



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

**Effective 20 Oct 2017**

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## 1. INTRODUCTION TO COMPLIANCE

CTI BioPharma Corporation (CTI) is committed to personal, corporate and scientific integrity and we continually strive to achieve the highest standards of business ethics. Ethical business conduct applies to all CTI employees and is critical to the success and longevity of our business. Therefore, it is important that we all understand the ethical principles and expected conduct we embrace as a company, as well as what each of us must do to fulfill our individual responsibilities regarding this policy.

CTI's Code of Business Conduct and Ethics helps ensure compliance with legal and regulatory requirements and provides guidance on standards of business conduct, which apply to our relationships with customers, vendors, suppliers, government entities and to each other.

This Code of Business Conduct applies to officers, directors, employees, contract workers and agents of CTI, its subsidiaries, branches, divisions, and affiliates, whether operating inside or outside of the United States

Violations of these laws and regulations may create significant liability for you, CTI, its directors, officers, and other employees.

You are required to uphold these standards in day to day activities, comply with all applicable laws, regulations, policies and procedures, and manage all agents and contractors under your responsibility to these standards. Part of your job and ethical responsibility is to help enforce this Code of Business Conduct and Ethics. You should be alert to possible violations of any law, regulation, federal healthcare program, Food and Drug Administration (FDA) requirement, European Union (EU) Directive or Regulation, or CTI policy or procedure, and report possible violations to the Compliance Officer, EVP or CTI Legal Counsel, as applicable. You may also contact the anonymous CTI Hotline as outlined in the Whistleblower Policy or Disclosure Program if you are uncomfortable reporting possible violations as listed above. You must cooperate in any internal or external investigations of possible violations.

Clearly mark the package CONFIDENTIAL – TO BE OPENED BY COMPLIANCE OFFICER ONLY and mark emails CONFIDENTIAL when reporting possible violations.

Compliance Officer Contact Information:

Jack Singer  
Compliance Officer  
3101 Western Avenue, Ste. 800  
Seattle, WA 98121  
(206) 272-4405  
Email: [jsinger@ctibiopharma.com](mailto:jsinger@ctibiopharma.com)

Reprisal, threats, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code of Business Conduct or other CTI policies, or against any person who is assisting in any investigation or

process with respect to such a violation, is prohibited and is grounds for termination of employment.

Because the principles described in this Code of Business Conduct and Ethics are general in nature, you should also review all applicable CTI policies and procedures for more specific instruction, and contact the Human Resource Development Department or Legal Affairs Department if you have any questions. Violations of law, this Code of Business Conduct and Ethics, or other CTI policies or procedures by you can lead to disciplinary action up to and including termination of employment.

This Code of Business Conduct and Ethics supersedes all other such CTI policies, procedures, instructions, practices, rules or written or verbal representations to the extent they are inconsistent.

In trying to determine whether any given action is appropriate, use the following test: Imagine that the words you are using or the action you are taking is going to be fully disclosed in the media with all the details, including your photo. If you are uncomfortable with the idea of this information being made public, perhaps you should think again about your words or your course of action. In all cases, if you are unsure about the appropriateness of an event or action, please seek assistance in interpreting the requirements of these practices by contacting your manager, EVP, CTI Legal Counsel, or the Compliance Officer.

This Code cannot provide definitive answers to all questions. If you have questions regarding any of the policies discussed in this Code or if you are in doubt about the best course of action in a particular situation, you should seek guidance from your supervisor, higher levels of management, human resources, CTI Legal Counsel, the Compliance Officer or the other resources identified in this Code.

## **2. GENERAL STANDARDS OF CONDUCT**

CTI requires all employees, agents, and contractors to exercise good judgment to ensure the safety and welfare of employees, agents, and contractors and to maintain a cooperative, efficient, positive, harmonious, and productive work environment and business organization. As representatives of CTI, we all have the responsibility to conduct ourselves in a professional and ethical manner. Employees are expected to show respect for the rights and feelings of others and refrain from any behavior that might be harmful to them, coworkers, and/or to CTI.

These standards apply while working on our premises, at offsite locations where our business is being conducted, at CTI-sponsored events, or at any other place, including business and social events (sporting, charitable events, etc.) where you are a representative of CTI. CTI reserves the right to take corrective action for any conduct CTI deems unacceptable. Employees, agents or contractors who engage in misconduct, including but not limited to harassment, or whose performance is unsatisfactory may be subject to corrective action, up to and including dismissal.

