

Code of Conduct

1. General statement

Basilea Pharmaceutica Ltd., its subsidiaries, and subsidiaries thereof, (collectively «Basilea») are committed to the highest standards of ethical business conduct. As a pharmaceutical company, Basilea is operating in a highly regulated business environment. Strict compliance with all legal and health authority requirements, as well as requirements of other regulators, is mandatory. Basilea expects that its employees, contractors and agents («Personnel») shall observe the highest standards of integrity in the conduct of Basilea's business. Basilea is committed to complying with the letter and spirit of all laws and regulations applicable in the countries or regions where Basilea engages in business.

This Code of Conduct sets forth the high standards of business ethics and integrity required of all Personnel when conducting business on behalf of Basilea. All Personnel are responsible and accountable for complying with the provisions of this Code of Conduct as well as with all applicable laws and regulations.

In addition, Basilea's commitment to the highest ethical principles is embodied by its Corporate Principles:

- We strive to bring new medicines to patients with high medical needs
- We aim to create value for all stakeholders, including our shareholders, employees, the medical and scientific community, and the society in which we live
- We aim to build a sustainable business by focus on value drivers, cost-effective operations and managing risk in a responsible manner
- We will behave with the highest ethical & professional standards through integrity, mutual trust and respect for colleagues, business partners and all other stakeholders
- We will succeed by personal commitment, individual responsibility, and high performance teamwork towards a shared goal

2. Conflicts of interest

Conflicts of interest may arise when a Personnel has an interest in any business or property or an obligation to any person that could affect the Personnel's judgment in fulfilling his or her responsibilities to Basilea or when the Personnel's position at Basilea is used for personal advantage. Personnel shall refrain from any activity or investment that constitutes, or might appear to constitute, a conflict of interest between Basilea and any third party. Basilea demands absolute integrity from all of its Personnel and will not tolerate any conduct that falls short of that standard.

Some of the more sensitive areas of conflicts of interests are set out below:

Accepting gifts and entertainment

- Basilea's aim is to deter third parties from seeking or receiving special favors from Basilea's Personnel by the giving of gifts. Accepting any gift or entertainment that is more than a social amenity can appear to be an attempt to influence Personnel into favoring a particular customer, vendor, consultant, or the like.

Interests in other businesses

- In the event that a potential conflict of interest or the appearance thereof arises due to the fact that a Personnel or his/her spouse, domestic partner, or any other member of his/her immediate family has a direct or indirect financial interest (whether as an investor, lender, employee, or other service provider) in a competitor, or in a customer or supplier if that Personnel or his or her subordinates deal directly or indirectly with that customer or supplier in the course of his or her job with Basilea, the Personnel must inform the Legal Department in order to enable Basilea to determine whether a conflict exists and how to best resolve the situation in a fair and transparent manner.



Use of company proprietary and other confidential information

Basilea Proprietary and Confidential information must not be used in any way other than as required in performing employment duties. All files, records, reports or any other documents or data in hard copy or electronic form acquired or created in the course of employment are the property of Basilea. Such materials may be removed from Basilea's offices for the sole purpose of performing the Personnel's duties to Basilea and must be returned when duties are completed, at any time upon request, or when the Personnel is no longer employed at Basilea.

External activities

It is Basilea's policy that no Personnel may have an external "freelance" activity that will: materially encroach on the time or attention which should be devoted to the Personnel's duties for Basilea; adversely affect the quality of work performed; compete with Basilea's activities; imply sponsorship or support of Basilea for the outside employment or organization; or adversely affect Basilea's reputation. When Personnel are in doubt as to the acceptability of a material external activity, it is their responsibility to attain prior approval for the activity from the Human Resources Department. Personnel may not use Basilea's time, facilities, resources or supplies for such external work.

Nepotism

The hiring or appointing of relatives, friends and other related persons as employees, consultants, or other service providers is prohibited without prior Board approval.

3. Gifts and hospitality

Personnel must not provide or accept gifts or hospitality if doing so creates a conflict or interest or the appearance of a conflict of interest. Personnel should make certain that they provide and accept only gifts and hospitality which are reasonable, compatible with industry standards and local customs, and in accordance with applicable laws and regulations. Personnel must exercise caution, honesty and good judgment, and in case of any doubt, request approval from Human Resources Department. If a Personnel accepts a reasonable gift as part of business practice but does not wish to keep the gift, he or she should consult with the Human Resources Department to determine the best next step.

4. Relationship with public officials

All Basilea Personnel engaged in business with governmental bodies or agencies must know and abide by the specific rules and regulations covering relations with these bodies or agencies. Such Personnel must also conduct themselves in a manner that avoids any dealings which might be perceived as attempts to influence public officials in the performance of their official duties. Basilea's Personnel shall deal in a professional, diligent, accurate, and ethical way with governmental agencies and public officials.

