensive and rigorous regulation by the U.S. Food and Drug Administration (the "**FDA**") under the Federal Food, Drug, and Cosmetic Act (the "**FFDCA**") and its implementing regulations. The FDA regulates many areas of the Company's operations, including, but not limited to, the development, design, non-clinical and clinical research, manufacturing, labeling, packaging, storage, recordkeeping, premarket clearance or approval, adverse event reporting, advertising, promotion, marketing, sale and distribution of our products. The FDA also regulates the export of products manufactured in the United States to international markets. Violation of these laws and regulations can have significant impacts on the Company and its products, including, among other things, severe civil and criminal penalties, adverse publicity for the Company, total or partial suspension of production of a Company product, withdrawal of a Company product from the market or restrictions on our ability to continue selling a Company product, and disciplinary action by the Company against the responsible individuals, up to and including termination of employment.

Company employees with responsibilities in the areas governed by the FFDCa and FDA regulations are required to review, understand and comply with applicable 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. If any doubt exists regarding whether your job position or a particular course of action is governed by these laws and regulations, you should seek advice immediately from your supervisor and the Company's Compliance Officer.

## **Interactions with the Government**

The Company may conduct business with the U.S. government, state and local governments and the governments of other countries. The Company 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 may have regulatory authority over our products and operations, such as government contracts and government transactions.

If your job responsibilities include interacting with the government, you are expected to understand and comply with the special laws, rules and regulations that apply to your job position as well as with any applicable standard operating procedures that the Company has implemented. If any doubt exists about whether a course of action is lawful, you should seek advice immediately from your supervisor and the Company's Compliance Officer.

In addition to the above, you must obtain approval from the Company's Chief Executive Officer or Chief Financial Officer for any work activity that requires communication with any member or employee of a legislative body or with any government official or employee. Work activities covered by this policy include meetings with legislators or members of their staffs or with senior executive branch officials on behalf of the Company. Preparation, research and other background activities that are done in support of lobbying communication are also covered by this policy even if the communication ultimately is not made. If any doubt exists about whether a given work activity would be considered covered by this provision, you should seek advice immediately from your supervisor and the Company's Chief Executive Officer or Chief Financial Officer.

## **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 the Company conducts business. Violations of antitrust laws may result in severe penalties against the Company and its employees, including potentially substantial fines and criminal sanctions. You are expected to maintain basic familiarity with the antitrust principles applicable to your activities, and you should consult the Company's Compliance Officer with any questions you may have concerning compliance with these laws.

## **Meetings with Competitors**

Employees should exercise caution in meetings with competitors. Any meeting with a competitor may give rise to the appearance of impropriety. As a result, if you are required to meet with a competitor for

any reason, you should obtain the prior approval of an executive officer of the Company. You should try to meet with competitors in a closely monitored, controlled environment for a limited period of time. You should create and circulate agendas in advance of any such meetings, and the contents of your meeting should be fully documented.

## Professional Organizations and Trade Associations

Employees should be cautious when attending meetings of professional organizations and trade associations at which competitors are present. Attending meetings of professional organizations and trade associations is both legal and proper, if such meetings have a legitimate business purpose and are conducted in an open fashion, adhering to a proper agenda. At such meetings, you should not discuss the restricted topics listed above, the Company's pricing policies or other competitive terms or any other proprietary, competitively sensitive information. You are required to notify your supervisor or the Company's Chief Executive Officer or Chief Financial Officer prior to attending any meeting of a professional organization or trade association.

## Compliance with Insider Trading Laws

Consistent with the Company's Insider Trading Policy, the Company's employees and directors are prohibited from trading in the stock or other securities of the Company while in possession of material nonpublic information about the Company. In addition, Company employees and directors are prohibited from recommending, "tipping" or suggesting that anyone else buy or sell the Company's stock or other securities on the basis of material non-public information. Employees and directors who obtain material non-public information about another company in the course of their duties are prohibited from trading in the stock or securities of the other company while in possession of such information or "tipping" others to trade on the basis of such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment. You are required to read carefully and observe our [COMP-13 Insider Trading Compliance Policy](#), as amended from time to time. Please contact the Company's Chief Financial Officer for a copy of COMP-13 [Insider Trading Compliance Policy](#) or with any questions you may have about insider trading laws.

