

# PARATEK PHARMACEUTICALS, INC.

## CODE OF BUSINESS CONDUCT AND ETHICS

APPROVED APRIL 10, 2015  
AMENDED SEPTEMBER 15, 2016

### INTRODUCTION

#### Purpose

It is the policy of Paratek Pharmaceuticals, Inc. (the “*Company*”) to conduct all of its activities in accordance with the highest principles of ethics and in compliance with all applicable laws, rules and regulations. Although our organization requires employees, consultants and directors to serve numerous functions, we believe we should follow certain business practices and principles of behavior throughout our operations. This Code of Business Conduct and Ethics (this “*Code*”) is intended to serve as a guide to help us maintain the highest ethical and professional standards in each of our business relationships. This Code is intended to qualify as a “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and to satisfy the requirements of Nasdaq Listing Rule 5610. All employees, officers and directors of, and consultants to, the Company, should review this Code. This Code is not exhaustive. This Code addresses certain behaviors that are particularly important, but these are only part of our overall commitment to the proper treatment of, and dealings with, our coworkers, customers, contractors, vendors, competitors, federal, state, local and foreign governments, stockholders and members of the community. Since this Code depends on the honesty, fairness and integrity brought to the job by every person in the organization, each of us has a critical role to play.

This Code applies to all employees, officers and directors of, and consultants to, the Company, including the Company’s principal executive officer, principal financial officer, principal accounting officer and controller and persons performing similar functions, except that the section entitled “Conflicts of Interest” contained in this Code does not apply to non-employee directors. Non-employee director conflicts of interest are separately covered by the Company’s Director Conflict of Interest Policy. We refer to all persons covered by this Code as “employees.” We refer to the Company’s principal executive officer, principal financial officer, principal accounting officer and controller and any persons performing similar functions as “principal financial officers.”

### COMPANY RECORDS

#### Maintenance of Corporate Books, Records, Documents and Accounts

Accurate and reliable records are crucial to our business. Each employee must ensure that all Company documents he or she prepares are completed accurately, truthfully, in a timely manner and, when applicable, are properly authorized.

Financial activities are to be recorded in compliance with all applicable laws and accounting practices. To ensure that accurate financial and administrative information is maintained, you

should not permit or take any action that would result in the inaccurate recording of entries in the Company's books, records and ledgers. Undisclosed or unrecorded funds, payments or receipts are inconsistent with our business practices and are prohibited. You are responsible for understanding and complying with our record keeping policy. Ask your supervisor or the Compliance Officer, if you have any questions.

We require that:

- no entry be made in our books and records that intentionally hides or disguises the nature of any transaction or of any of our liabilities, or misclassifies any transactions as to accounts or accounting periods;
- transactions be supported by appropriate documentation;
- the terms of sales and other commercial transactions be reflected accurately in the documentation for those transactions and our books and records reflect such documentation and be accurate and complete;
- all employees comply with our system of internal controls and generally accepted accounting principles; and
- no cash or other assets will be maintained for any purpose in any unrecorded or "off-the-books" fund.

#### **ACCURACY OF FINANCIAL REPORTS AND PUBLIC COMMUNICATIONS**

Our accounting records are also relied upon to produce reports for our management, stockholders and creditors, as well as for governmental agencies. In particular, we rely upon our accounting and other business and corporate records in preparing the periodic and current reports that we may file with the Securities and Exchange Commission (the "**SEC**"). These reports must provide full, fair, accurate, timely and understandable disclosure and fairly present our financial condition and results of operations in all material respects.

The Company's principal financial officers and other employees who collect, provide or analyze information for, or otherwise contribute in any way in, preparing or verifying these reports have a special responsibility to ensure that our financial disclosure is full, fair, accurate, timely and understandable and that our reports contain all of the information about the Company that would be important to enable stockholders and potential investors to assess the soundness and risks of our business and finances and the quality and integrity of our accounting and disclosures.

