

Anti-Bribery / Anti-Corruption Policy

Effective Date: 15 September 2020

Version: 01

Purpose:

The purpose of this policy is to provide guidance on compliance with anti-corruption laws and to prevent violations of anti-corruption laws in the course of our business. Lannett employees and those acting on Lannett's behalf are strictly prohibited from offering, making, promising, requesting, or accepting a bribe, or from otherwise making any improper payment in connection with Lannett's business.

Scope:

This policy applies to all employees of Lannett Company, Inc. ("LCI") in Philadelphia, Carmel and Seymour, Joint Ventures over which Lannett has operational control, third parties acting on Lannett's behalf (such as suppliers, consultants and vendors) and other business partners.

Definitions

For purposes of this policy, the following definitions apply:

- A **Bribe** is any payment or anything of value that is offered or provided to improperly influence a decision-maker to obtain an unfair business advantage. A bribe can occur even if an improper payment is only offered or promised and not actually made or if an improper payment is made but fails to achieve the desired result.
- **Anything of Value** includes a broad range of payments or benefits beyond the obvious cash bribe or kickback. Anything of value includes items such as gifts, travel, lodging, entertainment, gift cards, cash, bonuses, favors, charitable donations, political contributions, offers of employment, investment opportunities, business opportunities, loans and non-arm's length transactions, or any other preferential benefit.
- An act is **Corrupt** if it is performed to secure an improper advantage.
- A **Government Entity** is any government or government division; department, agency, or instrumentality of a government or government organization; a political party; or a company or entity owned or controlled (either wholly or partially) by or acting on behalf of the government of any of the above. Note that in certain parts of the world it is quite common for companies to be owned or controlled by the government.
 - Examples of Government Entities include, but are not limited to: governments of countries, states, provinces, or cities; the United Nations; the International Monetary Fund; a customs or patent office; and state-owned hospitals, medical facilities, businesses, banks, utilities, and universities.
- A **Government Official** is any person acting in an official capacity for or on behalf of a Government Entity.

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- Examples of Government Officials include, but are not limited to: a customs official; an inspector from a tax, health, or environmental agency; a businessperson who is a consultant acting for and on behalf of a Government Entity; a professor or researcher at a state-owned University; and a doctor at a state-owned hospital.

Policy against Bribery and Corruption Generally:

At Lannett, we are committed to doing business ethically and with integrity. This means that we comply with all laws everywhere we do business, including anti-bribery / anti-corruption laws such as the U.S. Foreign Corrupt Practices Act (“FCPA”), the U.K. Bribery Act 2010 (the “UK Bribery Act”), and all other applicable anti-corruption laws. We believe that all forms of bribery and other corrupt practices are an inappropriate way to conduct business, regardless of local custom. We never pay bribes or act corruptly.

Lannett strictly prohibits bribery in all of Lannett’s business operations. This prohibition applies:

- To all business activities whether involving Government Officials or private persons;
- To payments to third parties where the Company employee or agent knows, or has reason to know, that the third party will use any part of the payment for bribes;
- Regardless of whether the bribe would benefit the intended decision maker directly, or indirectly, such as where the bribe is paid to another person close to the decision maker, such as a family member, friend or business associate.

Dealings with Government Officials:

While Lannett prohibits both commercial bribery as well as the bribery of Government Officials, all Lannett employees must pay close attention to their interactions with Government Entities and Officials, as these interactions pose unique risks under anti-corruption laws. If you are unsure if an entity qualifies as a Government Entity and/or if an individual qualifies as a Government Official, please contact the VP, Chief Legal Officer & General Counsel or Corporate Compliance Manager.

Extortion

It is possible that a business partner may attempt to solicit or extort improper payments from Lannett employees or agents. Any such employees or agents who face threats of extortion must immediately inform their manager and the Legal Department.