## Public Communications and Regulation FD (Fair Disclosure)

### Public Communications Generally

The Company places a high value on its credibility and reputation in the community. What is written or said about the Company in the news media and investment community directly impacts our reputation, positively or negatively. Our policy is to provide timely, accurate and complete information in response to public requests (from media, analysts, etc.), consistent with our obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. The Company has adopted a separate POL-07 [Corporate Guidelines for Disclosure](#) Policy to maintain the Company's credibility and reputation in the community, to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. Please contact the Company's Chief Financial Officer for a copy of the POL-07 Corporate Guidelines for Disclosure Policy or with any questions you may have about disclosure matters.

## Compliance with Regulation FD (Fair Disclosure)

In connection with its public communications, the Company is required to comply with a rule under the federal securities laws referred to as Regulation FD (which stands for “fair disclosure”). Regulation FD provides that, when we disclose material non-public information about the Company to securities market professionals or stockholders (where it is reasonably foreseeable that the stockholders will trade on the information), we must also disclose the information to the public. “Securities market professionals” generally include analysts, institutional investors and other investment advisors. You are required to read carefully and comply with our POL-07 Corporate Guidelines for Disclosure Policy, as amended from time to time. Please inform your supervisor or the Chief Financial Officer if you do not have a copy of our POL-07 Corporate Guidelines for Disclosure Policy.

## Import Laws and Counter-Terrorism

The Company must comply with import regulations as well as counter-terrorism requirements when engaging in international trade. If you are involved with importing, you need to be aware of the applicable governmental regulations and requirements, including those required by the Customs-Trade Partnership Against Terrorism (C-TPAT). A failure to comply can result in fines, penalties, imprisonment and/or a loss of import privileges.

## Export Laws

In general, anything the Company ships out of the United States must be covered by an export license. There are certain statutory general licenses which allow the Company to export some products without a specific license. Export control regulations are, however, quite complex and differ for companies located in the United States and abroad. Any employees involved in any export transaction must observe at least these three rules:

- satisfy themselves that there is some export license which allows the export they want to make;
- familiarize themselves with the list of countries against which the United States maintains total or partial bans on U.S. exports and the rules relating to exporting to such countries either directly or indirectly through foreign subsidiaries or other third parties; and
- any information which any employee furnishes to other Company employees, the government or companies that the Company may have hired to facilitate its export transactions must be truthful.

It is important to note that a domestic company may not facilitate or encourage a non-domestic company or subsidiary to perform a transaction that the domestic company could not perform directly itself pursuant to the export sanctions laws. If you have questions regarding import/export laws, contact the Company’s Chief Executive Officer, Chief Financial Officer or Compliance Officer.

## Anti-Bribery and Anti-Corruption

Valeritas will not tolerate or condone bribery or corruption. We must never offer, pay, loan or accept anything that could be construed to be a bribe, kickback or improper payment to/from anyone while conducting business on behalf of Valeritas. Generally, the term “bribe” includes anything of value, such

as cash or gifts, which may influence the decision making of the recipient. The term “kickback” is best described as returning funds already paid in exchange for favorable business arrangements.

### **Anti-Kickback Statute**

The Anti-Kickback Statute is a criminal law that prohibits offering or paying remuneration to induce or reward the use of a healthcare product or service that is reimbursed by Medicaid, Medicare, or other federal healthcare programs. The term remuneration is defined very broadly to include anything of value, including not only cash payments (i.e., kickbacks or bribes) but also free items or services or even the opportunity to earn compensation.

Under this law, both a company and an individual working for a company can be criminally prosecuted, with penalties ranging from substantial fines to prison sentences. Furthermore, it is a criminal violation not only to offer or pay for improper remuneration, but also to ask for or receive such remuneration.

### **Anti-Corruption Laws**

There are numerous international anti-corruption laws, treaties and regulations such as the Foreign Corrupt Practices Act (“**FCPA**”) that must be followed, regardless of local law or custom. Anti-corruption laws generally prohibit the bribery of foreign officials. A “foreign official” may include employees of a foreign government or political party, party officials and candidates for public office, and officials of a public international organization. In some countries, this definition can be expanded to include employees of government-controlled agencies or companies such as a government-owned hospital.

