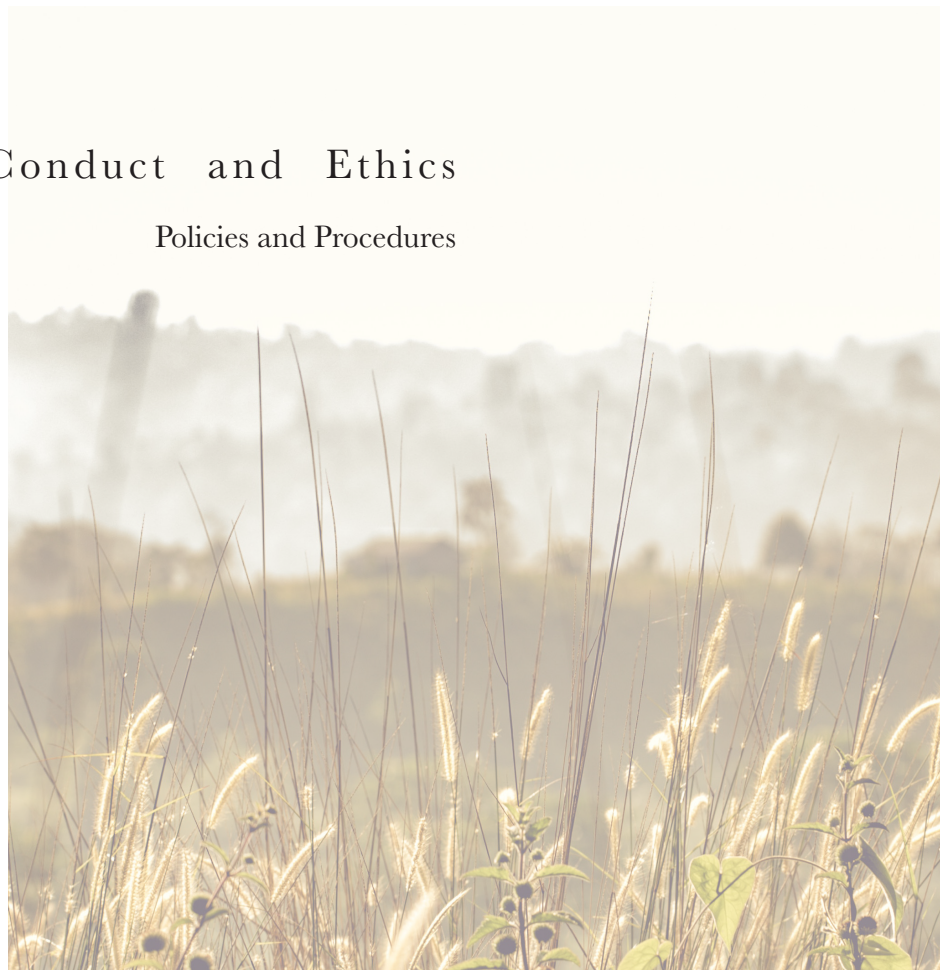


CANNAPHARMA^{Rx}

CANNAPHARMA^{Rx}.COM

Code of Business Conduct and Ethics

Policies and Procedures



2 PARK PLAZA SUITE 1200B
IRVINE, CA
92614
US

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VALUES

We are accountable to our patients, each other and ourselves in
our pursuit of excellence.

We are tenaciously creative and resourceful.

We are optimistic, energetic and bring a sense of good will
to our work.

We are collaborative and work together with integrity and trust.

We are open, genuine and respectful. We are trustworthy and
exercise good judgment.

We are committed to patient safety and serving the best interests
of public health.