### **3. COMPLIANCE AND LEGAL OBLIGATIONS**

#### **3.1. Compliance with Applicable Laws**

CTI is committed to full compliance with all applicable federal, regional, national, state, and local laws and regulations, including all state, local and federal healthcare programs, FDA requirements, and EU and other international country or regulatory entities' Directives and Regulations. CTI employees, agents and contractors must comply with all applicable state and Federal health care laws, FDA and other regulations, rules, and regulatory orders. Employees located outside of the United States must comply with all applicable laws, regulations, rules, and regulatory orders of the United States, including the Foreign Corrupt Practices Act and the U.S. Export Control Act, in addition to applicable laws and regulations of the country in which they are located. Employees involved in European activities must comply with the Community Code on medicinal products (Directive 2001/83/EC), the Misleading and Comparative Advertising Directive (Directive 2006/114/EC), the Unfair Commercial Practices Directive (Directive 2005/29/EC) and the Data Protection Directive (Directive 95/46/EC). Each employee, agent, and contractor must acquire appropriate knowledge of the legal requirements relating to his or her duties sufficient to enable him or her to recognize potential dangers and to know when to seek advice from the applicable department head, EVP or CTI Legal Counsel on specific policies and procedures.

Violations of laws, regulations, rules, or orders may subject the employee, agent, or contractor to individual criminal or civil liability, as well as to discipline by CTI. Such individual violations may also subject CTI to civil or criminal liability or the loss of business.

#### **3.2. Free and Fair Competition**

Most countries have well developed bodies of law designed to encourage and protect free and fair competition. CTI is committed to obeying both the letter and spirit of these laws. The consequences of not doing so can be severe for all of us.

These competition laws often regulate CTI's relationships with its distributors, resellers, dealers, and customers. Competition laws generally address the following areas: pricing practices (including price discrimination), discounting, terms of sale, credit terms, promotional allowances, secret rebates, exclusive dealerships or distributorships, product bundling, restrictions on carrying competing products, termination of business relationships, and many other practices.

Competition laws also govern, usually quite strictly, relationships between CTI and its competitors. As a general rule, contacts with competitors should be limited and should always avoid subjects such as prices or other terms and conditions of sale, customers, and suppliers. Employees, agents or contractors of CTI may not knowingly make false or misleading statements regarding its competitors or the products of its competitors,

customers or suppliers. Participating with competitors in a trade association or in a standards creation body is acceptable when the association has been properly established, has a legitimate purpose, and has limited its activities to that purpose.

No CTI employee, agent or contractor shall at any time or under any circumstances enter into an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts, other terms or conditions of sale, profits or profit margins, costs, allocation of product or geographic markets, allocation of customers, limitations on production, boycotts of customers or suppliers, or bids or the intent to bid or even discuss or exchange information on these subjects. In some cases, legitimate joint ventures with competitors may permit exceptions to these rules as bona fide purchases from or sales to competitors on non-competitive products, but CTI's Legal Affairs Department must review all such proposed ventures in advance. These prohibitions are absolute and strict observance is required. Collusion among competitors is illegal, and the consequences of a violation are severe.

Although the spirit of these laws, known as "antitrust," "competition," or "consumer protection" or "unfair competition laws," is straightforward, their application to particular situations can be quite complex. To ensure that CTI complies fully with these laws, each of us should have a basic knowledge of them and should involve the Legal Affairs Department early on when questionable situations arise.

### **3.3. Anti-Kickback or Bribery**

In the United States, and in most other countries, it is illegal to provide, offer or accept a kickback or bribe, whether paid to a private individual or company, or to a government official or employee. A kickback or bribe may be defined as any money, fee, commission, credit, gift, gratuity, or thing of value, that directly or indirectly, has as one of its purposes, the improper obtaining or rewarding of favorable treatment in a business transaction. CTI's policy on kickbacks and bribes is clear: they are illegal and are not allowed.

For all interactions with Healthcare professionals, CTI's current regional "Code of Business Conduct for Interactions with Healthcare Professionals" applies. Questions regarding whether a particular payment or gift violates the general CTI policy should be directed to the Compliance Officer, EVP or CTI Legal Counsel.

### **3.4. Public Company Disclosure Controls and Obligations**

It is CTI's policy to provide full, fair, accurate and timely disclosure in its public disclosures as well as in reports and documents filed with, or submitted to, the U.S. Securities and Exchange Commission or The NASDAQ Capital Market. CTI also requires that its books and records be maintained in accordance with applicable accounting policies, laws, rules and regulations. These laws require, among other things, that CTI (1) maintain effective disclosure controls and procedures to ensure that all

material information relating to CTI and its subsidiaries is made known to the persons responsible for preparing the company's financial reports and (2) have internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

It is also CTI's policy to provide accurate and timely reporting to all taxing authorities.