These anti-corruption laws are complicated, with potentially severe consequences. If you have any questions related to international anti-corruption laws, please seek guidance from the Compliance Officer. It is also noteworthy to ensure that Valeritas employees, officers and directors know that we cannot hire a third party to take an action that we cannot ethically or legally do ourselves. To engage in this type of activity would be a violation of this Code as well as a potential violation of international anti-corruption laws.

### **Document Retention**

Company records will be maintained in accordance with applicable laws, regulations and Company policies (see POL-08 [Valeritas Document Retention & Destruction Policy](#)). Employees, officers and directors may not discard, conceal, falsify, alter, or otherwise make unavailable any record, in paper or electronic format, relevant to a threatened, anticipated or actual internal or external inquiry, investigation, matter or lawsuit, once the individual has become aware of the existence of such action. An employee, officer and director may not destroy, alter or conceal with an improper purpose, any record or otherwise impede any official proceeding, either personally, in conjunction with, or by attempting to influence, another person.

# Our Relationships with Others

## Conflicts of Interest

A conflict of interest occurs when an individual's private interest (or the interest of a member of his or her family) interferes, or even appears to interfere, with the interests of the Company as a whole. A conflict of interest can arise when an employee, officer or director (or a member of his or her family) takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when an employee, officer or director (or a member of his or her family) receives improper personal benefits as a result of his or her position in the Company. Because conflicts of interest can severely compromise the ethics espoused by this Code, employees, officers and directors should avoid any situation that may involve, or even appear to involve, a conflict between their personal interests and the interests of the Company.

Persons other than directors and executive officers must disclose immediately to the Chief Executive Officer or Chief Financial Officer any situation affecting such person that could be perceived as a conflict of interest. Such persons should discuss the matter with, and seek a determination and prior authorization or approval from, the Chief Executive Officer or Chief Financial Officer. The Chief Financial Officer may not authorize or approve conflict of interest matters or make determinations as to whether a problematic conflict of interest exists without first providing the Chief Executive Officer with a written description of the activity and seeking the Chief Executive Officer's written approval. If the Chief Executive Officer is himself or herself is involved in the potential or actual conflict, the matter should instead be discussed directly only with the Chief Financial Officer, who shall inform the Audit Committee.

Directors and executive officers must seek determinations of potential conflicts of interest exclusively from the Audit Committee. Directors must also disclose to their fellow directors any personal interest they may have in a transaction upon which the Board votes. Any transaction involving an officer or director of the Company, or holder of 5% or more of a class of the Company's voting securities, or any immediate family member of any such person, other than compensation matters that are otherwise approved by the Compensation Committee, must be reviewed and approved by the Audit Committee. The Director with the conflict must recuse him or herself from participation in any decision in which there is a conflict between their personal interests and the interests of the Company.

Conflicts of interest are not always clear. For purposes of this Code, a company is a "material" customer if the customer has made payments to the Company in the past year in excess of \$200,000 or 5% of the customer's gross revenues, whichever is greater. A company is a "material" supplier if the supplier has received payments from the Company in the past year in excess of \$200,000 or 5% of the supplier's gross revenues, whichever is greater. If you have any questions regarding a potential conflict of interest, please contact your manager or the Company's Chief Executive Officer or Chief Financial Officer for further guidance. Although it is not practical to list every situation that might cause a conflict of interest, the following areas are examples of potential conflicts of interest:

### Financial Interests in Other Companies

Personal financial interests, including loans or guarantees, in certain organizations may present, or create the appearance of, a conflict between the employee's personal interests and those of Valeritas.

Company employees, officers and directors or their family members may not acquire, own, or have a significant financial interest in any company that does or seeks to do business with Valeritas. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.

### **Loans or Other Financial Transactions**

An employee or director obtaining loans or guarantees of personal obligations from, or entering into any other personal financial transaction with, any company that the individual knows or suspects is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.

### **Outside Employment**

As Valeritas employees, officers and directors we are expected to devote our business and professional efforts to the success of the Company. An outside business or second job can affect an individual's objectivity, motivation or performance as an employee of Valeritas. Individuals must not have any outside employment that materially interferes with the time or attention expected (e.g., during business hours) to adequately perform the duties of their position or that is otherwise detrimental to the best interests of the Company. Employees, officers and directors may not serve in a managerial capacity with an organization (e.g., supplier, distributor, or customer) that does significant business with or is a competitor of Valeritas.

