

**CODE OF  
BUSINESS CONDUCT**

**UPSHER-SMITH**

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Advancing pharmacotherapy.  
Improving life.<sup>SM</sup>

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**UPSHER-SMITH**

*Pharmaceuticals Since 1919*

**UPSHER-SMITH LABORATORIES, INC.  
CODE OF BUSINESS CONDUCT  
EMPLOYEE ACKNOWLEDGEMENT**

I have received and commit to reading and following the requirements of Upsher-Smith's Code of Business Conduct as outlined in this booklet. I understand the requirements as they pertain to my specific job and work responsibilities and agree to comply with the Company Code of Business Conduct.

If I change jobs within the organization, I understand that it is my responsibility to review the Company Code of Business Conduct with my supervisor, to understand its impact on my new position and to comply with any additional requirements for that position.

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Employee Name (please print)

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Employee Signature

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Date

All employees must complete this written Acknowledgement, remove it from the booklet and return it to Human Resources. You may also keep a copy of the signed Acknowledgement for your files.

January 2009 Edition

**UPSHER-SMITH LABORATORIES, INC.**  
**CODE OF BUSINESS CONDUCT**  
**CONTRACTOR/CONSULTANT ACKNOWLEDGEMENT**

I have received and commit to reading and following the requirements of Upsher-Smith's Code of Business Conduct as outlined in this booklet. I understand the requirements as they pertain to my specific assignment and work responsibilities and agree to comply with the Company Code of Business Conduct.

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Company Name (please print)

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Contractor/Consultant Name (please print)

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Contractor/Consultant Signature

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Date

All Contractors/Consultants must complete this written Acknowledgement and return it to the Human Resources Department at Upsher-Smith. You may also keep a copy of the signed Acknowledgement for your files.



## *Message from the Vice Chairman and President*

Dear Upsher-Smith Colleague,

Since 1919, Upsher-Smith has been improving healthcare and the quality of life for the customers that use our products. The work we do, and the way we do that work, is very important.

Upsher-Smith has always conducted, and will continue to conduct, its activities in full compliance with all applicable federal, state and local laws and regulations. The leadership staff is committed to maintaining the highest standards in its dealings with our employees, our customers, our vendors and our community.

As employees of Upsher-Smith, we are all expected to perform our jobs with honesty and integrity and in a manner that protects the Company's reputation. We are also expected to know the laws as well as the Company policies that apply to our jobs. This Upsher-Smith Code of Business Conduct summarizes the basic principles that apply to our business and identifies resources to help answer questions or address concerns. It is important that each of you read this booklet carefully and ask questions if you do not understand any aspect of the information provided.

Finally, I ask that each employee make a personal commitment to follow the Company's Code of Business Conduct and any supporting policies or guidance documents which currently exist or may be issued in the future. It is only through your diligence and commitment that we will continue to be successful and maintain our reputation of excellence in the marketplace.

*Mark Evenstad*  
*Vice Chairman/President*

A handwritten signature in black ink that reads "Mark".

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# Reader's Guide to the Code of Business Conduct

## Introduction

At Upsher-Smith, our long-standing emphasis on quality products and high ethical standards have been keys to our success. These characteristics of our Company inspire trust and confidence on the part of the customers that purchase and use our products. Equally important, these same characteristics inspire trust and confidence on the part of all Upsher-Smith employees and create a culture that is consistent with our Corporate Values.

Upsher-Smith has developed this Code of Business Conduct to reinforce these high ethical standards. This Code is designed to help each employee understand the Company's expectations around lawful and ethical behavior and ensure that we remain compliant with the laws and regulations that apply to our business.

## Why have a Code of Business Conduct?

Upsher-Smith has always had a reputation for integrity and ethical business practices. You may be wondering, then, why is a Code of Business Conduct necessary?

The world is changing at a very rapid pace and the rules and regulations that impact our business are changing rapidly as well. Because of this complex environment, it is becoming more challenging to make the right decisions. Upsher-Smith's long-term success depends on the ability of each and every employee to make the best possible decisions when faced with difficult situations. While no document can provide information to cover every situation that an employee may encounter, this Code of Business Conduct provides general guidelines to assist your decision-making process. When used in conjunction with other Upsher-Smith policies and procedures, this Code of Business Conduct will help each employee make the best choices and act in a manner that is consistent with the law and our Corporate Values.

## Does this Code of Business Conduct apply to me?

This Code of Business Conduct applies to all Upsher-Smith employees as well as anyone (e.g., consultants, contractors) who conducts business on behalf of Upsher-Smith. If you enter into an arrangement with a third-party individual or organization that will last longer than 60 days, contact HR for a copy of the Code of Business Conduct to provide to that individual or organization. Have a representative of the outside organization sign the acknowledgement form and return it to HR.

## What are my responsibilities under the Code of Business Conduct?

Each Upsher-Smith employee is responsible for adhering to the values and standards outlined in the Company Code of Business Conduct. You are also responsible for raising questions if you are uncertain about any part of this Code, and for bringing forward any potential violations of this Code.

**Upsher-Smith strictly prohibits any form of retaliation against an employee that raises a concern or reports a violation.**

## Overview of the Code

The Upsher-Smith Code of Business Conduct was developed to serve as a reference tool for all employees of the Company. Throughout this document, you will find boxes containing answers to real-life questions that employees have raised. You will also recognize some overlap between sections and the information contained within each section. The overlap is intentional and is meant to ensure that key principles are highlighted.

Information contained within the Code of Business Conduct is not intended to provide complete coverage of all applicable regulatory and legal requirements that apply to our business.

The goal is to provide adequate awareness of many important challenges facing Upsher-Smith.

## Available Resources

Policies that exist today are referenced throughout the document. If answers are not provided by these resources, your next step is to discuss questions with your supervisor or manager. Other Company resources are also available, including the Human Resources Department and senior management staff. Alternatively, you may contact the Chief Compliance Officer or any member of the Legal Department.