5. Bribery, fraud and corruption

Basilea is committed to winning business only on the merits and integrity of our products, services, and people. Corruption impedes the development of predictability and justice necessary for trustworthy markets. We do not tolerate bribery or corruption, regardless of where Basilea does business.

Personnel should conduct their business affairs in such a manner that ensures that Basilea's reputation will not be impugned, if the details of their dealings should become a matter of public knowledge.



No funds or assets of Basilea shall be paid, loaned, or otherwise disbursed as bribes, kickbacks or other payments designed to influence or compromise the conduct of the recipient; and no Personnel of Basilea shall accept any funds or other assets (including those provided as preferential treatment to the Personnel for fulfilling their responsibilities) for assisting in obtaining business or for securing special concessions from Basilea.

To illustrate the strict ethical standards Basilea expects Personnel to maintain, the following conduct is expressly prohibited:

- Payment or receipt of money, gifts, loans, or other favors which may tend to influence business decisions or compromise independent judgment
- Payment or receipt of rebates, if not specifically allowed under the applicable laws, or kickbacks for obtaining business for or from Basilea
- Payment of bribes to governmental officials to obtain a favorable ruling or other favorable treatment
- Any activities that constitute, or have the appearance of constituting, money laundering

Any Personnel found to be receiving, accepting or condoning a bribe, kickback, or other unlawful payment, or attempting to initiate such activities, will be liable to termination and possible criminal proceedings. Any Personnel found to be attempting or engaging in fraud will be liable to termination and possible criminal proceedings. All Personnel have a responsibility to report any actual or attempted bribery, kickback, or fraud to Basilea.

6. Insider trading

Personnel at all levels are prohibited from buying or selling securities on the basis of material inside information which includes any information which Personnel acquire but which is not available to ordinary investors in the marketplace. Personnel are also prohibited from communicating or relating such insider information to other persons for the purpose of that person buying or selling securities themselves (for further information, please see Basilea's Insider Policy).

7. Antitrust

Basilea is committed to full compliance with all applicable antitrust/competition laws and regulations in the countries where Basilea conducts business. As part of this commitment, it is Basilea's policy that agreements and arrangements with competitors regarding pricing, terms, conditions of sale or allocation of products, business markets, customers or territories are prohibited.

Furthermore, the following activities may have important antitrust implications and therefore are generally prohibited:

- Agreeing with competitors to fix prices or other terms of sale
- Refusing to deal with certain suppliers or customers.
- Price discrimination
- Misrepresenting or harassing a competitor
- Bundling of products or products with services
- Price dumping
- Agreements on resale price with distributors
- Market split with a competitor between territories and customers

Antitrust issues are very complex; Personnel should direct any questions relating to these matters to the Legal Department.

8. Record keeping

Company records, such as laboratory notebooks, product information, financial information, business correspondence including emails, and governmental filings must accurately and verifiably record all activities and transactions and must be recorded and maintained in accordance with applicable laws and regulations and accordance with Basilea's internal guidelines

9. Data protection

Basilea will comply with the applicable data protection laws and regulations in countries where Basilea conducts business.

10. Computer policies

The computer system, including but not limited to, electronic mail (email) and the internet, whether used via a desktop or laptop computer or any other mobile device such as a smartphone (collectively the «Computer System»), is solely the property of Basilea and is for use in conducting Basilea's business. All communications, information and data (collectively, «Communications»), are business records and are the property of Basilea, and thus must be properly maintained, archived and ordered in accordance with Basilea practice. Personnel should not have any expectation of privacy relating to the Computer System; Basilea has the right to monitor and manage the Computer System and all Communications made thereon.

Personnel may not use their Basilea email addresses or any other Communications bearing Basilea's name for any personal activity that could negatively reflect upon Basilea or that interferes with their work duties to Basilea. All Communications must comply with the ethical and morale standards outlined in this Code; in particular, no activities that could be construed as harassment, discrimination, abusive, offensive, obscene or illegal will be tolerated.

11. Confidential information

Basilea's inventions and the knowledge and innovative skills of its Personnel are vital to the long-term success of the company and therefore protection of these assets is of utmost importance. It is also of vital importance that confidential information entrusted to Basilea by third parties be kept secure. All Personnel must treat the confidential information of Basilea including its intellectual property and of the third parties with which Basilea deals with the utmost care to ensure that it is not disseminated inappropriately to any outside individuals or organizations. It is improper for Personnel, without proper authorization, to give or make available to anyone, or use for his/her own benefit, information of a confidential nature derived from his/her employment, whether this occurs during or subsequent to employment. Any disclosure of Basilea's confidential information may qualify as a criminal act under the Swiss Penal Code and constitute a breach of the Personnel's contractual confidentiality and loyalty obligations towards Basilea.