In addition:

- no employee may take or authorize any action that would cause our financial records or financial disclosure to fail to comply with generally accepted accounting principles, the rules and regulations of the SEC or other applicable laws, rules and regulations;

- all employees must cooperate fully with our Accounting Department, as well as with our independent auditors and counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that our books and records, as well as our statements and reports filed with the SEC, are accurate and complete;
- all employees should act in good faith, responsibly, with due care, competence and diligence; and
- no employee should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any of our statements and reports filed with the SEC, or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any of our statements and reports accurate in all material respects.

Any person who becomes aware of any departure from these standards has a responsibility to promptly report his or her knowledge to a supervisor or the Compliance Officer, or utilize one of the other compliance resources described in “Compliance with the Code of Business Conduct and Ethics” below.

### **CONFLICTS OF INTEREST**

To maintain the highest degree of integrity in the conduct of our business and to maintain independent judgment, employees should avoid any activity involving personal interest that creates, or appears to create, a conflict between the interests of the employee (or an immediate family or household member or someone with whom an employee has an intimate relationship) and the interests of the Company, and where an employee may be engaged in such activity, should promptly disclose such activity and describe the nature of such conflict with the employee’s supervisor or the Compliance Officer, and where relevant, the Nominating and Corporate Governance Committee of the Board of Directors (the “*Nominating/Governance Committee*”) (the “*Board*”).

A conflict of interest can occur in any situation in which an employee has or appears to have duties or interests that are mutually incompatible. A conflict of interest interferes with the proper and impartial discharge of an employee’s duties, responsibilities or obligations to the Company.

Factors that an employee should consider in evaluating a potential conflict of interest include the following:

- Does the outside business or financial interests of the employee adversely affect his/her ability to effectively perform his/her duties as an employee or his/her objective judgment on behalf of the Company?
- Could the outside business or financial interest of an employee adversely affect the effective performance or objective judgment of other employees?

- Has the employee’s outside activity involved using Company equipment, materials or proprietary or confidential information?
- Could the employee’s activity have any potential adverse or beneficial impact on the Company’s business or its relationships with customers, partners, suppliers or other service providers?
- Could the employee’s activity enhance or support a competitor’s position?
- Could the employee’s activity result in financial or other benefit (direct or indirect) to such employee, one of his/her family members or one of the Company’s customers, partners, suppliers or other service providers?
- Could the activity appear improper to an outside observer?

In general, any transaction constituting a conflict of interest must be approved in advance by the employee’s supervisor and the Compliance Officer. Each employee should exercise sound judgment to promptly disclose potential conflicts of interest to his/her supervisor and the Compliance Officer, and where relevant, the Nominating/Governance Committee or the Board, and where appropriate to comply with this Code and applicable law, and to recuse himself/herself from any Company deliberations on any matter in which such employee has a conflict of interest (e.g., licensing, M&A, clinical activities, etc.). As required by applicable laws, rules and regulations, certain director transactions and waivers of any conflict of interest will be disclosed to stockholders or through public filings, if applicable. The following situations involve potential conflicts of interests and may be prohibited by the employee’s supervisor or the Compliance Officer, unless the appropriate approval or waiver is obtained in advance.

**Certain Outside Activities.** Investment in, service on the board of directors of or consulting with or employment by a competitor, customer, supplier or other service provider of the Company may create a conflict of interest. Activities that enhance or support the position of a competitor are prohibited, unless authorized in advance by an employee’s supervisor, the Compliance Officer and, where relevant, the Nominating/Governance Committee or the Board.

Controlling or Voting Interest:

This includes situations where the employee individually or an employee’s family member is currently or plans to become a member of the board of directors, or directly involved in the founding, formation or financing, of a competitor, customer, supplier or other service provider of the Company. These situations are discouraged, and require advance disclosure to the Compliance Officer. The Compliance Officer will assess the magnitude and sensitivity of the potential conflict and may request that the employee limit his/her involvement in certain relevant Company discussions and communications. Where appropriate to comply with this Code and applicable law, an employee should recuse himself/herself from Company deliberations on any matter in which such employee has a conflict of interest.

### Financial Interest:

This includes situations where an employee or an employee's family member owns currently or plans to own directly or indirectly a financial interest greater than or equal to 10% of securities or other beneficial interest in any entity that does business, seeks to do business or competes with the Company. These situations require timely disclosure to the Compliance Officer. Where appropriate to comply with this Code and applicable law, the employee should recuse himself/herself from Company deliberations on any matter in which such employee has a conflict of interest.