A man in a dark suit and tie stands in the center of a meeting room, smiling and gesturing towards a whiteboard on the right. He is holding a pen in his left hand. In the foreground, two people are seated at a table, looking towards the presenter. The man on the left is wearing glasses and a suit, and the woman on the right is also in a suit. The whiteboard behind the presenter shows a diagram with an upward-pointing arrow and some faint lines. The entire image has a light blue tint.

# Company Vision and Values

## *Our Vision. . .*

***Upsher-Smith Laboratories, Inc. will be a leader in providing therapies that empower people suffering from central nervous system diseases to lead healthy, productive lives.***

## *Our Values. . .*

***The Corporate Values are those behaviors and characteristics identified by Upsher-Smith as contributing to our positive work environment and critical to the success of our Company.***

### ***Growth and Innovation***

#### **Problem Solving and Decision Making**

- Strives for consistency in decision making
- Reaches decisions through a logical progression of thought
- Solicits input from management or co-workers when necessary
- Looks beyond the present when making decisions
- Corrects quality issues in a timely manner

#### **Flexibility**

- Open to new ideas
- Adapts to changing priorities and environments
- Maintains focus and a positive attitude in adverse situations

#### **Continuous Learning**

- Keeps abreast of changes and demonstrates knowledge of job functions and industry
- Initiates improvement of skills that will enhance job performance through formal and informal training
- Strives to continuously improve verbal, written and listening skills

### ***Fiscal Responsibility***

#### **Resource Utilization**

- Utilizes company resources responsibly (e.g., time, materials, equipment)
- Provides suggestions for process improvements
- Maintains a clean and safe work environment

#### **Results Orientation**

- Is well organized and focuses on the highest priority first
- Demonstrates initiative and works independently
- Completes tasks in a timely manner

### ***Ethical Behavior***

#### **Integrity & Professionalism**

- Treats fellow employees and business associates with respect
- Displays commitment to the success of people and the organization
- Ensures that tasks performed are consistent with Company Policies and the Company Code of Business Conduct
- Focuses on solutions rather than blame

### ***Community***

- Acts responsibly and with the best interests of customers (internal and external) in mind
- Conveys a positive and professional image of the Company to colleagues, customers, clients and community members
- Builds trust through honest interactions with co-workers and others in the community

### ***Teamwork***

#### **Cooperation**

- Promotes an inclusive work environment that respects our diverse workforce
- Develops effective working relationships throughout the organization
- Encourages others to share ideas freely
- Puts the success of the team/department/Company ahead of personal success
- Visible and available to co-workers and staff
- Helps others overcome obstacles

#### **Accountability**

- Takes ownership for assigned work
- Critically reviews one's work prior to distributing to others to ensure correctness and quality
- Understands the relevance of one's contributions to the organization's goals
- Timely to work and meetings

### ***Communication***

#### **Respect**

- Actively listens to gain understanding and to clarify expectations
- Conveys information in a timely manner using an appropriate communication method (e.g., in-person, telephone, e-mail)
- Communicates in a clear, concise and professional manner
- Considers audience when communicating

### ***Leadership***

#### **Values**

- Leads by example through one's own performance
- Expects high standards of self and others
- Offers patience, trustworthiness and empathy to colleagues

#### **Courage**

- Takes initiative to go above and beyond basic job expectations
- Encourages and rewards informed risk-taking to achieve a recognized benefit or advantage



*Commitment to Our Employees*

## Equal Employment Opportunity (EEO)

***It is Upsher-Smith's goal to seek out individuals at all levels of the Company to assist them in reaching their full potential and in meeting job standards.***

In the spirit of this goal, Upsher-Smith treats qualified applicants and employees without regard to race, color, religion, creed, national origin, sex, sexual orientation, age, disability, veteran status, or any other legally-protected class status, and provides challenging opportunities for individual growth and advancement.

Upsher-Smith affirms its commitment to Equal Employment Opportunity in accordance with all applicable federal, state and local laws, directives and regulations. In addition, Upsher-Smith managers have direct responsibility for implementing and communicating this information to their employees. Upsher-Smith has committed the necessary time and resources to achieve our EEO goals and will periodically review the Company's performance in achieving these goals.

### **Frequently-asked Questions:**

**As a supervisor, what are my responsibilities for meeting our EEO goals?**

Upsher-Smith establishes EEO goals. As a supervisor or manager, you need to support the good faith efforts the Company is making to ensure compliance with our EEO policy as well as progress toward our goals. Your HR Representative can assist you with specific responsibilities with respect to hiring, training and promoting individuals in your area.

## Discrimination and Harassment

***Upsher-Smith is committed to creating and maintaining a work environment that is free from discrimination and harassment. A positive and productive work environment is critical to our continued success.***

At Upsher-Smith, we are expected to treat all fellow employees and business associates with respect by observing normal standards of courtesy and consideration. The Company does not tolerate harassment or discrimination in the workplace.

Some examples of unacceptable behavior include:

- racial or religious slurs/stereotyping
- intimidating or aggressive acts/words based on gender
- display in the workplace of inappropriate or offensive material
- derogatory jokes, gestures related to sex or sexual orientation
- unwelcome physical or verbal conduct of a sexual or racial nature

Upsher-Smith, as well as individual managers, may be held responsible for conduct that is considered harassment or discrimination. The Company may also be responsible for the actions of non-employees with respect to harassment. As employees of Upsher-Smith, it is important that we all take responsibility to create a positive, respectful work environment. As a Company, we are committed to providing open communication throughout the organization to resolve concerns or issues regarding discrimination and harassment. A formal Complaint Procedure has been established to assist employees in the reporting of concerns. See Human Resources for a copy of this procedure.