### **Service on Boards and Committees**

An employee or director serving 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 the Company.

### **Use of Company Assets for Personal Gain**

We must all act in a manner that preserves the Company's assets, including proprietary information, physical property, supplies, and equipment. These assets must only be used for legitimate business purposes and never be used for personal gain and/or business purposes unrelated to our organization. Any suspected instance of fraud or theft should be immediately reported to the Compliance Officer, Audit Committee member or through the anonymous reporting system or the Compliance and Ethics Hotline:

**Compliance Intake Website:** [www.valeritas.ethicspoint.com](http://www.valeritas.ethicspoint.com)

**Compliance and Ethics Hotline:** 844-299-1085

### **Familial Relationships in the Workplace**

Company employees, officers and directors should not directly supervise, report to, or be in a position to influence the hiring, work assignments or evaluations of an individual who is a family member or with whom they have a romantic relationship. For purposes of this Code, "family members" include your

spouse or life-partner, brothers, sisters, parents, in-laws and children whether such relationships are by blood or adoption.

### **Competition and Fair Dealing**

All employees should endeavor to deal fairly with fellow employees and with the Company's collaborators, licensors, customers, suppliers and competitors. Employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice. Employees should maintain and protect any intellectual property licensed from licensors with the same care as they employ with regard to Company-developed intellectual property. Employees should also handle the nonpublic information of our collaborators, licensors, suppliers and customers responsibly and in accordance with our agreements with them, including information regarding their technology and product pipelines.

### **Accepting and Giving Gifts**

While it may be appropriate to occasionally extend or receive common business courtesies, such as a business lunch, these activities must be of modest value, limited in nature, and never be intended to, appear to, or actually influence business decisions. The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. It is important to use good judgment when giving and receiving business courtesies. It is never permissible to accept cash or cash equivalents, such as gift cards, in any dollar amount.

Company employees, officers and directors and family members thereof must never ask for a gift from any person or organization (i.e., supplier, potential supplier, customer, potential customer, or any other business associate) that does or seeks to do business with Valeritas. If you or and your family members receive a gift (e.g., box of candy or gift basket) that is modest in value, the gift should be put in a common area and shared with your co-workers. Any gift received in an amount greater than \$50 should be returned or forwarded to the Compliance Officer for proper disposition to a charitable organization or other lawful use.

Consistent with the AdvaMed Code of Ethics on Interactions with Health Care Professionals ("**HCPs**"), Valeritas employees, officers and directors may not provide gifts to HCPs (or their family members or office staff) for non-educational or non-patient related purposes. Items capable of non-educational use, such as a DVD player or iPod, are not allowed. Additionally, it is not appropriate to give any type of non-educational branded promotional items, even if the item is of minimal value. Examples of these prohibited items are company mugs, pens, and notepads. Valeritas employees, officers and directors are also prohibited from providing items such as wine, flowers, cookies, chocolate, gift baskets, holiday gifts, and cash or cash equivalents to an HCP.

If you conduct business in other countries, you must be particularly careful that gifts and entertainment are not construed as bribes, kickbacks or other improper payments. See "The Foreign Corrupt Practices Act" section of this Code for a more detailed discussion of our policies regarding giving or receiving gifts related to business transactions in other countries.

Additionally, certain local and national laws govern the giving of gifts to HCPs. If you have any questions regarding this type of interaction or the laws governing this area, please contact the Compliance Officer.

Please refer to procedure [COMP-04 – Gifts and Educational Items for Health Care Professionals](#) for detailed guidance in this area.

**Note:** Gifts and entertainment may not be offered or exchanged under any circumstances to or with any employees of the U.S. government or state or local governments. If you have any questions about this policy, contact your supervisor or the Company’s Chief Executive Officer or Chief Financial Officer for additional guidance. For a more detailed discussion of special considerations applicable to dealing with the U.S., state and local governments, see “Interactions with Governments.”