**Improper Personal Benefits.** Soliciting or accepting gifts, favors, loans or preferential treatment from any person or entity that does business or seeks to do business with the Company. See "Gifts and Entertainment" below.

**Improper Political or Charitable Contributions.** Soliciting contributions to any charity or for any political candidate from any person or entity that does business or seeks to do business with the Company. See "Political Contributions and Activities" below.

**Corporate Opportunities.** Employees may not take personal advantage of opportunities that are presented to them or disclosed to them as a result of their position as Company employees or through their use of corporate property or information without the prior consent of the Compliance Officer. Employees must always first present any corporate opportunity to the Compliance Officer before pursuing the opportunity in their individual capacity.

**Actions of Family Members.** Supervising or conducting Company business transactions with an employee's family member, significant other or person who shares his or her household or a business in which he or she has a significant financial interest creates a conflict of interest. In addition, the actions of an employee's family members outside the workplace may give rise to any of the conflicts of interest described in this Code.

**Loans and Other Financial Transactions.** Loans to, or guarantees of obligations of, employees or their family members by the Company could constitute an improper personal benefit to the recipients of these loans or guarantees, depending on the facts and circumstances. Some loans are expressly prohibited by law. As a result, all loans and guarantees by the Company must be approved in advance by the Compliance Officer and Board with respect to any employee.

### **GIFTS AND ENTERTAINMENT**

The Company recognizes that in some instances, gifts and entertainment can provide an entirely appropriate means of furthering a business relationship. However, giving gifts to and receiving gifts from an existing or potential customer, supplier or competitor may be construed as attempts to influence the performance of duties or to favor certain individuals or companies. Consequently, it is your duty to ensure that gifts and entertainment do not compromise, or appear to compromise, your ability to make objective and fair business decisions.

Neither you nor any member of your immediate family may request, accept or give any gifts in connection with our business other than small, limited gifts and consumables up to a \$250 value (based on fair market value) without the approval of the Chief Executive Officer. This includes

gifts, travel or other benefits of value received directly or indirectly from any existing or potential customer, supplier or competitor.

You may offer or accept gifts of a nominal or token value motivated by commonly accepted business courtesies. However, any gift that could create an obligation to the donor or recipient, or influence or appear to influence the business relationship with the donor or recipient, should not be accepted or offered.

Appropriate business entertainment of non-government employees occurring in connection with business discussions or the development of business relationships is generally deemed appropriate in the conduct of official business. For example, it is an acceptable practice for you to provide or accept an occasional meal or outings with vendors or customers, if there is a valid business purpose involved and the expense is not extravagant. As a guiding principle, entertainment in any form that would likely result in a feeling or expectation of personal obligation should not be extended or accepted.

You should make every effort to refuse or return a gift that is beyond these permissible guidelines. If it would be inappropriate to refuse a gift or you are unable to return a gift, you should promptly report the gift to your supervisor. Your supervisor will bring the gift to the attention of the Compliance Officer, who may require you to donate the gift to an appropriate community organization. If you have any questions about whether it is permissible to accept a gift or something else of value, contact your supervisor or the Compliance Officer for additional guidance.

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

## **RELATED-PERSON TRANSACTIONS**

### **Definitions.**

The following terms have the meanings set forth in this section.

A “**Related Person**” is defined as a person who is, or at any time since the beginning of the Company’s last fiscal year, was, a director or executive officer of the Company or a nominee to become a director of the Company; a security holder known by the Company to be the beneficial owner of more than 5% of any class of the Company’s voting securities (a “significant shareholder”); an “immediate family member” of any of the foregoing, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such person, and any person (other than a tenant or employee) sharing the household of such person; and a firm, corporation or other entity in which any of the foregoing persons is an executive, partner or principal or similar control position or in which such person has a 5% or greater beneficial ownership interest (an “affiliate”).

A “**Related-Person Transaction**” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company and any Related Person

are, were or will be participants in which the amount involved exceeds \$25,000. Transactions involving compensation for services provided to the Company as an employee, consultant or director shall not be considered Related-Person Transactions under this policy.