Employees who engage in harassment or discrimination will be subject to corrective action that may include termination. **Furthermore, retaliation of any kind will not be tolerated.**

### Frequently-asked Questions:

**A co-worker told a racially derogatory joke in the lunchroom. Many employees laughed, but I felt uncomfortable. What should I do?**

You need to let your supervisor or Human Resources know immediately. You may also tell the co-worker that you found the joke offensive.

## Employee Safety

***Upsher-Smith is committed to conducting our operations in a manner that emphasizes the personal safety of all employees. Our commitment to employee safety also extends to those individuals that travel for their job.***

The Company has established policies, procedures and programs to promote safe working conditions and support our commitment to compliance with applicable laws and regulations.

### Workplace Safety

Upsher-Smith is committed to preventing industrial accidents and providing a safe place to work. It is the responsibility of all employees to support the safety program by keeping the workplace safe, familiarizing themselves with the safety regulations that affect their work area and by taking the necessary precautions to protect themselves and their colleagues.

Employees are provided safety and accident reporting training during new hire orientation. It is expected that employees will follow all safety rules and immediately report any unsafe acts or conditions.

#### Frequently-asked Questions:

##### **Is it really necessary to report a minor accident?**

It is important to report all accidents in the workplace in a timely manner, including those that occur while on business travel. By reporting accidents, we can work to eliminate unsafe practices and conditions, identify potential hazards, and take action before further injuries occur. It is also important that each employee receives the proper care for an injury when necessary. This can only be determined by reporting the incident.

### Safety While Traveling

Upsher-Smith is committed to preventing accidents outside the workplace, as well. In particular, the use of cellular phones or other electronic devices, while driving presents significant risks and, in some states, is prohibited by law.

Employees whose job responsibilities include regular or occasional driving, and who use a cellular phone (or other device) for business, are expected to refrain from using their cellular phone (or other device) while driving. Safety must come before all other concerns. See the Upsher-Smith Driver's Handbook for further information.

If you have any questions regarding employee safety, please contact your supervisor or the Safety Department.

## Acceptance of Gifts

***It is Upsher-Smith's policy that employees will not let personal interests conflict with their duties within the Company. As a result, it is expected that all employees will decline the offer of gifts from any business associate that may influence, or be perceived to influence, business related decision-making.***

Upsher-Smith's policy is intended to permit the acceptance of gifts of a reasonable value to enable customary business practices and promote general goodwill with business partners. Reasonable value is defined as an amount not more than \$250 per event. Gifts are defined as anything of value including, but not limited to, material possessions, business meals, entertainment and services.

Gifts exceeding reasonable value should be refused with a polite explanation of the Company's policy. In situations where refusal would impair a business relationship, gifts above reasonable value may be accepted with prior approval from your functional Vice President.

Accepted gifts may also be used for the benefit of the larger organization. Please consider donating accepted gifts, such as sporting event tickets, to the corporate recognition program or sharing the gift (e.g., food basket) among departments. Please see Human Resources for more information.

If you have a potential conflict with, or a question about, the acceptance of gifts policy, please discuss with your supervisor.

### Frequently-asked Questions:

**One of our vendors is offering an all-expense paid trip to the Masters Tournament. I would really like to go. Can I accept this offer?**

No, it would not be appropriate to accept this offer. The trip would exceed reasonable value and could be perceived by others as inappropriate. You should graciously decline the offer and alert the vendor to our Company policy with respect to gifts. If refusal appears inappropriate, please review the situation with your functional Vice President.

## Conflicts of Interest

***It is Upsher-Smith's policy that employees must avoid situations in which their personal interests may conflict or appear to conflict with the interests of the Company.***

Conflicts of interest are any outside activities by an employee that create situations or appear to create situations of conflict with the Company such as outside employment, board of director positions, self-employment or consulting, or contracting with a business owned by a family member. It is the responsibility of each employee to refrain from any activity or affiliation that might be regarded as a potential or actual conflict of interest.

It is also important that employees do not make any business decisions that may be influenced by their personal interests. For example, a choice of service supplier or vendor should be made on the basis of competitive bids and not based on personal relationships.

If you think you have a potential conflict of interest, notify your supervisor immediately so that the Company can determine whether a conflict exists. You will be advised of the proper actions to take.

### **Frequently-asked Questions:**

**My sister works for our current printing vendor. Is this a conflict of interest?**

This may be a conflict of interest, depending upon your position in the Company. You should disclose the situation to your supervisor so the Company can take steps to address the situation, if necessary.

The key to addressing any potential conflict of interest is full disclosure. Often just disclosing the potential conflict may be the only action required.

A blue-tinted photograph showing a woman in a wheelchair on the right, reaching out to touch a dog on the left. A second person stands behind the dog, holding its leash. The scene is set in a room with large windows in the background. The text "Commitment to Our Community" is overlaid in the center.

*Commitment to Our Community*

## Environment

***Upsher-Smith is committed to conducting our operations in a manner that promotes the responsible use of natural resources and minimizes our impact on the environment.***

Upsher-Smith must comply with environmental laws and regulations in all locations in which we operate. The Company has established environmental practices that promote safe working conditions and protect the environment. It is essential that employees, with applicable job responsibilities, know and understand these environmental regulations and related Company practices. It is also each employee's responsibility to notify their supervisor or manager of potential environmental concerns and to share ideas for maintaining our positive environmental standing within the community.

The Company views our responsibilities regarding protecting the environment and promoting employee health and safety as interrelated. Please see the related section on Employee Safety.

## Political Activity

***Upsher-Smith encourages its employees to participate in the political process. However, as you participate in political activities, you cannot create the impression that your views or actions represent the Company. Such activities must not have any negative effect on the Company's reputation. It is also expected that employees be mindful and respectful of the diverse political views held by other individuals within the organization.***

Upsher-Smith supports participation in politics in the same manner as cultural, charitable or sporting activities. These activities demonstrate a personal commitment and expression of community interest and support. Employees may not, however, conduct personal political activity on Company time nor use Company resources for this purpose.