### **3.5. Obligations under Securities Laws – “Insider” Trading**

Obligations under the U.S. and Italian securities laws apply to everyone. In the normal course of business, officers, directors, employees, agents and contractors of CTI may come into possession of significant, sensitive information. This information is CTI's property — you have been entrusted with it. You may not profit from it by buying or selling securities yourself, or by passing on the information to others to enable them to profit or for them to profit on your behalf. The purpose of our policy is both to inform you of your legal responsibilities and to make clear to you that the misuse of sensitive information is contrary to CTI policy and U.S. or Italian securities laws and may result in termination of your employment. Please read CTI's Insider Trading Policies and Compliance Program carefully (See CTI's Employee Handbook). You should contact the CFO or CTI's Legal Affairs Department if you are unsure as to whether or not you are free to trade.

### **3.6. Advertising and Promotion**

It is CTI's policy to promote and market its products in a lawful and truthful manner. While it is natural to want to present each product in the best light, care must be taken to offer a balanced, accurate and legal representation of labeled indications, risks and benefits. Advertising and promotion of CTI products are also subject to extensive and complex regulation. For example, in the U.S. and most other countries, promotion of products is restricted to indications that are approved for marketing by regulatory authorities. These regulations also require that you represent CTI products in a manner consistent with the applicable labeling and market approvals. All information provided to customers must be accurate, complete, legal, and approved by the appropriate internal groups in accordance with CTI's policies. Certain types of advertising, such as direct-to-consumer advertisements, may also be regulated or prohibited in some countries. Individuals are responsible for knowing and adhering to the current legal and regulatory rules regarding advertising and promotion within the country which they are representing CTI and CTI's products.

### **3.7. Government Relations**

It is CTI's policy to comply fully with all applicable laws and regulations governing contact and dealings with government employees and public officials, and to adhere to high ethical, moral and legal standards of business conduct. This policy includes strict compliance with all local,



state, federal, foreign and other applicable laws, rules and regulations. No employee is permitted to lobby on behalf of CTI without prior written approval. If you have any questions concerning government relations you should contact the appropriate member of the Executive Committee (“EC”) or the Legal Affairs Department.

It is CTI’s policy to comply fully with all applicable laws and regulations that apply to government contracting. It is also necessary to strictly adhere to all terms and conditions of any contract with local, state, federal, foreign or other applicable governments. The Legal Affairs Department must review and approve all contracts, including those with any government entity.

CTI reserves the right to communicate its position on important issues to elected representatives and other government officials. It is our policy to comply fully with all local, state, federal, foreign and other applicable laws, rules and regulations regarding political contributions. CTI funds or assets must not be used for, or be contributed to, political campaigns or political events under any circumstances without the prior written approval of the Board of Directors.

### **3.8. Industrial Espionage**

It is CTI’s policy to lawfully compete in the marketplace. This commitment to fairness includes respecting the rights of our competitors and abiding by all applicable laws in the course of competing. The purpose of this policy is to maintain our reputation as a lawful competitor and to help ensure the integrity of the competitive marketplace. We expect our competitors to respect our rights to compete lawfully in the marketplace, and we must respect their rights equally. CTI employees, agents and contractors may not steal or unlawfully use the information, material, products, intellectual property, or proprietary or confidential information of anyone, including suppliers, customers, business partners or competitors. U.S. federal law establishes criminal and civil penalties for unlawful economic espionage.

### **3.9. Foreign Corrupt Practices Act**

CTI requires full compliance with the U.S. Foreign Corrupt Practices Act (FCPA) by all of its employees, agents, and contractors.

Under the anti-bribery and corrupt payment provisions of the FCPA, it is illegal to make any corrupt offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value to any foreign official, or any foreign political party, candidate or official, for the purpose of: influencing any act or failure to act, in the official capacity of that foreign official or party; or inducing the foreign official or party to use influence to affect a decision of a foreign government or agency, in order to obtain or retain business for anyone, or direct business to anyone.

All CTI employees, agents and contractors whether located in the United States or abroad, are responsible for FCPA compliance and the procedures to ensure FCPA compliance. All managers and supervisory

personnel are expected to monitor continued compliance with the FCPA to ensure compliance with the highest legal, moral, ethical and professional standards of CTI. FCPA compliance includes CTI's policy on Maintaining and Managing Records.

Laws in the United States and most foreign countries also prohibit or restrict both private parties and government officials or employees of government agencies from receiving payments, entertainment, or gifts for the purpose of winning or keeping business (UK Bribery Act 2010). No contract or agreement may be made with any business in which a government official or employee holds interest, without the prior approval of CTI Legal Counsel.

### **3.10. Anti-Boycott Laws, U.S. Embargo Sanctions, Export Control Restrictions and Anti-Money Laundering Laws**

CTI requires all employees, agents and contractors to fully comply with U.S. anti-boycott laws, U.S. embargo sanctions, U.S. export control restrictions, and U.S. anti-money laundering laws.