### **Identification of Related Persons and Dissemination of Information.**

On an annual basis, the legal/finance department shall collect the following information from each director, executive officer and, to the extent feasible, “significant shareholders:” a list of all of their “affiliates” and “immediate family members” (as defined above), and, with respect to each “immediate family member” listed: (a) the name of his or her employer and job title or brief job description and (b) the identity of each “affiliate” of such “immediate family member”. The list sought shall also include, for directors and executive officers (and their “immediate family members”), the name of each charitable or non-profit organization for which the person is actively involved in fundraising or otherwise serves as a director or trustee or in a similar capacity. The legal/finance department shall distribute the master list (and any updates) to (i) business units and department leaders responsible for purchasing goods or services for the Company and (ii) the President, Chief Financial Officer, Controller, director of human resources and director of accounts payable or other appropriate persons performing similar functions. The purpose of the distribution of the master list is to enable the recipients to use the information contained in the master list to effectuate the terms of this policy.

### **Advance Approval of Related Person Transactions.**

Under this policy, any proposed transaction that has been identified as a Related-Person Transaction may be consummated or materially amended only following approval by the Audit Committee in accordance with the provisions of this policy. In the event that it is inappropriate for the Audit Committee to review the transaction for reasons of conflict of interest or otherwise, after taking into account possible recusals by Committee members, then the Related-Person Transaction shall be approved by another independent body of the Board. The approving body shall be referred to in this policy as the “Committee.”

### **Ratification of Related-Person Transactions.**

Under this policy, any Related-Person Transaction, if not a Related-Person Transaction when originally consummated, or if not initially identified as a Related-Person Transaction prior to consummation, shall be submitted to the Committee for review and ratification in accordance with the approval policies set forth above as soon as reasonably practicable. The Committee shall consider whether to ratify and continue, amend and ratify, or terminate or rescind such Related-Person Transaction.

### **Approval Process and Guidelines.**

In the event that the Company proposes to enter into, or materially amend, a Related-Person Transaction, management of the Company shall present such Related-Person Transaction to the Committee for review, consideration and approval or ratification. The presentation shall include, to the extent reasonably available, a description of (a) all of the parties thereto, (b) the interests, direct or indirect, of any Related Person in the transaction in sufficient detail so as to enable the Committee to fully assess such interests (c) a description of the purpose of the transaction, (d) all

of the material facts of the proposed Related-Person Transaction, including the proposed aggregate value of such transaction, or, in the case of indebtedness, that amount of principal that would be involved, (e) the benefits to the Company of the proposed Related-Person Transaction, (f) if applicable, the availability of other sources of comparable products or services, (g) an assessment of whether the proposed Related- Person Transaction is on terms that are comparable to the terms available to or from, as the case may be, an unrelated third party or to employees generally and (h) management’s recommendation with respect to the proposed Related-Person Transaction. In the event the Committee is asked to consider whether to ratify an ongoing Related-Person Transaction, in addition to the information identified above, the presentation shall include a description of the extent of work performed and remaining to be performed in connection with the transaction and an assessment of the potential risks and costs of termination of the transaction, and where appropriate, the possibility of modification of the transaction.

The Committee, in approving or rejecting the proposed Related-Person Transaction, shall consider all of the facts and circumstances deemed relevant by and available to the Committee, including, but not limited to (a) the risks, costs and benefits to the Company, (b) the impact on a director’s independence in the event the Related Person is a director, immediate family member of a director or an entity with which a director is affiliated, (c) the terms of the transaction, (d) the availability of other sources for comparable services or products and (e) the terms available to or from, as the case may be, unrelated third parties or to or from employees generally. The Committee shall approve only those Related-Party Transactions that, in light of known circumstances, are in, or are not inconsistent with, the best interests of the Company and its stockholders, as the Committee determines in the good faith exercise of its discretion.

## **LEGAL COMPLIANCE INTRODUCTION**

Obeing the law, both in letter and in spirit, is the foundation of this Code. Our success depends upon each employee operating within legal guidelines and cooperating with local, national and international authorities. We expect employees to understand the legal and regulatory requirements applicable to their business unit and area of responsibility. Where needed, the Company may make legal resources available to employees to assist them in understanding our legal obligations.