### Political Contributions

Employees, officers and directors may not use Company funds or property to make any contribution or provide any benefit to any candidates in connection with a federal, state or local election, unless authorized by the Chief Executive Officer (CEO). Additionally, employees, officers and directors may not use any Company funds or resources to support any political candidate, political party, or political activity. The Company will not reimburse any personal contribution made for political purposes. When you participate in non-Company political affairs, you should be careful to make it clear that your views and actions are your own, and not made on behalf of the Company. Please contact the Company’s Chief Executive Officer or Chief Financial Officer if you have any questions about this policy.

### Interactions with Health Care Professionals

Valeritas is committed to running our business with the utmost integrity. In addition to our expectations as to ethical business practice, there are also strict regulations and other industry codes that govern our interactions with Health Care Professionals.

### Consulting Arrangements

Valeritas may engage healthcare professionals to provide bona fide consulting services through various types of arrangements, such as contracts for research, product development, development and/or transfer of intellectual property, marketing participation on advisory boards, presentations at Company-sponsored meetings and training programs. As a general matter, consulting arrangements are permissible if consultants are paid at fair market value for services that are intended to fulfill a legitimate business need and do not constitute an unlawful inducement. Valeritas prohibits the act of paying consultants for the opportunity to sell Company products. Any such contractual arrangements for consulting services must be handled by appropriate corporate personnel in accordance with Company policies and procedures. Please refer to procedure [COMP-01 – Consulting Agreements with Health Care Professionals](#) or procedure [COMP-06 – Research Agreements](#) for detailed guidance in this area.

### Business Meals

Valeritas business interactions with HCPs may involve the presentation of scientific, educational, or business information where such exchanges may be productive and efficient when conducted in conjunction with meals. Accordingly, modest meals may be provided as an occasional business courtesy. When deciding to provide a business meal to a HCP, you must consider the business purpose, proper setting, location, participants, established meals limits and any local laws governing this type of interaction. Business meals are not to include any form of entertainment or recreational event (e.g.,

theatre, sporting event, etc.). Please refer to the **Valeritas Travel & Entertainment Policy** for detailed guidance in this area. If you have additional questions, please discuss with your manager or contact the Compliance Officer for further analysis and direction.

### Gifts and Educational Items

Valeritas may occasionally provide educational items to HCPs that benefit patients or serve a genuine education function for HCPs. Associates may only provide medically relevant or educational items that have been approved by the Valeritas Commercial Review Committee as an acceptable educational item for distribution to HCPs. Such educational items support Valeritas' obligation to ensure the safe and effective use of its products.

### Promotional Activities

Valeritas' promotional activities, including promotional materials and presentations provide valuable scientific and educational information to customers and Health Care Professionals regarding the company's products. These materials and presentations assist Health Care Professionals in making informed treatment decisions.

Valeritas is committed to ensuring products are promoted in a manner consistent with all applicable FDA regulations, including delivering product statements and presentations to Health Care Professionals that are: accurate and not misleading; properly substantiated; and reflect the balance between the risks and benefits, therefore, all promotional materials and presentations, including social media, used to promote Valeritas products will be authorized by the Valeritas Commercial Review Committee prior to use.

Valeritas' Corporate Office will maintain a list of Company approved materials to ensure promotional materials and presentations used by employees, officers and directors are appropriate for use and will notify employees when those materials expire or should no longer be used in promotional, educational, or training activities.

For detailed information regarding product promotion and promotional activities, please refer to Valeritas procedure [COMP-07 - Promotional Activities](#).

### Use of Social Media

Social Media networks such as Facebook, YouTube, Twitter and LinkedIn offer new opportunities to exchange opinions, thoughts, and experiences with our key stakeholders including patients, providers and payers. As with any promotional activity, Valeritas' Commercial Review Committee must review and approve any and all discussion of, or references to Valeritas or Valeritas' current products or products in development, prior to posting of such information on social media sites. Any Valeritas employee, officer or director who intends to use social media tools, please refer to the detailed Social Media Policy included in the **Valeritas Employee Handbook**.

# Our Commitment to Each Other

## Prohibition of Harassment and Discrimination

Valeritas strives to maintain a work environment that is pleasant, healthful, comfortable and free from discrimination, intimidation, hostility or other offenses that might interfere with work performance. This environment promotes a diverse workplace, where everyone's talents and skills are utilized efficiently. In order to maintain this environment, we all have a duty to ensure it is free from unlawful acts of discrimination and harassment. Harassment can be verbal, physical or visual.