### **Frequently-asked Questions:**

**I am interested in running for a local office. Can I use the copier at work to make flyers?**

No. Although employees may occasionally use business equipment for personal use, this is prohibited in the case of using Company resources for political purposes.

## Charitable Activity

***Upsher-Smith believes the responsibility to improve people's lives originates within the communities in which we live and work.***

We are committed to positively impacting our communities through corporate and product contributions, patient assistance programs, and by supporting employee volunteer efforts. Specifically, Upsher-Smith provides financial support in the form of matching employee contributions to selected charitable organizations, as well as providing time off for employees to participate in volunteer activities. As an organization, we recognize the United Way as a key community resource and provide financial support to this agency throughout the year.

Upsher-Smith has a patient assistance program whereby prescription products are provided free of charge to patients experiencing financial hardships. The Company also donates products to support the efforts of charitable organizations internationally.

Upsher-Smith is dedicated to supporting and contributing to charitable activities to help people live healthier and more productive lives. We play an active role in making the community in which we do business a better place to live and work.



# Compliance with Laws

## Government Healthcare Programs

***As a pharmaceutical manufacturer, Upsher-Smith is committed to full compliance with all laws related to government healthcare programs.***

Many Upsher-Smith products are reimbursed or purchased by state and federal healthcare programs – programs that include Medicare, Medicaid, Department of Defense and Department of Veterans Affairs as well as other government-funded programs that pay for healthcare.

Upsher-Smith expects each of us to be familiar with, and comply with, the relevant state and federal healthcare program requirements applicable to our jobs. The Company also expects us to be familiar with, and comply with, all Upsher-Smith standards, policies and procedures implemented to promote compliance with all healthcare program requirements.

In the United States, healthcare law compliance seeks to:

- reduce fraud and abuse in government healthcare programs
- eliminate the improper influence of financial incentives on medical judgment
- protect patients and improve the quality of healthcare services
- reduce the cost of healthcare
- ensure the proper use of taxpayer money

Upsher-Smith is committed to full compliance with all state and federal healthcare program requirements, including the following:

### Federal Anti-kickback Statute

This law generally prohibits offering, paying, soliciting or receiving cash or other benefits to induce the purchase, order, or recommendation of products eligible for payment by a federal healthcare program. We must carefully evaluate and properly structure any arrangements with parties in a position to

prescribe, purchase or recommend government-reimbursed products, and must always avoid any arrangements that could inappropriately influence treatment or purchasing decisions.

### False Claims Laws

The False Claims Act and other statutes prohibit the submission of false claims to the government, or causing others to submit false claims. Accordingly, we must exercise care to ensure that we submit accurate claims for payment to the government.

### Price Reporting Obligations

Upsher-Smith must fulfill certain price reporting obligations in connection with government healthcare programs. These include state and federal drug rebate and reimbursement calculations. Upsher-Smith carefully evaluates and assesses the impact of price changes to accurately meet all reporting requirements.

Failure to adhere to state and federal healthcare program requirements can have a number of serious consequences, both for Upsher-Smith and for the individuals involved. The violation of legal requirements governing healthcare programs can potentially result in civil lawsuits or criminal prosecutions under a number of federal and state statutes. Any violation of these laws can subject both Upsher-Smith and individuals to administrative, civil or even criminal fines and penalties. Of course, such violations may also result in employee disciplinary action, including termination. Violation of these laws may also result in loss of business due to exclusion of Upsher-Smith from participation in government healthcare programs.

## Antitrust and Fair Competition

***Upsher-Smith is committed to fair and open competition. Employees of Upsher-Smith are expected to conduct business in compliance with all applicable laws regulating competition and must not knowingly engage in any anti-competitive activity.***

The United States Government and most state governments have enacted laws that are designed to ensure that companies market and sell their products fairly, and do not engage in business practices that benefit the Company at the expense of the consumer.

For example, when we are considering a business relationship with another company, the following agreements, whether oral or written, are illegal:

- agreements to set prices at a certain level
- agreements on any terms of a bid or whether or not to bid
- agreements to split customers or geographic territories
- agreements not to do business with one or more customers or suppliers
- agreements to limit production volume or research and development

Specifically, avoid participation in any discussions with other companies that occur at trade association or other meetings regarding these or similar types of agreements. Even the appearance of participating in such discussions can raise serious legal concerns.

Certain activities require Legal review, including, but not limited to:

- pricing products low enough to force competitors out of the market
- exclusive dealing arrangements
- arrangements to both buy and sell products to/from one company
- arrangements that require multiple products to be purchased at the same time
- agreements that offer different pricing to similar customers

Due to the complexity of the laws in this area, the Legal Department must be consulted prior to entering business negotiations with a competitor of Upsher-Smith.

## **Frequently-asked Questions:**

### **What should I do if I am attending a trade association meeting and hear several members discussing confidential pricing strategy?**

Do not participate in the conversation. Immediately excuse yourself from the meeting and promptly notify the Legal Department. Discussions of this nature, especially among competitor companies, may be viewed as price-fixing and can lead to jail sentences, fines and other severe consequences.

### **A friend works for another pharmaceutical company and, at a social dinner, asks whether I would recommend a particular supplier that Upsher-Smith uses. What should I say?**

Politely tell your friend that you are unable to discuss information about Upsher-Smith's suppliers, distributors or customers. Sharing such information may be viewed as an antitrust violation because you may be influencing the competitor to deal with certain companies. Employees need to be aware of the fact that improper communications can occur in many forums, whether inside or outside the office, whether written, oral or electronic, and whether in a business or social setting.