Under anti-boycott laws, it is illegal to cooperate in any boycott of any foreign country or person if the boycott is not sanctioned by U.S. law. U.S. anti-boycott laws prohibit refusing to do business with the target of any such boycott, or any blacklisted firms; and prohibit furnishing boycott-related information. CTI is required to report boycott-related requests to the United States Government.

The U.S. Treasury Department's Office of Foreign Assets Control prohibits U.S. companies and their foreign subsidiaries from doing business with certain countries, agencies and individuals, based on national security and policy interests. Regulations vary depending on the country and the type of transaction. Under export control restrictions, to prevent sensitive goods, technology and software from falling into the wrong hands, exports of sensitive items to certain countries and individuals may be restricted or prohibited. These restrictions and prohibitions may also apply to transfers between CTI and its foreign subsidiaries. In addition, more than 100 countries now have laws that prohibit money laundering. Money is "laundered" when it is taken from an illegal activity and run through a legal activity to conceal criminal activity associated with it, including the crimes that generate it, such as terrorism, drug trafficking or illegal tax avoidance.

Employees who have any responsibility for the importation or exportation of products, services, or funds or the transfer or disclosure of technology must be thoroughly familiar with and comply with these laws, rules and regulations. CTI employees, agents and contractors should report all requests for boycott support or boycott-related information to CTI Legal Counsel. CTI employees, agents and contractors should seek advice regarding any sensitive political issue in countries where CTI is doing or considering doing business. CTI employees, agents and contractors may not knowingly accept funds that are derived from money-laundering sources or activities. CTI employees, agents and contractors may not

violate anti-boycott laws, U.S. government embargos, export control restrictions or prohibitions, or anti-money laundering laws. Any questions regarding whether an agreement, contract or business transaction may violate these laws, rules or regulations should be directed to CTI Legal Counsel.

## 4. CORPORATE INTEGRITY

### 4.1. Gifts

Under no circumstances may CTI employees, agents, or contractors solicit, offer, or accept any offer, payment, promise to pay, or authorization to pay any money, gifts, or anything of value (including meals or entertainment) from customers, suppliers, vendors, consultants, etc. (“Suppliers”) that could be perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, or any fraudulent act.

**Gifts may not be offered or given to government officials or government employees. This may include doctors employed by public institutions, such as government owned hospitals or clinics.**

**Typically, gifts may not be offered or given to Health Care Professionals (HCP) or potential prescribers of CTI products. However, some countries may allow nominal items to be provided to HCPs or potential prescribers. Any item provided to HCPs or potential prescribers must comply with the local, national, and regional laws and regulations. If allowed, items provided to HCPs or potential prescribers must not exceed \$25USD in value. Please consult the regional CTI Code of Business Conduct on HCP Interactions for further details regarding gifts to HCPs.**

Any gifts allowed under these policies should always be business appropriate, appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety. The nature and cost must always be accurately recorded in CTI’s books and records.

In giving gifts to Suppliers (not including HCPs), the local value of a gift should not exceed \$100USD.

Useful tests for determining a gift’s appropriateness are: 1) the gift would not create embarrassment or obligation for the giver or receiver; and 2) the action of giving or receiving the gift could not stand up to public scrutiny.

Gifts received by CTI or any CTI employee from Suppliers should always be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety.

In receiving gifts, you must ask yourself whether one purpose of the gift is intended to influence, or appear to influence, business decisions and would thereby compromise your ability to act in the best interests of CTI.

It may be acceptable to receive an occasional gift; however, it must not exceed \$100USD in value.

Questions regarding whether a particular payment or gift violates this policy and reports of offers or receipt of such gifts are to be directed to the Compliance Officer, EC, or CTI Legal Counsel.

#### **4.2. Confidential Information**

Confidential information is defined as information or technical data that gives us a competitive edge in the marketplace. Confidential information is a valuable asset and is important to our competitive success, and if released without authorization, could harm CTI and give an unfair advantage to our competitors. While it's easiest to understand the need to keep technical data confidential, you are also responsible for keeping salaries and general personnel information confidential. Furthermore, we often receive medical information concerning individually-identifiable patients and must maintain the privacy and confidentiality of that information to the extent legally required.

Examples of CTI's confidential information include, but are not limited to, products, processes, chemical compounds, formulae, biological materials, computer programs, manuals, patent documents, trade secrets, customers, suppliers, individually-identifiable patient research information, marketing information, employee and organizational lists, payroll records, business, scientific, technical, and financial information. All confidential information must be used for CTI business purposes only, and treated as confidential except when disclosure is authorized or legally mandated.

