



# Code of Conduct

2013

Dear Colleagues,

At INSYS, we believe in doing the right thing – for our patients, customers, employees, communities and business partners. Our patients and customers trust the quality, efficacy and safety of our brands and our employees trust that they will be treated with fairness and respect. This trust is earned through each of our actions.

The goal of this Code of Conduct (“Code”) is to ensure that we never take ethical short cuts and that we always act honestly. Ethical conduct is not a simple declaration of principles. It’s an ongoing commitment. We are all responsible for reading this Code and ensuring that we understand and follow it. While no policy can anticipate every potential situation, our Code provides guidance for identifying issues and for making ethical decisions.

If you ever suspect a violation of this Code, you must report it. When you raise a concern in good faith, you can be confident that you will not face retaliation or retribution. If you have any questions or seek additional information, please speak to your manager, a member of the Executive Committee or our Compliance Committee.

Our future success depends on you. As we move forward, I want to thank you for your commitment to performing with integrity and to always doing the right thing.

Sincerely,

*Dr. John Kapoor*

President and Chief Executive Officer

## **Introduction to the Code**

All INSYS employees are expected to act with integrity in all of our actions and decisions. This Code forms the foundation of our ethics and compliance program and guides us in our day-to-day work. Regardless of your position, location or tenure, we must all comply with this Code. This means that whether you are an officer, director, employee or consultant, you are responsible for:

- Taking the initiative to educate yourself about the Company's policies and procedures that apply to your work
- Asking questions if you are unsure or need guidance
- Report (and never ignore) any suspected violations of this Code, the law or any Company policies ("Controlling Guidance") to your manager, a member of the executive committee or to a member of the Compliance Committee ("Compliance Management")
- Annually acknowledge and certify that you have read, understand and will comply with our Code
- Participate in any required training

To ensure compliance with all federal and state healthcare laws, INSYS has developed a compliance program that is consistent with the US Department of Health and Human Services, Office of Inspector General guidance for pharmaceutical companies. Our policies and procedures are designed to comply with FDA advertising and promotion regulations, current good clinical, manufacturing and laboratory practices. In addition to written guidelines, INSYS has also instituted audit, monitoring and training programs. The Compliance Committee is responsible for program oversight and enforcement.

All INSYS employees should lead by example and avoid even the appearance of impropriety. Regardless of your position, you should promote compliance with Controlling Guidance. If you are a manager, you have additional responsibilities to be an approachable and trusted resource for colleagues and to respond promptly to any concerns raised by colleagues.

To aid us in maintaining the highest level of compliance, INSYS encourages any vendor, partner or contractor doing business with us to report any potential violation of this Code. Anyone who violates this Code or who fails to promptly report violations of this Code will be subject to disciplinary action, up to and including termination of employment.

INSYS may modify this Code in its sole discretion with or without notice. The most current version of this Code will be posted on the company's website.

## **Compliance with Laws**

We take our commitment to complying with all laws and regulations seriously. Accordingly, all INSYS employees must comply with the letter and spirit of all applicable laws including those that relate to the development, distribution and commercialization of pharmaceutical products. It is therefore imperative that you comply with all federal health care program and FDA requirements that you are aware of all Controlling Guidance that applies to your function and that you know when to seek advice from your manager, a member of the Executive Committee or the Compliance Committee. INSYS's Compliance Committee is comprised of its legal counsel, the CEO and the heads of the Company's Medical, Sales, Marketing, Finance, Quality, Regulatory and Human Resources departments.

## **Safety and Health**

Each of us has a role to play in ensuring a healthy and safe workplace. You must therefore be aware of and comply with the Controlling Guidance that promotes workplace safety. Moreover, it is your responsibility to report any accidents, injuries, unsafe equipment or conditions. We are committed to complying with all applicable safety and health laws including US Occupational Safety and Health Act's (OSHA) standards.

INSYS is also committed to maintaining a work environment that is free from threats or acts of violence. Employees and visitors are therefore banned from possessing any weapons on INSYS's premises or during the scope of their employment or services for INSYS.

If you are aware of any safety or health issues, threats, attempted violence or acts of violence or just have a concern, please address it immediately. Failure to report a safety or health issue can expose our Company, and possibly you, to legal liability.

## **Competing Fairly**

We are regulated by many laws and regulations aimed at preventing, uncovering and punishing fraud and abuse. Whether such Controlling Guidance is designed to prevent false or fraudulent claims in federal healthcare programs (Federal Civil False Claims Act) or to ensure that healthcare providers' decisions are not influenced by personal gain (Federal Anti-Kickback statute), we do and will continue to comply with all applicable laws.