## Ethical Product Promotion

***Upsher-Smith is committed to ensuring all sales and marketing practices are ethical, legal and designed to meet the needs of our customers. The focus for product promotion is to ensure patients have access to Company products and that our products are used appropriately to achieve optimal patient benefit.***

Upsher-Smith is committed to fair competition, which includes abiding by all laws that apply to our marketing programs. Employees are prohibited from using unfair methods of competition and from generating false or misleading advertising or any other form of misrepresentation connected with selling Company products.

### Product Promotion

The medical community and the general public depend on the quality of our products, and on the quality of the information we are providing regarding the use of our products. Information we provide must be useful, accurate, supported by scientific evidence where relevant, and presented honestly, fairly and by proper means. Promotional communications that include a description of uses or dosage recommendations must also include (unless otherwise required by law or regulation) a summary of side effects, precautions, warnings and contraindications, as well as effectiveness for the described indicated uses.

Product promotion and communications must be consistent with the FDA-approved labeling and indications. Prior to distribution, product promotion and marketing materials for prescription drugs must be approved through the appropriate Legal and Regulatory Affairs process.

### Sales Presentations

Written and oral communication from sales representatives regarding the use of our products is considered product labeling, therefore representatives should only provide the materials and language that have been approved by Legal and Regulatory Affairs. Under no circumstances should representatives create or distribute promotional materials or sales presentations that have not been approved by Legal and Regulatory Affairs.

While promoting Company products, sales representatives will often be asked to respond to customer inquiries regarding the use of Upsher-Smith products, or may be made aware of safety or quality issues that affect Company products. If a sales representative is unsure of the appropriate response to a customer question, or if the representative is made aware of an issue that may affect the safety or quality of a Company product, they should promptly forward the inquiry or information to Medical Affairs and their immediate supervisor or manager.

### Prescription Drug Sampling

Regarding the sampling of Company products, Upsher-Smith representatives must follow Company policy, the requirements established by the Prescription Drug Marketing Act (PDMA) and all other applicable laws and regulations.

## Ethical Customer Interactions

***In interacting with the medical community, Upsher-Smith is committed to following the highest ethical standards as well as legal requirements. This Code of Business Conduct reinforces our intention that all interactions with healthcare professionals are to benefit patients and to enhance the practice of medicine.***

### Code of Conduct

Upsher-Smith has adopted the PhRMA (Pharmaceutical Research and Manufacturers of America) Code of Conduct as our policy for ensuring our sales and marketing activities meet the highest ethical standards. The PhRMA Code of Conduct, along with state and federal laws, will guide our behavior and customer interactions as they relate to product presentations, dinner programs, lunch and learns, Continuing Medical Education (CME) programs, professional meetings and other related activities.

### Gifts and Payments

Upsher-Smith prohibits gifts to healthcare professionals as part of product promotion except under the following condition: occasional modest value items (\$100 or less) may be provided if such items are intended for the education of patients or healthcare professionals. Educational items can have no independent value outside a healthcare professional's practice (e.g., a thumb-drive, even with educational content loaded on it, is not permissible).

Many states also regulate the value of gifts that may be provided to a healthcare professional. Upsher-Smith sales representatives are expected to be familiar with the pharmaceutical marketing laws that apply in the states in which they make sales calls. The description and the purpose of educational items should be documented, approved and properly coded on the employee's expense report and, if necessary for the particular state, the Upsher-Smith Discretionary Spend Report.

The following gifts to healthcare professionals are always prohibited:

- items that are not educational (e.g., pens, notepads, stethoscopes) or which have value outside the healthcare professional's practice
- cash or cash equivalents (e.g., gift cards)
- gifts to government institution employees (e.g., VA physicians)

### Continuing Medical Education

Participation in CME programs should comply with local laws and industry guidelines and regulations. Financial support should be directed to the conference sponsor and should not be given directly to a healthcare professional. Medical Affairs will provide funding support and final approval for participation in CME programs.

## Meetings, Meals and Entertainment

The focus of customer meetings should be educational or scientific. In conjunction with these presentations, entertainment or recreation is prohibited. Upsher-Smith sales representatives may provide modest meals to healthcare professionals in connection with the exchange of educational information, but these meals must be provided in the healthcare professional's office or in a hospital setting. Meals provided outside of a healthcare professional's office may not be hosted by USL sales representatives or their immediate managers. All meals must be modest by local standards and occur in a venue conducive for the exchange of educational information. Attendees at these events must be documented to allow for appropriate government reporting.

## Key Opinion Leaders, Advisory Boards, Speaker Programs

Upsher-Smith may utilize healthcare professionals to assist in the marketing of our products. These healthcare professionals are identified as key opinion leaders in a particular therapeutic area and may be asked to publish or to participate on advisory boards or speaker bureaus on behalf of Upsher-Smith and our products. However, the use of healthcare professionals in this fashion is highly regulated. Departments designated to identify and interact with healthcare professionals in this capacity are responsible for working with the Legal Department to ensure that healthcare professionals are properly retained and compensated.

### Frequently-asked Questions:

**A doctor that I detail would be a great advocate for one of our products. I would like to propose that this doctor be retained as a speaker and be paid a fee for that service. Can I set this up with the doctor?**

Identifying doctors you believe would be interested in speaking on behalf of our products is very helpful. At the same time, the use of doctors as speakers is a highly regulated area. As a result, it is not appropriate for you to commit to use the doctor as a speaker, nor is it appropriate to speak with the doctor about being paid for such services. If you believe that a particular doctor would be an excellent advocate for an Upsher-Smith product, forward the doctor's contact information to the Marketing Department. The Marketing Department will assess the need for the doctor's services, and take the proper steps to retain the doctor, including establishing fair market value fees for the doctor's services.