All materials that contain CTI confidential information, including presentations, must be reviewed and approved by the Legal Affairs Department prior to publication or use. Furthermore, any publication or public statement made by an employee that might be perceived or construed as attributable to CTI, and which is made outside the scope of his or her employment with CTI, must be reviewed and approved in writing in advance by Corporate Communications and the Legal Affairs Department and must include CTI's standard disclaimer that the publication or statement represents the views of the specific author and not of CTI.

#### **Third Party Requests**

CTI confidential information may be disclosed to potential business partners. However, such disclosure should never be done without carefully considering its potential benefits and risks. If you determine in consultation with your manager and other appropriate management that disclosure of confidential information is necessary, you must then contact the Legal Affairs Department to ensure that an appropriate written nondisclosure agreement is signed prior to the disclosure. CTI has standard nondisclosure agreements suitable for most disclosures. You must not sign a third party's nondisclosure agreement or accept changes to CTI's

standard nondisclosure agreements without review and approval by CTI's Legal Affairs Department.

Once a third party's confidential information has been disclosed to CTI, we have an obligation to abide by the terms of the relevant nondisclosure agreement and limit its use to the specific purpose for which it was disclosed and to disseminate the information only to other employees with a need to know. Every CTI employee, agent and contractor involved in a potential business relationship with a third party must understand and strictly observe the restrictions on the use and handling of confidential information. When in doubt, consult the Legal Affairs Department.

### **Regulatory Authority Requests**

CTI and its employees, agents, and contractors must cooperate with appropriate government inquiries and investigations. In this context, however, it is important to protect the legal rights of CTI with respect to its confidential information. All government requests for information, documents or investigative interviews must be referred to the Department Head responsible for the information and then to CTI's Legal Affairs Department. No non-public financial information may be disclosed without the prior approval of the CFO.

Every employee, agent, and contractor must safeguard confidential information. This responsibility includes not disclosing CTI's confidential information over the Internet. You should not discuss company matters or respond to messages about company matters in internet chat rooms. Only authorized persons may respond on behalf of CTI. For further information, see CTI Corporate Policy, Electronic and Social Media Policy.

The obligation to treat information as confidential does not end when you leave CTI. Upon termination of your services, you must return everything that belongs to CTI, including all documents and other materials containing company and customer confidential information.

You should never attempt to obtain a competitor's confidential information by improper or unlawful means. While the Company may, and does, employ former employees of competitors, we recognize and respect the obligations of those employees not to use or disclose the confidential information of their former employers.

### **4.3. Employee Invention and Proprietary Information**

As a condition of employment, all employees are required to sign an agreement which covers your responsibilities and obligations regarding "Confidential Information, Notice of Other Commitment, Inventions/Intellectual Property & Competing Activities." When you sign it, you agree to notify CTI promptly in writing of "every invention made or conceived during employment at CTI." Under this agreement, you may not disclose CTI's confidential information to anyone or use it to benefit anyone other than CTI without the prior written consent of an authorized CTI officer.

This agreement remains in effect for as long as you work for CTI and after you leave.

As provided in the Employee Invention & Proprietary Information Agreement, CTI employees are obligated to assign to CTI all inventions made or conceived in the course of their employment at CTI. Moreover, each employee associated with a patent application must cooperate with the preparation and prosecution of such patent applications. This obligation continues even after termination of employment at CTI.

#### **4.4. Corporate Records**

CTI's policy for retention of records is outlined in the corporate Records Management Policy. Contact CTI's Legal Affairs or Human Resources Department for more information or to obtain a copy of this policy.

#### **4.5. Conflicts of Interest**

Each of us has responsibilities to CTI, to our shareholders and to each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that we avoid situations where a conflict of interest might occur or appear to occur. CTI is subject to scrutiny from many different individuals and organizations. We should always strive to avoid even the appearance of impropriety.

What constitutes conflict of interest? A conflict of interest exists where the interests or benefits of one person or entity may conflict with the interests or benefits of CTI. We expect you to avoid situations that might cause personal interests to conflict with the interests of our organization or to compromise our reputation or integrity. A conflict of interest, or the appearance of one, may occur when an employee, or a member of their immediate family, uses their position with us for personal benefit through an investment, association, business relationship, or other action that interferes with their ability to exercise independent judgment on our behalf. An example would be having a financial interest in, or moonlighting for, any organization that is a customer, supplier, or competitor of CTI.

#### **Employment/Outside Employment**

Full time employees are discouraged from accepting second jobs, whether self-employed or otherwise. Employees holding or considering second jobs must obtain permission from their supervisor and Human Resource Development in order to ensure that the job will not create a conflict of interest or interfere with the proper performance of the employee's duties.

Furthermore, you must not use CTI time or resources in such second job. Additionally, you must disclose to CTI any interest that you have that may conflict with CTI's business. If you have any questions on this requirement, you should contact your Department Head or CTI Legal Counsel.