Disregard of the law will not be tolerated. Violation of domestic or foreign laws, rules and regulations may subject you, as well as the Company, to civil and/or criminal penalties. Conduct and records, including e-mails, are subject to internal and external audits, and to discovery by third parties in the event of a government investigation or civil litigation.

## **QUESTIONABLE PAYMENTS PROHIBITED**

No employee may participate in any way in bribes, unlawful or unethical commissions or other receipts or payments from the Company’s or other funds, or in maintaining any unrecorded cash or non-cash funds or assets for the purpose of any unlawful or unethical bribes, commissions or other receipts or payments.

Federal law prohibits U.S. companies, and those acting on their behalf, from bribing foreign officials to obtain or retain business. Foreign officials include officers and employees of a foreign government, department or agency. Accordingly, payments to foreign officials, including to agents

or third parties if an employee has knowledge that at least a portion of the payment will be given to a foreign official, for an illegal purpose are expressly prohibited.

## **INTERACTIONS WITH THE GOVERNMENT**

The Company conducts business with the U.S., state and local governments. 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 government contracts and government transactions. In your interactions with the government, you should:

- Be forthright and candid at all times. No employee should misstate or omit any material information from any written or oral communication with the government.
- Exercise extreme care in maintaining records for and allocating costs to government contracts. Costs incurred on one government project should not be charged against another government project.
- Never offer or exchange any gifts, gratuities or favors with, or pay for meals, entertainment, travel or other similar expenses for, government employees.

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. If any doubt exists about whether a course of action is lawful, you should seek advice immediately from your supervisor and the Compliance Officer.

## **COMPLIANCE WITH ANTITRUST LAWS**

The Company's activities are governed by federal and state antitrust and trade regulation statutes. These laws are designed to protect consumers and competitors against unfair business practices and to promote and preserve competition. The Company's 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.

There are many types of activities that may, in some cases, be violations of federal and state antitrust laws. The following are examples of actions that are violations of U.S. antitrust laws:

- **Price Fixing.** The Company may not agree with its competitors to raise, lower or stabilize prices or any element of price, including discounts and credit terms.
- **Limitation of Supply.** The Company may not agree with its competitors to limit its production or restrict the supply of its services.
- **Allocation of Business.** The Company may not agree with its competitors to divide or allocate markets, territories or customers.

- **Boycott.** The Company may not agree with its competitors to refuse to sell or purchase products from third parties. In addition, the Company may not prevent a customer from purchasing or using non-Company products or services.
- **Tying.** The Company may not require a customer to purchase a product that it does not want as a condition to the sale of a different product that the customer does wish to purchase.

Employees should also exercise caution in meetings with direct competitors of the Company. 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 the Compliance Officer. You should try to meet with competitors in a closely monitored, controlled environment for a limited period of time. The contents of your meeting should be fully documented.

Competitive information must be gathered with care. We must conduct all interactions with competitors, including social activities, as if they were completely in the public view, because they may later be subject to examination and unfavorable interpretation. If you have any questions about whether it is appropriate to obtain particular information, contact your supervisor or the Compliance Officer.

#### **INSIDER TRADING AND USE OF COMPANY OR OTHER COMPANY INFORMATION FOR PERSONAL GAIN**

No person who has access to confidential (or “*inside*”) information is permitted to use or share that information for stock-trading purposes or for any other purpose except to conduct our business. All non-public information about the Company or about companies with which we do business is considered confidential information. Using material non-public information to buy or sell securities, including “*tipping*” others who might make an investment decision based on this information, is not only unethical, it is illegal. You must exercise the utmost care when handling material inside 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.

We have adopted a separate insider trading policy to which you are bound. You should consult the insider trading policy for more specific information on the definition of “material inside information” and on buying and selling our securities or securities of companies with which we do business. The Compliance Officer can provide you with a copy of our insider trading policy.