## Insider Information

***Upsher-Smith employees must not use Insider Information (defined below) about the Company, its suppliers, business partners or its customers, obtained as a result of their employment, for personal gain.***

It is illegal and against Company policy to use Insider Information gained through one's employment to buy or sell stock in any company. Although Upsher-Smith is a privately-held company whose stock is not publicly traded, we conduct business with many suppliers, partners and customers whose stock is publicly traded. Trading on Insider Information may lead to civil and criminal penalties.

- In addition to this general prohibition, Upsher-Smith may impose further restrictions on employee transactions in securities of specific business partners of Upsher-Smith and certain other companies in our industry that are publicly traded. If a restriction is in effect for a specific company, Upsher-Smith employees will be prohibited from engaging in securities transactions (such as buying, selling, gift transfers and option/short sales) of the particular company without the prior written consent of Upsher-Smith's general counsel or chief financial officer. From time to time, Upsher-Smith may give written notice of the particular companies affected by these restrictions. The restrictions will remain in effect until further notice.

Upsher-Smith employees are also prohibited from "tipping" or passing on Insider Information to others such as family and friends who could use this information for personal gain. Employees are responsible for compliance with these policies by their spouse and other immediate family members.

### Insider Information Defined

"Insider Information" is any material, non-public information that an investor would consider relevant and important in deciding whether to buy or sell a company's stock or other security.

Examples of Insider Information include:

- financial estimates such as corporate earnings or forecasted sales
- potential mergers, acquisitions, divestitures or joint ventures
- product development initiatives
- regulatory issues and litigation matters

### Frequently-asked Questions:

**I am working on a product development initiative involving a third-party development partner. Through my interactions with this company, I have learned of a promising new product that they are developing. This new product has not been announced to the marketplace. I would like to buy stock in this firm. Is this appropriate?**

No. If you possess Insider Information about any company, you may not trade in its securities. In addition, the same restrictions apply to immediate family members and friends.

## Accuracy and Integrity of Company Records

***Upsher-Smith employees are expected to record and report data and information accurately and honestly at all times.***

Decisions are made every day in the Company based on information generated by its employees. Accurate information helps ensure that we are making the best possible business decisions and that we are providing fair and honest statements to external organizations. Compromises to the accuracy of Company records can have serious negative consequences for the Company.

It is the duty of every employee to ensure that the Company's records are prepared accurately and completely. If you are reviewing reports of any kind, only sign off on the information after you perform a thorough review to determine accuracy and completeness.

### Financial Records

All accounting and other financial records must accurately reflect the true nature of the transactions they represent. All financial statements will be prepared in accordance with generally accepted accounting principles and Company policy. No payment of Company funds will be made without adequate supporting documentation.

### Company Records Defined

Examples of Company records include:

- research and analytical records and notes
- clinical trial records
- manufacturing and quality records
- sales orders
- accounting entries
- purchase orders and invoices
- employee and payroll records (e.g., time sheets, PTO forms)
- expense reports

Company records can exist in any number of formats including paper, voice mail and electronic media (email, computer files, etc).

### Frequently-asked Questions:

**At the end of the year, there is money still left in our budget. Is it acceptable to pre-pay for next year's activities using this year's budget?**

No, activities must be charged to the budget in the year that the activities occur.

**I discover that my co-worker is being reimbursed for personal expenses. What should I do?**

Report the activity immediately to your supervisor or the Chief Compliance Officer.

## Records Management

***It is important for every employee of Upsher-Smith to familiarize themselves with the Company Record Retention Policy and Records Management Schedule. Employees are expected to maintain records as required by law and Company policy. Employees are also expected to retain any records related to litigation or an ongoing investigation and are not to destroy these records until instructed to do so by the appropriate Company authority.***

Managing records and information is critical to the work that we do at Upsher-Smith. Records are generated daily that contain information essential to the business and these records need to be appropriately maintained and protected.

In order to ensure that Company records are managed properly, the following guidelines should be followed:

- 1. Determine the specific record-keeping requirements for documents in your area.** There are a variety of laws which dictate specific record-keeping requirements. It is important that you become familiar with the laws and requirements that govern your area. Please refer to the Records Management Schedule for your department to determine the retention period for your records.
- 2. Maintain accurate records.**
- 3. Retain records related to any litigation or ongoing investigation.** The Legal Department will provide information related to legal proceedings impacting the Company through the issuance of a Litigation Hold Directive. This information will include record retention requirements related to these proceedings. All Upsher-Smith employees are expected to comply with the record retention requirements specified in a Litigation Hold Directive. No records, including electronic records, should be altered, deleted or destroyed that are identified in the current Litigation Hold Directive.
- 4. Know and comply with Upsher-Smith's Record Retention Policy and any other policies or procedures that specify the retention of documents.** Prior to destroying or disposing of any documents, consult with your supervisor if you are unclear as to the retention requirements for the documents in question.
- 5. Centralize document retention in an effort to minimize the number of copies of the same record.** Documents provided electronically should not be printed in hard copy unless absolutely necessary.
- 6. Dispose of Company records in designated containers.** All confidential records of the Company must be placed into appropriate containers for destruction and disposal. At no time should Company records be placed into regular trash receptacles.

### **Frequently-asked Questions:**

#### **I inadvertently deleted a document identified in a Litigation Hold Directive. What should I do?**

It is recognized that inadvertent deletions of documents can occasionally occur. Notify the Legal Department immediately.

#### **I have paper and electronic documents that I no longer need. These documents are subject to a Litigation Hold Directive but I know that other people have the same documents. Can I delete or shred these documents?**

No. It is important that you are familiar with the current Litigation Hold Directive prior to deleting or destroying documents. All paper and electronic documents that are subject to a Litigation Hold Directive must be protected from destruction, regardless of the fact that copies of the documents may exist in other people's files. If you have questions about how to handle paper or electronic documents that are subject to a Litigation Hold Directive, contact the Legal Department for the options available to you.