## **Outside Directorships**

It is a conflict of interest to serve as a director of any company or organization that competes with or is in conflict with the interests of CTI. Although you may serve as a director of a supplier, customer, developer, other business partner, or non-competing pharmaceutical or biotech company, our policy requires that you first obtain approval from CTI's Executive Committee (EC) before accepting a directorship. Members of the EC must obtain approval from CTI's Board of Directors. Any compensation you receive should be commensurate to your responsibilities. CTI approval may be conditioned upon the completion of specified actions.

## **Business Interests**

If you are considering investing in a customer, supplier, developer or competitor, you must first take great care to ensure that these investments do not compromise your responsibilities to CTI. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; your ability to influence CTI's decisions; your access to confidential information of CTI or of the other company; and the nature of the relationship between CTI and the other company.

## **Related Parties**

As a general rule, you should avoid conducting CTI business with a relative or significant other, or with a business in which a relative or significant other is associated in any significant role. If such a related party transaction is unavoidable, you must fully disclose the nature of the related party transaction to our CFO. If determined to be material to CTI by the CFO, CTI's Audit Committee must review and approve in writing in advance such related party transactions. Related party transactions involving CTI's directors or executive officers must be reviewed and approved in writing in advance by CTI's Board of Directors. CTI must report all such material related party transactions under applicable accounting rules, Federal securities laws, SEC rules and regulations, and securities market rules. Any dealings with a related party must be conducted in such a way that no preferential treatment is given.

## **Other Situations**

Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts in your mind you should consult the Legal Affairs Department.

### **4.6. Corporate Assets**

Protecting our assets is a key fiduciary responsibility of every employee, agent and contractor. Care should be taken to ensure that assets are not misappropriated, loaned to others, or sold or donated, without appropriate authorization. All employees, agents and contractors are responsible for

the proper use of CTI assets, and must safeguard such assets against loss, damage, misuse or theft.

### **CTI Funds**

Every CTI employee is personally responsible for all CTI funds over which he or she exercises control. CTI agents and contractors should not be allowed to exercise control over CTI funds. CTI funds must be used only for CTI business purposes. Every CTI employee, agent and contractor must take reasonable steps to ensure that CTI receives good value for CTI funds spent, and must maintain accurate and timely records of each and every expenditure. Expense reports must be accurate and submitted in a timely manner. CTI employees, agents and contractors must not use CTI funds for any personal purpose.

Any misuse or misappropriation of corporate funds, information, equipment, facilities or other assets may be considered criminal behavior and can bring severe consequences, including but not limited to termination of employment and other legal remedies. Expenses may not be charged to the company unless they are for CTI business purposes.

### **Computers and Other Equipment**

CTI strives to furnish employees with the equipment necessary to efficiently and effectively do their jobs. You must care for that equipment and use it responsibly. If you use CTI equipment at your home or off site, take precautions to protect it from theft or damage, just as if it were your own. If CTI no longer employs you, you must immediately return all CTI equipment. While computers and other electronic devices are made accessible to employees to assist them in performing their jobs and to promote CTI's interests, such equipment must remain fully accessible to CTI and, to the maximum extent permitted by law, will remain the sole and exclusive property of CTI.

All data and programs on CTI-owned computing equipment, wherever located, are the property of CTI and are subject to other Company policies regarding confidentiality and treatment of proprietary data. This includes data, memos, graphs, e-mail messages and any other data process or electronic media produced and/or stored on the Company's systems and programs used to process the data.

For further information, please see CTI Corporate Policy, Electronic and Social Media Policy.

#### **4.7. Corporate Communications – Media & Investor Inquiries**

As a public company, it is important that CTI provides consistent communications to external audiences, including the media (newspapers, TV stations, bloggers, etc.) and members of the financial community. From time to time you may receive inquiries from the media or investors. To ensure that CTI maintains the appropriate public image and that communications to the media and investors are accurate and in line with applicable company and regulatory policy, if you are contacted by the



media or investors, you should refer the individual making the inquiry to CTI's Corporate Communications Department. CTI has designated its CEO, CFO, and the Head of Corporate Communications as official spokespeople for CTI. These designees are the only people who are authorized to make statements to the press on behalf of CTI, unless otherwise designated by the SVP of Corporate Communications.

## **5. PEOPLE**

### **5.1. Diversity**

CTI believes that all persons are entitled to equal employment opportunities and does not discriminate against its employees or applicants because of race, color, religion, sex, national origin, citizenship, sexual orientation, veteran status, age, physical or mental disability, or any other consideration made unlawful by applicable federal, state or local laws.