Code of Business Conduct and Ethics

AN OVERVIEW

The Code of Business Conduct and Ethics outlines the expectations of every employee, director and officer of CannapharmaRx. It is essential that we commit to complying not only with explicitly stated guidelines, but also with the spirit of the code. The Code of Business Conduct and Ethics covers ethical and business issues that you may encounter. However, keep in mind, no document can address every situation you may face. We rely on you to use good judgment to follow the intent of the code outlined in this document. If you are uncertain about the application of these standards, you should contact your direct manager or the Vice President of Human Resources. Anyone who fails to adhere to the Code of Business Conduct and Ethics, company policies and applicable laws may be subject to discipline, up to and including dismissal. Civil fines and criminal penalties may also apply. When conducting business for CannapharmaRx, consultants, outside contractors and other business partners are required to observe the same level of business conduct and compliance with the law as CannapharmaRx employees. Employees should direct such business partners to the website where the company's Code of Business Conduct and Ethics is posted. Any waiver

of a provision contained in this document requires the written approval of the Chief Executive Officer. In addition, any waiver requested for an executive officer or director requires the approval of CannapharmaRx's Board of Directors and prompt disclosure to shareholders. The Code of Business Conduct and Ethics will be posted via the external website as a publicly accessible document. It may be updated periodically. CannapharmaRx employees are expected to be aware of these updates. If you have any questions or concerns, please speak with your direct manager.

APPLYING OUR VALUES

We are pleased to provide the Code of Business Conduct and Ethics, which describes the values and standards we live by at CannapharmaRx. The values outlined are critical to our Company's ongoing business success and to the success of all of our employees. The core principals detail operational requirements and prohibitions in order to implement those values. In addition to the operational guidelines, we also expect our employees to embrace the spirit of the Code. This means understanding and internalizing their purpose – a concept we call excellence in compliance. The thoughtful application of these principals not only serves our requirement for compliance, it also lets our customers, suppliers, partners, consultants and other interested stakeholders know what values our Company holds, and what to expect in their relationships with us.

Excellence in compliance with the law

WE FOSTER A CULTURE OF LEGAL AND RESPONSIBLE BUSINESS CONDUCT THROUGH COMPLIANCE WITH THE LAW AND BY MAKING DECISIONS THAT ARE CONSISTENT WITH ITS SPIRIT AND INTENT.

THE IMPORTANCE

Our reputation as an emerging healthcare company depends on each of us making appropriate decisions every day. By following the Code of Business Conduct and Ethics and applicable laws, policies and procedures, we make CannapharmaRx a trusted partner and an organization in which investors can place their confidence and trust.

WHAT WE EXPECT IN OUR EMPLOYEES

We expect employees to act with integrity and follow not only the letter of the law, but its spirit and intent. The Code of Business Conduct and Ethics provides overall guidance, but is not a substitute for reading, understanding and following the policies and procedures that apply to your job, including all laws and regulations involving healthcare. When in doubt, contact your direct manager or CannapharmaRx's legal counsel.

WHAT WE EXPECT OF OUR LEADERS

We are pleased to provide the Code of Business Conduct and Ethics, which describes the values and standards we live by at CannapharmaRx. The values outlined are critical to our Company's ongoing business success and to the success of all of our employees. The core principals detail operational requirements and prohibitions in order to implement those values. In addition to the operational guidelines, we also expect our employees to embrace the spirit of the Code. This means understanding and internalizing their purpose – a concept we call excellence in compliance. The thoughtful application of these principals not only serves our requirement for compliance, it also lets our customers, suppliers, partners, consultants and other interested stakeholders know what values our Company holds, and what to expect in their relationships with us.

DO THE RIGHT THING

- Lead by example; reinforce with employees that business results are not more important than acting with integrity
- Make sure employees understand their responsibilities and feel comfortable raising concerns without fear of retaliation
- Consider compliance efforts and results when evaluating and rewarding employees
- Deal immediately with business conduct issues and take appropriate disciplinary action with the help of the Legal or Human Resources departments
- Identify compliance risks and take prompt action to address them

Question and answer

Q + A

Q The laws are changing so much in our industry, actions involving pharmaceuticals that were illegal across the country just a matter of months ago are now legal in many states. If I know my states laws are changing very soon, how important is it to follow those laws now?

A Complying with our legal and ethical obligations is essential to our business goals. We must observe laws as they apply at the moment we make our decisions. Sustainable long-term performance requires that business results are achieved in a manner that complies with applicable laws, policies and procedures.

Q I have been at meetings and conferences where representatives of other companies consume recreational marijuana irrespective of local laws and encourage others to do so as a matter of professional bonding. Does CannapharmaRx's Code of Business Conduct and Ethics prohibit those activities?