One form of harassment prohibited by Valeritas is sexual harassment. Valeritas prohibits harassment of any employee by any supervisor, employee, non-employee doing business with the Company, client or customer (whether of the same sex or the opposite sex) on the basis of sex or gender. Sexual harassment includes any unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature. Regardless of the form of harassment, it negatively affects both individual performance and the work environment as a whole, and it will not be tolerated.

For additional information on the Valeritas policies related to harassment or discrimination, please refer to the **Valeritas Employee Handbook**. Harassment or discrimination concerns should be reported promptly, without fear of retaliation. Valeritas will investigate all such reports and will take corrective action as appropriate.

## Safe and Healthy Workplace

### Workplace Violence

Valeritas is committed to providing a safe workplace. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from our Company's premises or while on Company business. Any acts or threats of physical violence, including intimidation, harassment or coercion, that involve or affect the Company or that occur on Company property or in the conduct of Valeritas business will not be tolerated. This prohibition applies to all persons involved in Valeritas operations, including, but not limited to, Valeritas personnel and anyone else on Company property or conducting business on behalf of the Company, regardless of physical location.

If there is an emergency or a situation that presents immediate danger, employees should contact police or emergency personnel (in the U.S., call 9-1-1). All other situations or concerns should be reported immediately to your supervisor, or any member of management with whom you feel comfortable, Human Resources, or the Compliance & Ethics Hotline. Valeritas will investigate all such reports and will take corrective action as appropriate.

### Substance Abuse

To ensure the safety of our workplace, all Valeritas employees, officers and directors are expected to be in suitable mental and physical condition while at work or while conducting business on behalf of the Company. This will allow for the effective and safe performance of assigned job duties. Additionally, the possession, sale, distribution, or use of mood altering substances at the work place, or coming to work under the influence of such substances, is forbidden and is considered a violation of safe work practices.

Such violations can pose a safety hazard and will be subject to disciplinary action, up to and including termination.

## Health and Safety

The Company is committed not only to comply with all relevant health and safety laws, but also to conduct 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. If you have a concern about unsafe conditions or tasks that present a risk of injury to you, please report these concerns immediately to your supervisor or the Company's Compliance Officer.

## Environment

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

## Protection of Company Assets

Proper protection and use of Company assets, including proprietary information, is a fundamental responsibility of each employee, officer and director of the Company. Each employee, officer and director must safeguard such assets against unauthorized use or removal, as well as against loss by criminal act or breach of trust. The provisions hereof relating to protection of Valeritas' property also apply to property of others entrusted to Valeritas (including proprietary and confidential information).

No employee, officer and director shall remove any Company property from the Company's premises unless it is for conducting Company business or the employee, officer and director has received prior written authorization. This applies to furnishings, equipment, and supplies, as well as property created or obtained by the Company for its exclusive use - such as plans and business strategy, unannounced products and/or contracts, data, significant projects, patents, patent applications, trade secrets, manufacturing techniques, know-how, financial information, personnel information, reference materials and reports, computer software, files, programs or data bases whether in electronic or conventional format.

Employees should be aware that Company property includes all data and communications transmitted or received to or by, or contained in, the Company's electronic or telephonic systems. Company property also includes all written communications. Employees and other users of this property should have no expectation of privacy with respect to these communications and data. To the extent permitted by law, the Company has the ability, and reserves the right, to monitor all electronic and telephonic communication. These communications may also be subject to disclosure to law enforcement or government officials.

## Accuracy of Financial Reports and Other Public Communications

As a public company we are subject to various securities laws, regulations and reporting obligations. Both federal law and our policies require the disclosure of accurate and complete information regarding the Company's business, financial condition and results of operations. Inaccurate, incomplete or

untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

The Company's principal financial officers and other employees working in the finance department have a special responsibility to ensure that all of our financial disclosures are full, fair, accurate, timely and understandable. These employees must understand and strictly comply with generally accepted accounting principles and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

## Safeguarding Information

### Protecting Personal Information

During the course of obtaining or retaining employment, Valeritas employees, officers and directors provide sensitive personal information. Valeritas is committed to protecting this information. See Privacy Policy. Common examples of this confidential personal information include: personal contact information, such as home address and phone number; benefits information, such as beneficiary designations or dependents; Social Security number and compensation information. If your personal information is deemed to be outdated or requires revision, please notify your supervisor and Human Resources in a timely fashion.