### **5.2. Harassment**

CTI has adopted a policy of "zero-tolerance" with respect to unlawful employee harassment. In this connection, CTI expressly prohibits any form of unlawful employee harassment based on race, color, religion, sex, national origin, age, disability, status as a Vietnam-era or special disabled veteran, or status in any group protected by state or local law. Harassment can also include verbal, nonverbal or physical abuse. Something that is considered harmless by one individual may be perceived as harassment by another. You are expected to conduct yourself in a manner appropriate to the workplace, to keep all work environments free of harassment, and to conduct relationships with appropriate behavior and integrity.

If workplace harassment does occur, you should report incidents as soon as possible to management, a human resources representative or the Legal Affairs Department.

### **5.3. Employee Relations Philosophy and Open Door Policy**

We believe that your creativity, dedication, and success are integral to the company's success as a whole. A major contributor to creativity and dedication is an environment that values and strives for the following attributes in its managers and employees:

- Clear and timely communication
- Safe and healthy working conditions
- Recognition and respect for the individual employee
- Commitment to working together as a cohesive team
- Challenging work and opportunities for growth
- Individual responsibility, initiative and integrity

- Consistent personnel policies and procedures
- Processes for resolving issues and problems
- Employee activities which provide an outlet for our recreational, cultural and social needs

We all play a crucial role in the implementation of each of these activities. You are responsible for supporting open communication and safe and healthy working conditions; raising problems for appropriate resolution; defining opportunities for creativity and productivity; respecting the individual rights and privacy of others; working effectively with other team members; and using individual accountability and initiative in performing all aspects of your work.

We strongly support an Open Door approach at all levels of the company because we understand that effective communication is an essential ingredient of teamwork. What this means is that, while we always encourage you to be proactive in discussing ideas and resolving issues or concerns you may have with your manager or supervisor first, any member of the executive staff, including the President, is available to you should the need arise. We are interested in your success and happiness with us and welcome the opportunity to help you when feasible.

#### **5.4. Employee Privacy**

CTI respects every employee's right to confidentiality of certain employment records, including certain health information, as well as the privacy of personal activities outside of business hours. CTI collects and maintains personal information that relates to each employee, including medical and benefit information. Special care is taken to limit access to personal information to company personnel with a need to know such information for a legitimate purpose. Employees who are responsible for maintaining personal information and those who are provided access to such information must not disclose private information in violation of applicable law or in violation of CTI's policies.

## **6. QUALITY POLICY**

All employees are expected to know, understand and comply with their business unit's applicable quality policies and procedures. Employees are also obligated to raise any questions or concerns regarding quality issues with appropriate managers.

## **7. CODE/ETHICS VIOLATIONS**

This Code cannot provide definitive answers to all questions. If you have any questions regarding any of the policies discussed in this Code or if you are in doubt about the best course of action in a particular situation, you should seek guidance from your supervisor, higher levels of management, human resources, CTI's Legal

Affairs Department, the Compliance Officer, or other resources identified in this Code.

## **7.1. Disclosure Program**

It is the corporate policy of CTI (along with its subsidiaries, the “Company”) to encourage its employees to bring to the attention of management any knowledge of an illegal or unethical activity. Any employee, who has witnessed or has knowledge of an illegal or unethical activity, should report the matter to their Supervisor. If approaching the supervisor is uncomfortable, or if the response is unsatisfactory, you should consult higher management, human resources personnel, CTI’s Legal Affairs Department or the Compliance Officer.

If you prefer, compliance questions or reports about potential violations may be directed to CTI’s toll-free hotline: **(844) 560-7963**. You may choose to remain anonymous when reporting a potential violation; however, anonymity may make the investigation and resolution more difficult.

All information given on the hotline will be treated confidentially to the extent reasonably possible.

### For European Employees

Due to data protection regulations in Europe, the types of matters that the compliance hotline may process are limited to these matters:

- Matters relating to serious risks to the company in the fields of anti-corruption or bribery
- Matters related to conflict of interest, disclosure of company or client confidential information, serious risks to the company’s information system

European employees should address other concerns to their local resources including their local manager or human resources department.

### **Non-Retaliation**

The Company strictly prohibits any harassment, discrimination or retaliation against any employee who submits a report under this policy, based on the employee’s reasonable belief that a reportable event has occurred. The Company also strictly prohibits any harassment, discrimination or retaliation against any employee who participates in an investigation of any such report.

If an employee believes that he or she has been subjected to any harassment, discrimination or retaliation for having submitted a report or participating in an investigation relating to a report, the employee should immediately report the concern to human resources personnel, an EVP, or CTI’s Legal Affairs Department.

## **Investigations**

All concerns or complaints reported under this policy will be promptly and thoroughly investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law.