A Yes. The Company Code of Business Conduct and Ethics reflects our values and the standards by which we have decided to operate our business. These values and standards do not change simply because other companies do not share our same values or standards.

Excellence in seeking guidance and raising concerns

WE ASK QUESTIONS, SEEK GUIDANCE AND RAISE CONCERNS IN ORDER TO WORK TOGETHER WITH CONFIDENCE AND TRUST.

THE IMPORTANCE

Our reputation, our relationships and our future all depend on our commitment to integrity and compliance. When you do not know which decision is the best, or if you suspect someone else is not acting appropriately, the best thing you can do is take action. It is better to bring the matter to your manager than to regret not taking action.

NO RETALIATION

CannapharmaRx will not discharge, demote, suspend, threaten, harass or, in any manner, retaliate against an employee based on that employee truthfully raising a concern about any actual or suspected misconduct or other risks to the business. If you believe you have been retaliated against for raising a concern, immediately contact the Human Resources department.

INQUIRIES AND INVESTIGATIONS

CannapharmaRx handles inquiries and investigations confidentially. The substance of your inquiry and your identity (if you choose to provide your name) is disclosed on a strict need-to-know basis, to the extent deemed necessary by CannapharmaRx to conduct a proper investigation and to respond appropriately. When you ask a question, seek guidance or raise a concern, you will receive a response if you have provided the company with a means to do so. If a concern is substantiated, the situation will be resolved through appropriate corrective actions which may include, among other things, clarification of a company policy, additional training, facility or process change and/or disciplinary action.

HOW TO TAKE ACTION

The Human Resources department, under the leadership of the CEO and Chief Counsel, is responsible for the application of the Code of Business Conduct and Ethics to assess and address compliance risks.

Email: James P. Sykes, Vice President, Human Resources (jsykes@CannapharmaRx.com)

USPS: Mail: 1 Collins Drive, Salem Business Center, Carneys Point, NJ 08069-3640 USA

ACCOUNTING, AUDITING, INTERNAL CONTROLS OR FINANCIAL REPORTING

CannapharmaRx will not discharge, demote, suspend, threaten, harass or, in any manner, retaliate against an employee based on that employee truthfully raising a concern about any actual or suspected misconduct or other risks to the business. If you believe you have been retaliated against for raising a concern, immediately contact the Human Resources department.

DO THE RIGHT THING

- Don't assume the way things have always been is appropriate
- Call or email your concerns to the Human Resources dept
- Do not discuss an investigation or audit with other employees
- Consult with the Legal department prior to altering or destroying any records related to an investigation or audit

Question and answer

Q + A

Q I've been thinking about contacting my CEO or Human Resources, but I'm not sure if I should. My manager is violating our company's Code of Business Conduct and Ethics. I think I should tell someone who can look into this, but I'm afraid that my manager will make my job difficult for me if I do. What should I do?

A Even in great companies, people sometimes do things they shouldn't. You have identified what you believe is a potentially serious matter. If something does not seem right, you should speak up. Your manager is often the best place to raise concerns, but because it is your manager's request that concerns you, contacting Human Resources is a good option. We will not tolerate your manager or anyone else retaliating against you. If you believe you have been retaliated against for raising a concern, you should immediately contact the Human Resources department. The right thing to do is to report your concerns.

Excellence in fostering a safe, diverse and responsible workplace

WE TREAT ONE ANOTHER WITH DIGNITY AND RESPECT AND MAINTAIN A SAFE, DIVERSE AND RESPONSIBLE WORKPLACE.

THE IMPORTANCE

To create and maintain a safe and productive work environment. It's up to all of us to promote a culture of professionalism where we respect the unique character of every colleague, appreciate the diversity of thought, experiences and backgrounds that each of us possess and treat each other with courtesy and respect. It's equally important to operate with all required permits, approvals and controls with respect to any matters involving health, safety and the environment.

FAIR TREATMENT AND DIVERSITY

We provide equal opportunity to employees and applicants during the employment process. We are committed to building a diverse, inclusive workplace that is representative of the communities in which we operate and that is free from discrimination. In addition, we are dedicated to fostering a work environment where employees are respected and enjoy coming to work.

HARASSMENT AND BULLYING

We will not tolerate harassment, intimidation or bullying of employees by co-workers, managers or any other individuals with whom employees come into contact while conducting business.