## **Marketing Truthfully**

All employees are responsible for truthfully conveying product and Company information. Accordingly, we must ensure that our marketing and promotional materials are accurate and contain a balanced discussion of the benefits and risks of our products. Furthermore, employees cannot misstate facts, create false or deceptive impressions, omit material facts or

promote a product in a manner that is inconsistent with its approved labeling. All promotional materials must comply with applicable laws. We have a committee at the corporate headquarters that reviews and approves all such materials before they are utilized externally. This committee certifies that our materials and claims are based on sound scientific and technical facts and include all required information. Accordingly, once marketing and promotional pieces are approved, you may not modify them in any way. Moreover, the marketing or promotion of INSYS products for purposes other than the FDA approved indication is prohibited.

### **Drug Samples**

If your job entails the handling of drug samples, you must comply with Company policies and Controlling Guidance including the Prescription Drug Marketing Act (PDMA) regarding the storage, handling and distribution of samples. Accurate documentation regarding the entire process is essential and you may not distribute samples in a manner that is inconsistent with Company policies or the PDMA. Along these lines, you may not sell, trade or buy samples as samples may only be distributed to licensed healthcare professionals (HCPs).

### **Interactions with Healthcare Providers**

Building trusting and ethical relationships with our customers is critical to our future success. INSYS has adopted the Pharmaceutical Research and Manufacturers of America (PhRMA) Code on Interactions with Healthcare Professionals (PhRMA Code). The goal of the PhRMA Code is to ensure that HCPs' decisions are based on their expertise and each patient's medical needs. The exchange of gifts, meals and entertainment is tightly regulated in our industry and it is therefore important that you know the rules and comply with all Controlling Guidance. Because of this scrutiny, we must accurately document all payments or other items of value provided to HCPs.

- 1. Payments** to HCPs are watched closely in our industry. We must therefore monitor all fees, payments and compensation paid for advisory, consulting or other services to avoid even the appearance of inappropriate influence. Payments for such services must therefore be pursuant to a written contract and at fair market value. Moreover, all payments in connection with Continuing Medical Education shall be made directly to the organizer without restriction on their use.
- 2. Gifts** to HCPs may occasionally be provided if they are of nominal value (less than \$100) and designed for patient or HCP education (e.g., medical books). According to the PhRMA Code, items that do not serve such educational purposes (e.g., pen, notepad) are prohibited. Permitted nominal gifts must not

have value to the HCP outside her practice and must be approved by a member of the Compliance Committee.

3. **Meals** may occasionally be provided to HCPs so long as they are modest and shared at a reasonable location that is conducive to discussing educational information. INSYS's sales employees may only offer meals in the HCP's offices.
4. **Recreation**, tickets, trips or other forms of entertainment may not be offered or provided.

We must be certain to document any and all payments or items of value provided to HCPs on INSYS's behalf. Such documents will enable us to comply with certain reporting requirements and laws.

### **Bribery and Payments to Government Officials**

INSYS employees or agents may not provide any payment or benefit to any person or entity in order to improperly influence a government official or to gain an unfair business advantage. We comply with the US Foreign Corrupt Practices Act which forbids employees of US companies from directly or indirectly giving anything of value to a non-US government official or political party in order to gain an improper business advantage. We also comply with the Federal Anti-Kickback statutes which prohibit the offer of anything to a person that is intended to influence that person to recommend or purchase a product or service that may be reimbursed by the federal government. This means that we do not offer, pay or promise any bribe, kickback or anything of value to any government official for the purpose of obtaining business or any unfair advantage. Please bear in mind that many healthcare providers are considered to be foreign officials outside the US.

### **Competing Fairly**

Although we compete aggressively, we do so fairly and honestly and in accordance with all applicable laws. These laws are designed to prohibit illegal agreements and other arrangements that restrict competition. Please be mindful that almost any agreement with a competitor can implicate US antitrust laws. Accordingly, INSYS employees are prohibited from entering agreements without the written approval of at least one member of the Executive Committee. Moreover, you should not engage in any conversations with competitors regarding pricing, costs, terms of sale or allocation of markets or customers. Sometimes, even the most benign actions or conversations can be misconstrued. Accordingly, it is best to excuse yourself or terminate the conversation if it involves the sharing of business practices. Similarly, you should not engage in discussions with suppliers

or customers that unfairly restrict trade or exclude competition from the market. INSYS seeks competitive advantages through superior performance, not through unethical business practices.

### **Importation and Exportation**

The US has laws which govern the import and export of goods and INSYS intends to comply with such laws. For example, it is illegal to trade with countries under a US embargo or to trade with certain individuals or organizations identified by the US government. Violations of these foreign trade laws may subject the Company and its employees to substantial penalties. Accordingly, if you are involved in importing or exporting, you must be aware of and comply with these requirements.

### **Product Quality and Safety**

Our continued success depends on our ability to provide quality products that make a difference in the lives of our patients.