A close-up photograph of a hand typing on a laptop keyboard. The image is heavily overlaid with a semi-transparent blue color, creating a monochromatic effect. The hand is positioned on the left side of the frame, with fingers resting on the keys. The laptop screen is visible in the upper right corner, displaying some text that is mostly obscured by the blue overlay. The overall composition is clean and professional, suitable for a business or educational presentation.

# Use of Company Resources

## Protection and Management of Company Resources

***Upsher-Smith trusts each employee to manage Company resources appropriately. As employees of Upsher-Smith, we are all expected to protect the Company's assets from loss, damage, misuse, theft or destruction. Upsher-Smith expects that all Company assets will be used for legitimate business purposes and not for the personal gain of the employee.***

Company resources include not only physical assets such as materials, supplies and equipment, but also confidential information such as intellectual property. The disclosure of confidential information regarding Company business, whether intentional or accidental, can severely damage the competitive position of Upsher-Smith. It is against Company policy to disclose confidential Company information without a proper business purpose and management authorization. If there is any question whether to disclose confidential Company information, please consult with your supervisor or the Legal Department.

With respect to the use of Company-provided computer and communication resources, employees are expected to properly maintain all Company equipment assigned to them. For example, employees are responsible for making sure that their computers are secure from unauthorized access and are physically secure when travelling on business. Please consult specific Information Technology (IT) policies for current guidelines.

It is also Company policy to respect confidential information entrusted to the Company by our business partners. Improperly obtaining or disclosing the confidential information of others is not permitted.

### What is Confidential Information?

Confidential information includes all non-public information in Upsher-Smith's possession, whether developed internally or externally, that might be of use to competitors, or harmful to the competitive position of the Company if disclosed.

Examples include:

- discoveries, inventions, improvements, innovations and trade secrets
- methods, processes, practices and techniques
- formulae, compounds and compositions
- research, clinical and pharmacological data
- regulatory filings and anticipated approval data
- marketing and sales information, including customer lists
- financial, pricing and accounting data
- results of regulatory inspections and audits
- business plans
- potential business deals

Confidential information may also include information that suppliers, customers, licensors or joint-venture partners entrusted to the Company.

### Guidelines for Handling Confidential Information

- safeguard all confidential information by marking the information “Confidential” and limiting access to those who have a need to know in order to do their jobs
- be careful not to discuss confidential information in areas where you may be overheard, including public areas such as airports, airplanes, restaurants, elevators and restrooms
- utilize password protection on computer files and secure information in locked files and cabinets
- secure laptop computers while traveling, and use discretion when talking on speakerphone or cellular phones

Employees must immediately inform their supervisor or the Legal Department of any incident that may compromise the confidentiality of sensitive information (disappearance of documents, unusual requests for information, etc.).

In addition, Upsher-Smith employees must abide by any lawful obligations that they have to their former employer, including restrictions on the use and disclosure of that employer’s confidential information.

All employees of the Company are required to sign a Confidentiality and Inventions Agreement as a condition of employment. A copy of the agreement you signed may be obtained through the Human Resources Department.

### Frequently-asked Questions:

**An employee from another pharmaceutical company offers to sell me confidential product information. What should I do?**

Respectfully decline the opportunity and contact the Chief Compliance Officer immediately.

**My position requires frequent travel and, as a result, I have a Company-provided American Express credit card. As the credit card is in my own name, can I use this card for personal expenses if I pay back the Company on a timely basis?**

While the corporate credit card is in your name, the card is provided to you for use only on business-related expenses. It is against Upsher-Smith’s policy to use a Company-provided credit card for personal expenses.

## Electronic Media Usage and Data Privacy

***Upsher-Smith is committed to the promotion of business efficiencies through the proper use of its technological resources. As employees of Upsher-Smith, we are all expected to use good judgment and common sense when utilizing Upsher-Smith technology for business purposes. Upsher-Smith is also committed to ensuring that the privacy of its employee, customer and business partner data remains free from improper disclosure.***

### Electronic Media Usage

It is essential that Upsher-Smith carefully manage employees' use of electronic communications to ensure that computer systems are available for business purposes, that the systems are operated in a cost-effective manner, that the Company's reputation is protected and that we are not subject to increased legal risk.

It is up to all employees to utilize common sense and good judgment when using Company technology. Personal use of Upsher-Smith resources is acceptable provided it is infrequent, of small volume and otherwise does not interfere with work productivity. Excessive use of the internet for personal matters is considered a violation of the Code and will result in appropriate disciplinary actions.

Certain types of uses of the Internet and e-mail system are forbidden at all times by Upsher-Smith. They include the following:

- transmitting or downloading pornographic, sexually-oriented, racist, sexist or ethnically-insensitive material
- conducting private business activity
- posting your opinion with regard to Upsher-Smith business in chat rooms, bulletin boards or newsgroups
- sending e-mail chain letters or other similar mailings that use up significant computing resources

Employees are also prohibited from using non-Upsher-Smith e-mail accounts to send and receive Upsher-Smith business information.

Violation of Upsher-Smith policy regarding the use of technology resources may result in restriction or termination of access to Upsher-Smith's technology resources and other disciplinary action.

Upsher-Smith may monitor technology use by employees, including Internet use and, in certain cases, e-mail use. Monitoring is conducted for a variety of reasons, including the managing of Upsher-Smith's computer network, assurance of system security and verification that employees are in compliance with Upsher-Smith policies. For more detailed information on Upsher-Smith's technology policies, see the Network Policies published by IT.

## Data Privacy

Various laws regulate the processing, transfer, disclosure and use of individually identifiable information. Examples of such information include personal employment, financial or health information. It is Upsher-Smith's policy to protect the confidentiality of such information in accordance with applicable laws and regulations. Only Human Resources personnel are authorized to respond to requests for information about an applicant, current or former employee. If you receive a request for information about a current or former employee, please refer the request to the Human Resources Department.