SUBSTANCE ABUSE

The health and safety of our employees demands that each employee report to work free from the influence of any substance that could prevent him or her from conducting work activities safely, effectively and with good judgment. Substance abuse and the misuse of alcohol and drugs pose unacceptable risks for safe, secure and efficient operations and will not be tolerated.

WORKPLACE VIOLENCE PREVENTION

The health and safety of our employees demands that each employee report to work free from the influence of any substance that could prevent him or her from conducting work activities safely, effectively and with good judgment. Substance abuse and the misuse of alcohol and drugs pose unacceptable risks for safe, secure and efficient operations and will not be tolerated.

HEALTH, SAFETY AND THE ENVIRONMENT

We demonstrate our commitment to the health and safety of our employees, contractors and the community by complying with environmental, health and safety laws and operating with required permits, approvals and controls.

DO THE RIGHT THING

- Maintain a safe working environment that is free from bullying, intimidation and harassment
- Never use illegal drugs
- Do not report to work while under the influence of any substance that could prevent you from conducting work activities safely, effectively and with good judgment
- Do not discriminate on the basis of any group status or characteristic protected by law or CannapharmaRx policy
- Observe environmental, health and safety laws, regulations and policies and report accidents, injuries or unsafe practices or conditions

Question and answer

Q + A

Q A co-worker has repeatedly refused to provide me with information that is essential for my job, speaks to me in a disrespectful manner in front of others and has told other employees that I am not qualified to do my job. How should I handle the situation?

A Harassment and intimidation can occur in many forms. In this situation, it appears that the co-worker is persistently bullying by making demeaning comments that are intended to erode your confidence and self-esteem. If you feel comfortable doing so, ask the person to stop. If you do not feel comfortable speaking directly with this co-worker, talk to your manager. If the issue is not adequately addressed by your manager, you may also contact your Human Resources department. Bullying undermines the respect and trust that is central to the way that we conduct business and is not permitted.

Q My manager keeps making sexually explicit comments when I am in his company, even after I have told him I am this language makes me uncomfortable. My performance review is next month and he told me that I have a better chance for a promotion if I stop mentioning this harassment. How should I handle this situation?

A Sexual harassment is not tolerated by the company. It includes unwelcome sexual advances, requests for sexual favors and other unwelcome verbal or physical conduct of a sexual nature. Immediately contact your Human Resources representative or call Human Resources department.

Excellence in avoiding of conflicts of interest

WE AVOID ACTIVITIES OR PERSONAL INTERESTS THAT CREATE, OR APPEAR TO CREATE A CONFLICT OF INTEREST WITH RESPECT TO OUR CORPORATE RESPONSIBILITIES.

THE IMPORTANCE

We make decisions based on sound business judgment and unclouded by any personal interest, relationship pressure or potential for personal gain. The best way to avoid a potential conflict of interest is to ask questions and address any situation that has the potential to be misinterpreted by others.

DO THE RIGHT THING

- Make decisions in the best interests of CannapharmaRx
- Resolve conflicts of interest in an open, transparent manner
- Avoid competing in any way with CannapharmaRx
- Do not take for yourself opportunities that were discovered through the use of company property, information or your position or use company property, information or your position for personal gain
- Contact the Legal department if you have any questions about trading in stocks and securities

CONFLICTS OF INTEREST

A conflict of interest arises when you're outside personal, financial, political or social interests or activities have the potential to influence your decisions regarding your work for CannapharmaRx. You must avoid situations that conflict, or could have the appearance of conflicting, with the best interests of CannapharmaRx. Conflicts of interest can occur in a variety of ways; however, the following situations can often produce conflicts of interest. Carefully analyze them to see if any apply to you:

- Doing business with family or close friends
- Making charitable contributions on behalf of the company to a charitable organization affiliated with or recommended by a current or prospective customer or supplier
- Hiring consultants, agents and other third parties with whom you have a personal relationship
- Investing in real estate, patent rights or businesses of interest to CannapharmaRx
- Pursuing outside employment with a customer, vendor or supplier
- Accepting entertainment from people or entities with whom we do business

RESTRICTIONS ON BUYING AND SELLING STOCK AND SECURITIES (INSIDER TRADING)

Do not buy or sell stocks or other securities of a company while aware of material nonpublic information about that company. Likewise, you may not communicate material nonpublic information, other than on a need-to-know basis, to anyone else (for example, to relatives, friends, or coworkers) until that information has been released publicly. Information is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision to buy, hold or sell a security. Information is nonpublic if it has not been publicly released by the company or is not otherwise publicly available. These obligations continue after your employment with CannapharmaRx ends.