#### **POLITICAL CONTRIBUTIONS AND ACTIVITIES**

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

The following guidelines are intended to ensure that any political activity you pursue complies with this policy:

- **Contribution of Funds.** You may contribute your personal funds to political parties or candidates. The Company will not reimburse you for personal political contributions.
- **Volunteer Activities.** You may participate in volunteer political activities during non-work time. You may not participate in political activities during working hours.
- **Use of Company Facilities.** The Company's facilities may not be used for political activities (including fundraisers or other activities related to running for office). The Company may make its facilities available for limited political functions, including speeches by government officials and political candidates, with the approval of the Compliance Officer.
- **Use of Company Name.** When you participate in 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. For instance, Company letterhead should not be used to send out personal letters in connection with political activities.

Please contact the Compliance Officer if you have any questions about this policy.

## **FAIR DEALING**

We strive to outperform our competition fairly and honestly. Advantages over our competitors are to be obtained through superior performance of our products and services, not through unethical or illegal business practices. Acquiring proprietary information from others through improper means, possessing trade secret information that was improperly obtained, or inducing improper disclosure of confidential information from past or present employees of other companies is prohibited, even if motivated by an intention to advance our interests. If information is obtained by mistake that may constitute a trade secret or other confidential information of another business, or if you have any questions about the legality of proposed information gathering, you must consult your supervisor or the Compliance Officer

You are expected to deal fairly with our customers, suppliers, employees and anyone else with whom you have contact in the course of performing your job. Be aware that the Federal Trade Commission Act provides that "unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are declared unlawful." It is a violation of the Federal Trade Commission Act to engage in deceptive, unfair or unethical practices and to make misrepresentations in connection with sales activities.

Employees involved in procurement have a special responsibility to adhere to principles of fair competition in the purchase of products and services by selecting suppliers based exclusively on normal commercial considerations, such as quality, cost, availability, service and reputation, and not on the receipt of special favors.

## **EMPLOYMENT PRACTICES**

### **Respect for People and Non-Discrimination**

You are critical to the success of the Company, and our policy is to treat you with fairness and respect. The Company is an equal opportunity employer. We do not tolerate discrimination against applicants or employees based on race, color, religion, national origin, sex, pregnancy, age, marital status, sexual orientation, citizenship status, disability, veteran status or any other characteristic protected by law. We prohibit discrimination in decisions concerning recruitment, hiring, compensation, benefits, training, termination, promotions or any other condition of employment or career development.

We are committed to providing a work environment that is free from discrimination and harassment of any type. We will not tolerate the use of discriminatory slurs; unwelcome, unsolicited sexual advances or harassment; or any other remarks, jokes or conduct that create or foster an offensive or hostile work environment. Each person, at every level of the organization, must act with respect and civility toward customers, coworkers and outside firms.

If you have any complaints about discrimination or harassment, report such conduct to your supervisor or to the Human Resources Department. All complaints will be treated with sensitivity and discretion. Your supervisor, the Human Resources Department and the Company will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your concern. Where our investigation uncovers harassment or discrimination, we will take prompt corrective action, which may include disciplinary action by the Company, up to and including, termination of employment of the employee(s) responsible for violating this policy. The Company strictly prohibits retaliation against an employee who, in good faith, files a complaint.

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

## **MISCELLANEOUS**

### **Confidential Information**

Much of the information we use is confidential, privileged and proprietary, or of competitive value to the Company. This confidential information may have been developed by us or may belong to others, and we are required to keep it confidential. In both instances, you must be careful to guard against disclosure of the information to any individuals outside the Company. In addition, in the course of serving our customers and working with partners and collaborators, you may learn confidential or proprietary information about them. It is equally important that you guard against the disclosure of our customers', partners' and collaborators' confidential information. Unauthorized disclosure of confidential information could cause competitive harm to the Company or its customers or partners and could result in legal liability to you and the Company.

You must exercise the utmost care when dealing with confidential information. All Company e-mails, voicemails and other communications are presumed confidential and should not be

forwarded or otherwise disseminated to individuals outside of the Company, except where required for Company-related business reasons.

Your obligation to treat certain information as confidential does not end when you leave the Company. You may not disclose any confidential information to a new employer or to others after ceasing to be a Company employee, director or consultant.