### Frequently-asked Questions:

**I would like to pay my personal VISA bill online. Can I use my Company computer to do so?**

Yes, this would be an appropriate use of Company technology as long as the time it takes to pay your bill online is short.

**Can I order from online catalogs and have it delivered to Upsher-Smith?**

You may access the Internet for your own personal use during your break or lunch hour. However, we ask that you have your personal items delivered to your home so as not to consume valuable Company resources for receipt of personal items.

## Corporate Communications

***Upsher-Smith's success is directly related to preserving our intellectual property and proprietary information. It is essential that all employees understand and follow the Corporate Communications Policy. As a general rule, employees should refrain from discussing any information related to Upsher-Smith's operations or business dealings with individuals outside the Company, including members of the media or investment community.***

Corporate communications may take many forms. These include press releases, communications with media representatives, newsletters, government filings and reports, business communications, financial statements and internal communications such as e-mail messages, information posted on Company network drives and presentations.

Media contacts and/or calls from the press should be handled with caution. Employees of Upsher-Smith should not talk about Company matters with the media unless authorized to do so. Keep in mind that only those individuals specifically identified in the Corporate Communications Policy are authorized to respond to inquiries from the media.

All outside requests for financial information must be sent to the Chief Financial Officer or the Vice Chairman/President.

During presentations and discussions with prospective and current business partners, requests may be made for Company information. All employees who participate in these activities need to be aware of what Company information can and cannot be provided during these situations. If in doubt, do not disclose any information which may be considered proprietary or confidential. If you have specific questions, please contact the Vice Chairman/President or the Legal Department.



# Employee Responsibility

## Upholding the Code of Business Conduct

***We are all challenged on a daily basis to make important business decisions. While the Code of Business Conduct provides general guidelines to assist your decision-making process, each employee of Upsher-Smith is ultimately responsible for his/her own actions and decisions. As such, it is imperative that you become familiar with the laws, regulations and Company policies and procedures that apply to your job. You also have a responsibility for raising concerns and reporting suspected or observed violations of the law or improper conduct within the Company.***

### Guidelines for Making Good Decisions\*

Making good decisions on a daily basis is critical to the success of Upsher-Smith. Good decisions require:

- competence to recognize ethical and business issues and to think through the consequences of alternative solutions;
- self-confidence to seek out different points of view and then decide what's the best decision under the circumstances; and
- courage and willingness to make decisions when all that needs to be known can't be known and when the questions that require answers have no established answers.

Some guidelines to consider when making important decisions or deciding on a course of action include the following "PLUS" analysis. Ask yourself, does this decision or course of action adhere to:

- P – Policies and Professional Standards
- L – Laws and Regulations
- U – Universal/Corporate Values
- S – Self/Personal Values or Standards

And finally, ask yourself, does this decision "CLICK":

- What are the **C**onsequences if I do this? Who will benefit? Who will suffer?
- Is it **L**egal?
- Would I like to see this as my **I**mage on the front page of the newspaper?
- Does this decision support or damage our corporate **C**ulture and values?
- Does it cause a **K**not in my stomach? Does it feel like the right thing to do?

Upsher-Smith will always support employees who make the best possible decisions under the given circumstances, with the facts known at the time the decision is made. Following the guidelines outlined above will help ensure that the best decision is reached or course of action is taken.

\*Source: Keith Greene, Vice President, Society for Human Resource Management. Used with permission.

## Reporting a Possible Violation

All employees are expected to report a suspected or observed violation of the law, Company policy or this Code of Business Conduct. Typically, an employee should raise the concern with their supervisor, or contact the functional manager that is responsible for the area and in the best position to help. If you are uncomfortable with talking to your supervisor or manager, contact Human Resources or any member of the senior management team. You may also contact the Chief Compliance Officer or the Legal Department for assistance. It is important that you come forward and make a report.

## Investigations

Appropriate Company officials will promptly respond to all reports of possible violations. Typically, an investigation will be conducted and, whenever possible, you will be informed about the status of the investigation and the outcome of the matter. Confidentiality obligations require that information shared about any situation will be done on a “need to know” basis.

If the situation is substantiated, it may be resolved through appropriate corrective action including: clarification of policy, additional training or disciplinary action.

## Employee Penalties for Violations

Employees who violate the law, Company policy and/or the Code of Business Conduct may be disciplined, up to termination of employment.

Disciplinary action may also be taken for the following:

- failing to report a suspected violation
- directing others to violate the law/Code
- refusing to cooperate in an investigation
- retaliating against an individual who reported, in good faith, a suspected violation

## Non-Retaliation Policy

**Any form of retaliation against an individual who reports a violation, serves as a witness or participates in an investigation is strictly prohibited. Disciplinary action, up to termination of employment, may be taken for confirmed retaliatory behavior or actions.**

## **Frequently-asked Questions:**

**I suspect that one of my co-workers is using their corporate credit card to purchase non-business-related gifts at restaurants and charging these gifts to the Company. I do not have any direct evidence to support this claim. Should I keep quiet until I can gather some evidence or should I raise this concern immediately?**

You should raise this concern immediately. Falsifying reports, and receiving money from the Company for personal gifts, is a serious violation and one which should be investigated. It is not, however, an individual employee's responsibility to investigate. The investigation into this issue should be handled by someone trained in this area. The employee's responsibility is simply to report the suspected violation and to provide as much information as possible.

**If I report a possible violation of the Code of Business Conduct, will my job be impacted in a negative way?**

Upsher-Smith strictly prohibits any form of retaliation against an employee that raises a concern, reports a violation or cooperates with an investigation. The Company will take appropriate action against an employee confirmed of displaying retaliatory behavior or actions.



*Pharmaceuticals Since 1919*

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