

ANTARES PHARMA, INC.
FOREIGN CORRUPT PRACTICES ACT COMPLIANCE POLICY
MARCH 2019

INTRODUCTION

U.S. Corporations seeking to do business in foreign markets must be familiar with the Foreign Corrupt Practices Act (FCPA). In general, the FCPA prohibits corrupt payments to foreign officials for the purpose of obtaining or keeping business. Additionally, the FCPA requires public companies to keep accurate “books and records” and to maintain a system of “internal controls” designed to ensure that company transactions are being properly recorded, and to ensure that company assets are being properly managed. It is the policy of Antares Pharma, Inc. and its affiliates (collectively “Antares” or the “Company”) to abide by all applicable provisions of the FCPA. Antares provides each employee or Company representative who is or may be involved in Antares’s foreign business with a copy of this policy.

Any violation of this policy by an individual, agent, or entity acting on Antares’s behalf may result in disciplinary action up to and including termination of employment and termination of the business relationship in addition to potential civil or criminal charges and/or fines imposed by the United States Government.

I. SCOPE OF FOREIGN CORRUPT PRACTICE ACT

The Foreign Corrupt Practices Act of 1977 (as amended in 1988 and 1998), or FCPA, applies to all U.S. business entities and citizens, as well as to foreign entities and individuals doing business in the United States. In addition, U.S. businesses may be held liable for activities of their foreign operations that violate the FCPA if they authorize, direct or control such activities, and if the company’s transactions are not correctly reflected in all financial records and statements.

II. ANTI-BRIBERY PROVISION

Under the FCPA, a “U.S. Person” is precluded from corruptly offering or giving money or other things of value to a “foreign official” for the purpose of:

- Influencing any act or decision of such foreign official in his official capacity,
- Inducing such foreign official “to do or omit to do” any act in violation of the lawful duty of such official,
- Inducing such official to use his or her influence with a foreign government or instrumentality thereof to affect or influence any governmental act or decision, or
- Securing any improper advantage or obtaining or retaining business.

Note: Antares’s employees, consultants, representatives and agents including without limitation third party distributors and/or any entity or person acting on behalf of Antares, are prohibited

from giving any gift or payment or offering of anything of value to a foreign official, political party, or official thereof without prior approval. The only exceptions apply to the following:

- Meals that must be:
 - Not lavish or extravagant,
 - Directly related to the promotion, demonstration, or explanation of products and services or the execution or performance of a contract with a foreign government official,
 - Permitted under local law, and
 - Consistent with Antares's polices (e.g. Code of Business Conduct and Ethics, Code of Ethics for Interactions with Healthcare Professionals ect...).
- Expenditures related to the promotion, demonstration, or explanation of Company products and services (e.g., receptions, trade shows, and demonstrations) or the execution or performance of a contract with a foreign government are permissible provided that they are:
 - Bona fide and reasonable expenditures,
 - Consistent with Antares's business practices and policies, and
 - Permitted under local law.
- Facilitating payments to expedite or secure the performance of "routine governmental action" are exempt (see, "Exempt Activities" below).

If an employee or Company representative is uncertain as to whether proposed activities are exempt under the above referenced conditions, he or she should contact the Legal Department prior to performing any such activities.

Except under the aforementioned conditions, Antares has a "no gratuities" policy for foreign officials.

III. ACCOUNTING PROVISIONS

Under the FCPA, Antares is also subject to the FCPA's accounting provisions which consist of two parts: First, under the "books and records provision" Antares must make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Antares. Second, under the "internal controls" provision Antares must devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

- Transactions are being executed in accordance with management's general or specific authorization.

- Transactions are being recorded as necessary to (a) permit preparation of financial statements in conformity with generally accepted accounting principles and any other applicable criteria, and (b) maintain accountability for assets.
- Access to assets is being permitted only in accordance with management’s general or specific authorization.
- The recorded accountability for assets is being compared with the existing assets at reasonable intervals and appropriate action taken with respect to any differences.

Employees and Company representatives are expected to comply with the accounting provisions of the FCPA. If an employee or Company representative has any questions, complaints, or concerns regarding accounting, internal accounting controls or auditing matters, he or she should contact the Compliance Officer or the Audit Committee of the Board – as set forth in the Antares Code of Business Conduct and Ethics.

IV. DEFINITIONS

U.S. Person:

- U.S. Citizen, national, resident, corporation, or business entity organized under the laws of any U.S. State or territory, and business entities with their principal place of business in the U.S.
- Any stockholder acting on behalf of an Antares business entity.
- Officers, directors, employees, agents, and stockholders of Antares, are considered a “U.S. Person” for purposes of the law.
- Non U.S. Companies and nationals who act in furtherance of such corrupt payment in the United States.