As a Company employee, you have entered into a Patent, Copyright and Nondisclosure Agreement with the Company. Nothing in this Code supersedes the terms of your Patent, Copyright and Nondisclosure Agreement and your obligations under such agreement are not affected by this Code.

### **Media/Public Discussion**

It is our policy to disclose to the public all material information concerning the Company (consistent with our obligation to maintain the confidentiality of competitive proprietary information and to prevent selective disclosure of market-sensitive financial data) in an accurate and timely fashion through channels, such as press releases, so that those who have an interest in the Company and its securities will have equal access to the information. At the same time, we must be prudent in our dealings with the media or in response to requests from securities market professionals or investors. Unless you are a designated spokesperson or are otherwise authorized to speak on behalf of the Company, you should not communicate with the media, respond to any such requests or communicate on behalf of the Company in any other public forum.

### **Corporate Citizenship**

The Company supports and encourages your involvement in community activities and professional organizations, including Company-sponsored charitable activities and fundraisers. Involvement with these types of activities, however, should not adversely affect attention to Company duties or the quality of work performed for the Company.

### **International Business**

You are expected to comply with the laws in all countries in which we operate. The fact that in some countries certain laws prohibiting particular conduct are not enforced in practice, or that violation is not subject to public criticism or censure, will not excuse noncompliance. You also must comply strictly with U.S. laws, rules and regulations applicable to the conduct of business outside the United States.

These U.S. laws, rules and regulations, which extend to all our activities outside the U.S., include:

- The Foreign Corrupt Practices Act, which prohibits directly or indirectly giving anything of value to a government official to obtain or retain business or favorable treatment and requires the maintenance of accurate books of account, with all Company transactions being properly recorded;
- U.S. embargoes, which generally prohibit U.S. companies, their subsidiaries and their employees from doing business with countries, or traveling to, subject to sanctions imposed by the

U.S. government (currently, Cuba, Iran, North Korea, Sudan and Syria), as well as specific companies and individuals identified on lists published by the U.S. Treasury Department;

- U.S. export controls, which restrict exports from the U.S. and re-exports from other countries of goods, software and technology to many countries, and prohibits transfers of U.S.-origin items to denied persons and entities; and
- Anti-boycott regulations, which prohibit U.S. companies from taking any action that has the effect of furthering or supporting a restrictive trade practice or boycott imposed by a foreign country against a country friendly to the U.S. or against any U.S. person.

If you have a question as to whether an activity is restricted or prohibited, seek assistance before taking any action, including giving any verbal assurances that might be regulated by international laws.

### **Use of Company Technological Resources**

It is extremely important that you take all necessary measures to ensure the security of your computer and any computer or voicemail passwords. You must not include sensitive or confidential information in any messages that are widely distributed or sent outside the Company unless you use Company-approved security techniques. If you have any reason to believe that your password or the security of a Company technological resource has been compromised, then you must change your password immediately and report the incident to your supervisor and the system administrator.

Employees should be aware that Company property includes all data and communications transmitted, received to or by, or contained in, the Company's electronic or telephonic systems. Whenever you use a Company computer or communications resources to send e-mail or a voicemail or to access Internet services, remember that you are acting as a representative of the Company. Your use of Company resources could reflect poorly on the Company, damage our reputation and expose you personally and the Company to legal liability. In addition, all e-mail, voicemail and personal files stored on Company computers are the Company's property. You should therefore have no expectation of privacy in connection with these resources.

The use of technological resources must be consistent with all other Company policies, including those relating to sexual harassment, privacy, patents, copyrights and trademarks. You are prohibited from using the Company's technological resources to transmit, display, store, publish or purposely receive pornographic, obscene or sexually explicit material.

### **Company Assets**

We all have a duty to safeguard the Company's assets, including our physical facilities and equipment, computers, computer software, records, customer information, manpower and Company names and trademarks. Company assets should be used for Company business only.

All Company purchases should be made strictly on the basis of quality, suitability, service, price and efficiency. We should treat our suppliers fairly and equitably. It is Company policy to award orders and contracts on the basis of merit and without favoritism.

To ensure the protection and proper use of the Company's assets, each employee should:

- exercise reasonable care to prevent theft, damage or misuse of Company property;
- promptly report the actual or suspected theft, damage or misuse of Company property to a supervisor; and
- use Company property only for legitimate business purposes, as authorized in connection with your job responsibilities.