Basilea Personnel may have access to personal information for their work, such as information about applicants, patients or employees of clients, suppliers, or Basilea business partners. Personnel must use this information only as necessary to fulfill their assigned work duties and as permitted by Basilea policies and the law. If Personnel know or suspect that personal information has been inappropriately disclosed, they have the obligation to immediately inform the Legal Department.

12. Employment and work environment

Basilea shall comply with all applicable employment and labor laws in the conduct of its business and maintain an open, fair, and honest relationship with its Personnel.

All employment related decisions will be made without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, marital status, or other classification protected by applicable law.

Basilea will not tolerate harassment of any kind on the basis of person's race, color, religion, gender, sexual orientation, national origin, age, disability, marital status or other classifications protected by applicable law. Malicious harassment, even if not forbidden under law, will not be tolerated.

13. Health, safety, and environmental protection

Basilea is committed to operate Basilea's facilities in a manner that is environmentally responsible and that ensures the protection of the health and safety of Personnel and the public.

Basilea conducts business in accordance with applicable health and safety requirements and strives for continuous improvement in this regard. Basilea manages its environmental impact and seeks to continuously improve the sustainability of its activities. Basilea selects suppliers that operate their facilities in a way that respects health, safety and environmental protection.

Basilea aims to minimize any potential for exposure to chemical, biological, physical and other hazards in the workplace, and reduce the risk of other accidents in its facilities. Whenever it is deemed necessary to use hazardous materials, it is the responsibility of management to ensure that Personnel are informed about the nature of the respective hazard and trained in the proper handling and disposal of the material. Furthermore, Basilea has established a safety organization which is also monitored. Each manager is responsible for the protection of his/her employees and must provide instruction, training and supervision.

Basilea aims to promptly and effectively respond to, investigate and share learning from incidents that resulted in, or had the potential to result in, serious illness or injury or environmental harm, and to take any appropriate corrective action promptly.

Personnel are responsible for conducting their work activities in a safe and environmentally responsible manner and for bringing to management's attention any actually or potentially dangerous workplace condition that is within their knowledge.

For additional information regarding safety, health and environmental issues Personnel may consult the Safety Officer, or, if the matter is urgent and he or she is unavailable, the Human Resources Department.

14. Service and product quality

Basilea is committed to developing and delivering quality services and products that, in all respect, meet quality standards set by the applicable laws and regulations and meet contractual obligations. Personnel who observe substandard performance by Basilea should report the deficiency to management.

15. Scientific integrity

Basilea's research and development activities must be conducted in a professional manner and in accordance with applicable laws and regulations and the general applicable ethical and scientific standards followed by the scientific community.

Misconduct is prohibited, including but not limited to: falsification or plagiarism in proposing, conducting or reporting research results; disregarding the intellectual contributions or property of others; impeding the progress of research; and corruption of scientific reports.

16. International operations

Basilea conducts international business operations in accordance with applicable laws, customs, and practices of all countries, consistent with Basilea's Code of Conduct.

Personnel involved in international operations are expected to comply with the applicable laws and regulations, in particular but not limited to embargoes, boycotts, customs, anti-corruption and other trade laws.

17. Compliance with the Code of Conduct

All Personnel have a responsibility to understand and follow the Code of Conduct. In addition, all Personnel are expected to perform their work with honesty and integrity in areas not specifically addressed by the Code of Conduct. A violation of the Code of Conduct may result in appropriate disciplinary action including the possible termination from employment with Basilea.

Basilea strongly encourages dialogue among Personnel and their supervisors to make everyone aware of situations that may rise to ethical questions and to articulate acceptable ways of handling those situations. Basilea's Legal Department may be contacted for assistance with any questions, concerns or issues related to the Code of Conduct.

The Code of Conduct reflects general principles to guide Personnel in making ethical decisions and cannot and is not intended to address every specific situation. As such, nothing in the Code of Conduct prohibits or restricts Basilea from taking any disciplinary action on any matters pertaining to Personnel conduct, whether or not they are expressly discussed in this Code. The Code of Conduct does not create any express or implied contract between Personnel and any third party. In particular, nothing contained in this document creates any employment contract between Basilea and any of its Personnel.

The Board of Directors of Basilea has the exclusive responsibility for the final interpretation of the Code of Conduct. The Code of Conduct may be revised, changed, or amended at any time by the Board of Directors of the Company.

18. Reporting of violations

All Personnel have the obligation to report any known or suspected violation of laws, regulations, the Code of Conduct, or other Basilea policies. Personnel can report concerns to their managers, or, if another line of reporting is needed, to the Legal Department. Reporting can be done anonymously, if necessary. Personnel may raise a concern regarding any possible compliance breach without fear of retaliation. Any act or threat of retaliation will itself be considered a violation of the Code.

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