This personal information resides in your confidential personnel file. Generally, personnel files of any coworker are not accessible without specific authorization based upon a business-related need. Personnel files are the property of the Company and may not be removed from the premises for any reason. Great care must be taken to protect this sensitive information; use it only to the extent necessary to perform assigned job duties in accordance with the law.

Requests for information concerning Company employees, officers and directors by the media, private individuals or other companies must be referred to the Human Resources Department.

### Protecting Proprietary Information

Protecting the proprietary information of Valeritas is essential. Proprietary information includes, but is not limited to: intellectual property, trademarks, patents, trade secrets, copyrights, technical knowledge, scientific information, unpublished financial information. Each employee, officer and director shall keep all information concerning Valeritas operations and business confidential and avoid disclosure to anyone outside the Company. Any duplication of confidential information for purposes of distribution to non-Company employees may be done only in circumstances where a written confidential disclosure agreement applies to such distribution or otherwise with the prior approval of the CEO. Unauthorized communication of such information may result in significant consequences for both the Company and the individual.

All external communications, including communications or inquiries received from the media (TV, newspaper, print, etc.) or appearing in social media (blogs, Twitter, Facebook, YouTube, etc.) should be referred to either the VP, Marketing or the Chief Financial Officer and not be handled by any individual employee.

## IT Policy

Valeritas (or the Company) uses various technologies (Valeritas IT) such as computers, software, network access, e-mail, Internet, Intranet, voicemail, and electronic data, to enable communication and to achieve our business goals. The Valeritas IT Policy outlines permissible conduct for the appropriate use of Valeritas IT to achieve these purposes:

- To protect the confidentiality and security of Valeritas intellectual and creative assets;
- To maintain the integrity of Valeritas information technology systems and data;
- To protect Valeritas employees, partners, and the Company from illegal or damaging actions by other employees or individuals, either knowingly or unknowingly;
- To prevent threatened or actual litigation against Valeritas and others.

This Policy applies to everyone who works for Valeritas or in Valeritas offices, including employees, contractors, consultants, temporaries, and visitors.

## Conclusion

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact your supervisor, the Company's Compliance Officer, the Company's Chief Executive Officer or Chief Financial Officer, or through the anonymous reporting system or the Compliance and Ethics Hotline:

**Compliance Intake Website:** [www.valeritas.ethicspoint.com](http://www.valeritas.ethicspoint.com)

**Compliance and Ethics Hotline:** 844-299-1085

The Company expects all of its employees and directors to adhere to these standards.

This Code, as applied to the Company's principal financial officers, shall be our "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

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

## Receipt of Code of Conduct and Business Ethics

This Code of Conduct and Business Ethics is an important document intended to help you become acquainted with Valeritas' (the "Company") expectations of employee behavior and responsibilities to be compliant with Federal and State regulations. This document contains guidelines only and is not the final word in all cases as many factors may apply to any individual scenario. Individual circumstances may call for individual analysis and new laws may dictate changes to the Code.

Because the Company's operations may change, the contents of this Code of Conduct and Business Ethics may be changed at any time, with or without notice, in an individual case or generally, at the sole discretion of management. The Company will make reasonable efforts to notify employees, officers and directors of policy changes. The most current version of Company policies and procedures are always available by contacting Human Resources.

Please read the following statements and sign below to indicate your receipt and acknowledgment of this Code of Conduct and Business Ethics. If you acknowledge electronically through an acknowledgement system such as TriNet or UL Eduneering (Compliancewire) you are providing an electronic signature.

**I have received and read a copy of the Company's Code of Conduct and Business Ethics. I understand that the policies and rules described in it are subject to change at the sole discretion of the Company at any time.**

**I understand that by signing below, I agree to follow and support the Valeritas Code of Conduct and Business Ethics. Further, I acknowledge that a failure to abide by the Code of Conduct and Business Ethics may result in appropriate disciplinary action, up to and including termination of employment.**

**I acknowledge that by signing below, I am indicating that I have read and understood the above statements and that I have received a copy of the Company's Code of Conduct and Business Ethics.**

Printed Name: \_\_\_\_\_ Position: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

The signed original copy of this receipt should be given to management - it will be filed in your training file.