## **COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS**

### **Waivers**

In general, any waiver of this Code requires approval of the Compliance Officer. Any waiver with respect to our executive officers, including principal financial officers, or directors may be authorized only by the Board or a committee of the Board, to the extent permitted by applicable legal, regulatory and Nasdaq rules and will be disclosed to stockholders as required by applicable laws, rules and regulations.

### **Compliance Officer**

To facilitate compliance with this Code, we have implemented a program of code awareness, training and review. We have established the position of the Compliance Officer to oversee this program. The Compliance Officer is a person to whom you can address any questions or concerns. The Compliance Officer is Doug Pagan, who can be reached at (617) 275-0040 x265.

In addition to answering questions or concerns regarding this Code, the Compliance Officer is responsible for:

- investigating possible violations of this Code;
- conducting training sessions and distributing copies of this Code annually to each person with a reminder that they are responsible for reading, understanding and complying with this Code;
- updating this Code as needed and alerting persons in our organization to any updates, with appropriate approval of the Audit Committee of the Board, to reflect changes in the law, Company operations and in recognized best practices; and
- otherwise promoting an atmosphere of responsible and ethical conduct.

### **Seeking Help and Information**

If you have questions about this Code, it is important that you seek answers from your supervisor or the Compliance Officer. Your most immediate resource for any matter related to this Code is your supervisor. He or she may have the information you need, or may be able to refer the question to another appropriate source. However, there may be times when you prefer not to go to your

supervisor. In these instances, you should feel free to discuss your concern with the Compliance Officer.

If you encounter a situation or are considering a course of action and its appropriateness is unclear, discuss the matter promptly with your supervisor or the Compliance Officer. Please remember that even the appearance of impropriety can be very damaging and should be avoided.

### **Reporting Violations of this Code and Our Non-Retaliation Policy**

If you are aware of suspected or actual violations of the standards in this Code or other Company legal compliance programs, you have a responsibility to promptly report such suspected or actual violations to your supervisor or the Compliance Officer. Additionally, the Company has established alternative procedures to report suspected or actual violations of the standards in this Code or other Company legal compliance programs anonymously. Any employee who wishes to make such a report can call 866-528-2645, email [PRTK@openboard.info](mailto:PRTK@openboard.info) or visit <http://www.openboard.info/PRTK/> to submit his or her report (collectively, the “*Third-Party Channels*”). Employees who use the Third-Party Channels need not leave their names or other personal information and reasonable efforts will be used to conduct the investigation that follows from any employee submission in a manner that protects the confidentiality and anonymity of the employee making the submission.

Whether you choose to speak with your supervisor or the Compliance Officer or use the Third-Party Channels, you should do so without fear of any form of retaliation. If you believe your supervisor has not taken appropriate action, you should contact the Compliance Officer directly. Neither you nor your supervisor may conduct any preliminary investigation, unless authorized to do so by the Compliance Officer. Your cooperation in the investigation will be expected. We will take prompt disciplinary action against any person or organization that retaliates against you. We have adopted a separate non-retaliation policy which prohibits any employee from being subject to disciplinary or retaliatory action by the Company or any of its employees as discussed in such policy. The Compliance Officer can provide you with a copy of the Company’s non-retaliation policy.

Supervisors must promptly report any complaints or observations of Code violations to the Compliance Officer. The Compliance Officer will investigate all reported possible Code violations promptly and with the highest degree of confidentiality that is possible under the specific circumstances. Your cooperation in the investigation will be expected. As needed, the Compliance Officer will consult with the Human Resources Department and/or the Audit Committee of the Board.

An employee accused of violating this Code will be given an opportunity to present his or her version of the events at issue prior to any determination of appropriate discipline. If the investigation indicates that a violation of this Code has probably occurred, we will take such action as we believe to be appropriate under the circumstances. If we determine that any person is responsible for a Code violation, he or she will be subject to disciplinary action up to, and including, termination of employment and, in appropriate cases, civil action or referral for criminal prosecution. Appropriate action may also be taken to deter any future Code violations.