Foreign Official:

- Any officer or employee of a foreign government or any department or agency or any person acting in an official capacity for or on behalf of any such government, department, or agency.
- May include officers and employees of state-owned enterprises.
- Includes political parties and candidates.
- Includes officers or employees of public international organizations such as the United Nations or The World Bank.
- May include medical professionals, researchers, investigators, clinicians and laboratory workers of healthcare facilities, hospitals, and clinical labs that are either owned or controlled in whole or in part by a foreign government.

Note: The definition of “foreign official” is very broad. Specifically, payments to any public official, regardless of rank or position, are prohibited, as are payments to third party intermediaries (*e.g.*, representatives or consultants) if the payments will be used by the third party for activities prohibited by the FCPA. As a result, any payments made by Antares or on its

behalf (whether directly or through a foreign subsidiary or joint venture) must be pursuant to a written agreement that has been approved in advance by the Legal Department.

V. EXEMPT ACTIVITIES

Facilitating payments to expedite or secure the performance of “routine governmental action” are exempt from the FCPA. Listed below are examples of what is included under “routine governmental action”:

- Obtaining permits, licenses, or other official documents to qualify a person to do business in a foreign country.
- Processing governmental paperwork (*e.g.*, visas, work orders).
- Providing police protection or mail pickup and delivery.
- Scheduling inspections associated with contract performance or related to cross-country transit of goods.
- Providing phone service, power, and water supply.
- Loading and unloading cargo or protecting perishable products or commodities from deterioration.

Even though the above practices many not be subject to the FCPA, Antares will not permit its employees or agents to make facilitating payments that are prohibited by local law. In addition, any facilitating payments, even if lawful, must be approved in accordance with Finance Department procedures and reviewed by the Legal Department.

VI. ACTIVITIES THAT MAY BE FCPA VIOLATIONS

The following types of activities may pose a risk of FCPA violations. If an employee or Company representative believes a violation has occurred or is uncertain about whether any activities may pose a risk of violation, he or she must immediately contact the Legal Department.

- Money or property passed through a consultant, representative, or agent, including without limitation third party distributors, to a public official to obtain certain government actions.
- Use of consultants or representatives who are closely connected with the government or a political party of the country in which the Company is doing business.
- Gifts or gratuities to government officials or political party officials, candidates for public office, or their families.
- Extravagant entertaining of government officials or party leaders or their families.
- Indirect payments to government officials or their families.
- Use of Company facilities by such government officials
- Negative information (flawed) background is discovered as a part of due diligence.
- Representative refuses to make FCPA-related certification.
- Request for unusually large commissions, retainers, or other fees.

- Unusual method of payment or payment to a third country proposed by a representative.
- Retention of a contingent fee representative when procurement decision is imminent.
- Commission payments are being made outside the country in which services are being rendered.
- A party to the transaction has undisclosed subagents or subcontractors who assist in the work.
- There is a lack of transparency in expense reporting and accounting records.

Note: “Willful blindness” or a disregard of suspicious circumstances will not protect businesses or individuals from sanctions for FCPA violations.

VII. SANCTIONS FOR VIOLATING THE FCPA

The consequences for a violation of the FCPA anti-bribery and accounting provisions are extremely severe, both for business and individuals.

- For an anti-bribery violation, the maximum criminal fine for a corporation is the greater of \$2 million dollars or twice the pecuniary gain to the violator; and for violations of the accounting provisions the maximum criminal fine is \$25 million dollars or twice the pecuniary gain to the violator
- For an anti-bribery violation, the maximum criminal fine for individuals is \$250,000 per violation and imprisonment for up to 5 years for each violation; and for violations of the accounting provisions the maximum criminal fine is \$5 million dollars per violation and imprisonment for up to 20 years.
- A criminal fine imposed on a corporate employee or representative may not be paid directly or indirectly by the Company.
- For anti-bribery violations a civil penalty of \$16,000 may be imposed against any firm as well as any officer, director, employee, or agent of a firm, or stockholder acting on behalf of the firm; and for violations of the accounting provisions the civil penalties for a corporation ranges from \$80,000 to \$775,000 per violation, and \$7,500 to \$160,000 for individuals.
- A willful violation of the provisions of FCPA, or making false and misleading statements in any application, report, or document or to any self-regulatory organization may give rise to additional criminal penalties.
- Suspension or debarment from participating in government contracts.
- Ineligibility of export licenses.

VIII. ANTI-BRIBERY CONVENTION OF THE ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The FCPA implements the obligations of the United States under the 1999 Anti-Bribery Convention of the Organization for Economic Co-operation and Development (OECD). Many other member countries have adopted similar legislation. Thus, Antares personnel should be

aware of, and abide by, local anti-bribery laws in the countries in which Antares does business. Questions about foreign anti-bribery laws should be referred to Antares's Legal Department.

IX. INSPECTIONS AND AUDITS

Antares reserves the right to conduct inspections and audits to confirm compliance with this policy and the FCPA.

X. QUESTIONS

If you have any questions regarding this policy, please contact the Legal Department.