The company expects you to fully cooperate in any investigation of an alleged violation. It is imperative that reporting persons not conduct their own preliminary investigations.

### **7.2. Whistleblower Policy for Financial Reporting**

It is the corporate policy of CTI (along with its subsidiaries, the “Company”) to encourage its employees to bring to the attention of management any complaints regarding the integrity of the Company’s internal financial controls or the accuracy or completeness of financial or other information used in or related to the Company’s financial statements. As a result, if any employee should have concerns about questionable accounting or auditing matters or believes that the Company is reporting erroneous financial or other information to the Company’s shareholders, the government or the financial markets, those concerns should be reported immediately in accordance with the procedures explained in this policy.

All concerns or complaints reported under this policy will be promptly and thoroughly investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law.

Any employee reporting concerns of this nature has a lawful right to raise these concerns without fear of harassment, discrimination or retaliation. As a result, Company employees may not be discharged, demoted, suspended, threatened, harassed or discriminated against in any manner as a result of such employee’s taking any lawful action with respect to the following:

- Raising questions concerning the fair presentation of Company financial statements;
- Providing information and otherwise assisting in investigations relating to fraud against the Company’s shareholders conducted by (A) any regulatory agency, (B) a member or committee of the United States Congress or (C) any officer or employee of the Company, any member or committee of the Board of Directors or any agent or representative acting on their behalf; or
- Filing, testifying at, participating in or otherwise assisting a proceeding filed or about to be filed relating to allegations of fraud against the Company’s shareholders.

## Reporting

Any employee who has any complaints or concerns regarding the integrity of the Company's internal financial controls or the accuracy or completeness of financial or other information used in or related to the Company's financial statements, or who observes any questionable accounting practices or any irregularities related to the Company's disclosure and reporting obligations, should immediately report such complaint, concern or observation. Any report may be made anonymously, at the option of the employee. A report should be made as follows:

- Call the CTI Financial Reporting Hotline at (866) 591-8016 toll free and on, if desired, an anonymous basis, to report a complaint under this policy.
  - Include in the report a discussion of the following items: (i) a description of the matter or irregularity, (ii) the period of time during which the employee observed the matter or irregularity, and (iii) any steps that the employee has taken to investigate the matter or irregularity, including reporting it to a supervisor and the supervisor's reaction.
  - The report may include, at the employee's option, the employee's contact information in the event that additional information is needed. As stated above, however, there is no requirement that the report identify the employee, if the employee chooses to remain anonymous.

Examples of reportable actions include, but are not limited to, any indication of fraud, misappropriation of Company resources, substantial variation in the Company's financial reporting methodology from prior practice or from generally accepted accounting principles, disclosures in reports filed with the Securities and Exchange Commission and other public disclosures that are not full, fair, accurate, timely and understandable, conduct that is not honest and ethical, conflicts of interest, potential violations of governmental rules and regulations or the Company's Code of Business Conduct and Ethics and the falsification, concealment or inappropriate destruction of corporate or financial records.

### **Harassment, Discrimination or Retaliation**

The Company strictly prohibits any harassment, discrimination or retaliation against any employee who submits a report under this policy, based on the employee's reasonable belief that a reportable event has occurred. The Company also strictly prohibits any harassment, discrimination or retaliation against any employee who participates in an investigation of any such report.

If an employee believes that he or she has been subjected to any harassment, discrimination or retaliation for having submitted a report or participating in an investigation relating to a report, the employee should

immediately report the concern to Human Resources, an EVP or CTI's Legal Affairs Department.

### **7.3. Waivers**

Any waiver of any provision of this Code of Business Conduct and Ethics for a member of CTI's Board of Directors or an executive officer must be approved in writing by CTI's Board of Directors and promptly disclosed. Any waiver of any provision of this Code of Business Conduct and Ethics with respect any other employee, agent or contractor must be approved in writing by the Compliance Officer.

### **7.4. Disciplinary Actions**

The matters covered in this Code of Business Conduct and Ethics are of the utmost importance to CTI, its shareholders and its business partners, and are essential to our ability to conduct the Company's business in accordance with its stated values. We expect all of our employees, agents and contractors to adhere to these rules in carrying out their duties for CTI.

We will take appropriate action against any employee, agent or contractor whose actions are found to violate these policies or any other CTI policy. Disciplinary actions may include dismissal from employment or termination of the business relationship at CTI's sole discretion. Where CTI has suffered a loss, it may pursue available remedies against the individuals or entities responsible. Where laws have been violated, we will cooperate fully with the appropriate authorities.

Failure to report wrongdoing of which an employee has knowledge may be, in and of itself, a basis for disciplinary action.

#### **Publication of the Policy**

The Company shall place a copy of this Policy on the Company's intranet site, which is available to all employees.