Facilitation Payments

A Facilitation Payment is a small payment that is made to a low-level Government Official that is intended to secure and/or speed up the performance of a Government Official’s routine, non-discretionary duties or actions. Examples of Facilitation Payments include clearing customs; processing governmental papers such as visas, permits or licenses; providing police protection;

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and providing mail, telephone or utility services. **Lannett does not permit Facilitation Payments.**

Gifts and Business Entertainment

Exchanging gifts and business entertainment with our business partners is an important part of how we do business and strengthen our business relationships. However, gifts and business entertainment, when given with the intent to influence a business decision, qualify as bribes that are prohibited by this policy, our Code of Business Conduct and Ethics (“Code”), and anti-corruption laws. Employees must refer to the Gifts and Business Entertainment Policy before providing gifts and business entertainment to our business partners. Note that special rules apply to gifts and business entertainment made to non-U.S. Government Officials because of the unique risks posed by these transactions.

Political and Charitable Contributions

Lannett believes that it is important to give back to the communities in which we operate. However, political and charitable contributions can pose certain corruption risks and must be made with care. Lannett prohibits employees from making political contributions on the company’s behalf. Lannett permits employees to make charitable contributions on the company’s behalf so long as such contributions are consistent with the Lannett Charitable Contributions Policy. Please refer to the Lannett Charitable Contributions Policy before making a charitable contribution on Lannett’s behalf. Nothing in this policy prohibits Lannett employees from making political or charitable contributions in their personal capacities.

Third Parties

Retention of third parties can expose Lannett to corruption risks, particularly where those third parties are likely to interact with Government Entities or Officials in the course of their work for Lannett and while operating on Lannett’s behalf. Lannett performs appropriate risk-based due diligence on third parties to ensure they do not expose Lannett to corruption risks.

New Market Entry, Joint Venture Transactions, Mergers, and Acquisitions

There may be times where Lannett expands its business by launching new products, competing for new business, or entering a new geographic market. This might be done through the formation of joint ventures; mergers, acquisitions, or other business combinations; distribution agreements; or new market entries—all of which can pose corruption risks.

Before entering into a joint venture, initiating a merger or acquisition, entering a new distribution agreement, or entering a new market, Lannett employees must contact the VP, Chief Legal Officer & General Counsel, who will assess the transaction and provide guidance about how to address the corruption risks raised by the proposed transaction. The VP, Chief Legal Officer & General Counsel or his designee may perform due diligence, draft relevant

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contractual language, and take other steps necessary to ensure that the risks of corruption are properly vetted and controlled.

Books, Records & Internal Controls

Lannett is required to maintain business records that accurately and fairly reflect our business transactions with sufficient detail and in accordance with our accounting practices and policies. Employees who conduct business on Lannett's behalf must ensure that all transactions are recorded promptly, accurately, with sufficient detail, and with adequate supporting documentation. Whether you are filing an expense report, preparing a financial statement, or simply completing a timesheet, be honest, accurate, and complete.

Violations

Giving or accepting a bribe to secure a business advantage is never acceptable and can expose employees and Lannett to possible criminal prosecution, reputational harm or other serious consequences. Violations of anti-corruption laws can result in severe penalties and fines for both Lannett and the individual(s) involved. Corporations may be subject to fines of up to \$25 million for anti-corruption violations, while individuals, including officers, directors, stockholders and agents, are subject to fines of up to \$5 million per violation and a prison sentence of up to 20 years. Violations of anti-corruption laws may also result in violations of other U.S. laws, including anti-money laundering, mail and wire fraud, and conspiracy laws, subjecting the Company and its employees to further penalties and jail time.

Failure to comply with this policy will result in an investigation and possible disciplinary action, up to and including termination of employment.

Mandatory Reporting of Bribery / Corruption

You are required to report any suspected violations or any situations that you believe may be violations of this Policy. Lannett does not retaliate against any employee who, in good faith, asks questions, makes a report of actions that may be inconsistent with this Policy, the Code, or any applicable law or against any employee who assists in an investigation of suspected wrongdoing.

To report concerns, you may contact:

- Your manager;
- The Legal Department;
- Human Resources; or
- The compliance hotline, either by phone (855-252-7606) or online (www.hotline-services.com).

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Questions

If you have questions about this Policy, please contact VP, Chief Legal Officer & General Counsel or the Corporate Compliance Manager.

Approval:

DocuSigned by:

Samuel Israel

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Samuel Israel

VP, Chief Legal Officer & General Counsel

29-Jul-2020

Date