#### **1. Adverse Events**

An adverse event is any unexpected medical reaction associated with the use of a drug. An adverse event could involve the use of a product in a healthcare professional's office, an overdose, an event occurring during drug withdrawal or any failure of expected pharmacological effect. If you become aware of any adverse events or any actual or potential safety issues related to any of our products, you must report it as soon as possible by contacting our Medical Affairs department at 1-855-978-2797 or [medicalaffairs@insysrx.com](mailto:medicalaffairs@insysrx.com).

#### **2. Product Complaints**

Product complaints include all types of product-related matters. Examples of product complaints include (i) any change in the product's appearance, (ii) non-functioning product or devices (e.g., broken or clogged spray device), (iii) labeling concerns, (iv) product tampering or (v) counterfeit product. INSYS takes all product complaints seriously and investigates all complaints. Accordingly, should you become aware of any complaints related to any of our products, you must report it as soon as possible by contacting our Medical Affairs department at 1-855-978-2797 or [medicalaffairs@insysrx.com](mailto:medicalaffairs@insysrx.com).

## Doing the Right Thing

### **Discrimination and Harassment**

The Company's diversity is a significant asset for us. It is our policy to provide equal employment opportunities and to treat applicants and employees without regard to personal characteristics such as race, color, religion, gender, sexual orientation, age, national origin, marital status, pregnancy, disability, veteran status or other characteristics protected by applicable laws. We prohibit any discrimination or harassment related to such characteristics.

INSYS values a work environment that is free of any form of harassment. *Harassment* is any form of unwanted behavior toward another that creates an intimidating, hostile or offensive work environment and can include unwelcomed sexual conduct, threats or offensive comments. Harassment is unacceptable and will not be tolerated.

### **Avoiding Conflicts of Interest**

We are committed to upholding our reputation of integrity by continuing to make objective decisions. Even the appearance of a conflict of interest can damage your reputation and that of the Company. We must therefore avoid any actual or potential conflicts of interest. A conflict of interest occurs when an individual's personal interests interfere in any way with those of the Company. To avoid conflicts of interest, please do not accept payments or gifts as a condition to doing business, conduct Company business with a family member or close friend or have a personal financial interest in a customer, supplier or competitor. Conflicts of interest may not always be clear-cut. Accordingly, please disclose any potential conflicts of interest in writing to your manager and to a member of the executive team.

### **Intellectual Property**

Protecting our intellectual property is essential to maintaining our competitive edge. Our intellectual property includes our patents, trade secrets, trademarks and copyrights. You must disclose all inventions made or conceived during your employment to the Company since they are Company property. Accordingly, during your employment and thereafter, you are expected to assist the Company, at the Company's expense, in connection with the prosecution, enforcement, defense or maintenance of its intellectual property. Moreover, you must respect and not use or misappropriate the intellectual property of others.



## **Protection of Company Property**

All employees must protect INSYS's assets. These assets include computers and other electronic equipment, credit cards, cash and other tangible and intangible assets such as confidential information, intellectual property, trade secrets, business processes, pricing and customer lists as well as other non-public Company information. Accordingly, please do not forward confidential Company information to non-INSYS individuals, do not discuss confidential information in public places where others may overhear and always enter a written confidentiality agreement before disclosing Company confidential information. The duty to protect the Company's confidential information continues after your employment ends.

During your employment, please do not reveal your network password and please be certain to immediately change your password if its confidentiality has been compromised. Similarly, you are not authorized to install unauthorized software on your computer and you are prohibited from viewing, downloading, storing or transmitting inappropriate material on your computer. The Company's IT system and other resources are for business purposes. Although you may use Company equipment for incidental personal matters, such use may not interfere with Company business and you are not guaranteed personal privacy for information sent or received over the Company communication systems. Moreover, all data contained on the Company communication systems are Company property and subject to review at any time.

## **Books and Records**

Accurate books and records are essential to the management of the Company. All Company books and records – including expense reports, time sheets, invoices, payroll, performance evaluations, etc. - must accurately reflect Company transactions.

## **Political Activity**

While INSYS encourages its employees to participate in politics, such activity must only occur in your individual capacity and not on behalf of the Company. Accordingly, you cannot use the Company's name in connection with your political activities and you cannot use Company equipment for political purposes. A personal contribution to a politician does not violate this policy.

## **Compliance Resources**

Compliance at INSYS is the responsibility of all of us. INSYS encourages any employee, customer, supplier or vendor to report to their supervisor or Company contact any situation

which they reasonably and in good faith believe may violate this Code of Conduct. In situations where you do not feel comfortable discussing a particular matter with your supervisor or Company contact, please discuss it with any Company executive, Human Resources or a member of the Compliance Committee.

You may also report an incident to the Compliance Hotline 1-855-433-9921. The Compliance Hotline is available 24 hours a day, 7 days a week, and 365 days a year and is operated by third party representatives. You may choose to remain anonymous if you wish and you can be confident that INSYS does not permit retaliation of any kind against good faith reports of potential ethical violations or for participating in an investigation. All reports will be promptly, confidentially and thoroughly investigated and employees must cooperate with these investigations.