Question and answer

Q + A

Q I have a family member who can provide needed services to CannapharmaRx at a significant discount. Rather than a conflict, I see this as a benefit that I can deliver to the company. Do I still have to consult with the Human Resources department prior to hiring this family member?

A Yes. The hiring of family members and close friends is subject to scrutiny as a potential conflict of interest under CannapharmaRx's Code of Business Conduct and Ethics. Contact Human Resources prior to entering into any contract or agreement for work product delivered by a family member.

Q I am a full-time employee of CannapharmaRx. I've been asked to consult with another healthcare Company using the skills I use in my job with CannapharmaRx. Is that a conflict of interest?

A You can work a second job without a conflict of interest so long as the second job does not interfere with your responsibilities at CannapharmaRx (e.g., you are able to continue to dedicate necessary time and attention to your CannapharmaRx job, you are not competing with CannapharmaRx, you do not use the assets or confidential information of CannapharmaRx, etc.). Since you are a full-time employee and would be using the same skills you use in your job with CannapharmaRx, there is a potential for a conflict of interest. The best way to avoid a conflict is to talk with your manager about any outside employment or consulting arrangements prior to accepting them.

Excellence in competing responsibly in the marketplace

WE COMPETE HONESTLY AND DILIGENTLY IN OUR PURSUIT TO PROVIDE PRODUCTS AND SERVICES THAT SERVE THE BEST INTERESTS OF PATIENTS AND PUBLIC HEALTH

THE IMPORTANCE

Competing responsibly in the marketplace builds our longterm relationships and enhances our reputation. It is essential that our customers and business partners know they can trust CannapharmaRx.

COMPETITIVE INTELLIGENCE

Properly acquiring and using information about other companies, including our customers, suppliers and competitors is a routine part of operating in the marketplace. CannapharmaRx employees respect competitor's obligation to protect the confidential information of their current and former employers and question how any information about a competitor was obtained and whether the information is confidential, especially if circumstances are suspicious (e.g., you suspect it has been supplied in violation of a legal or contractual commitment). Do not acquire competitive intelligence through improper or illegal means.

INTERACTIONS WITH CONSULTANTS CONTRACTORS AND OTHER BUSINESS PARTNERS

We conduct business only with those consultants, contractors and other third party business partners that are reputable and qualified in the services to be performed (e.g., do not appear on any government debarment or excluded parties list). We do not do anything indirectly through third parties that would otherwise be prohibited if we did it directly. When conducting business for CannapharmaRx, consultants, contractors and other business partners are required to observe the same level of responsible conduct and compliance with the law as CannapharmaRx employees.

MARKETING PRACTICES

CannapharmaRx believes in competing for business diligently, openly and honestly. Unless there is sufficient research to substantiate a comparison between a CannapharmaRx product and a competing product, you may not use comparative advertising of any sort, whether by written advertisement, demonstration, comments or innuendo.

INTERACTIONS WITH COMPETITORS (FAIR COMPETITION AND ANTITRUST)

Generally speaking, antitrust and competition laws constrain or prohibit discussions or agreements among competitors that restrain trade. This can include discussions about past, present or future prices, bids, terms or conditions of sale and territorial markets. In addition, any understanding or agreement between a distributor and its supplier regarding the prices the distributor may charge for products or limits on a distributor's geographic territory can cause antitrust concerns.

INTERACTIONS WITH THIRD PARTIES

Our interactions with third parties should focus on a mutually beneficial business. Employees may not offer or provide anything of value (e.g., donations, grants, scholarships, subsidies, support, consulting contracts, gifts, etc.) to a third party in exchange for purchasing, recommending or arranging for the purchase of products or for a commitment to continue to purchase products or services. If properly structured, discounts and rebates provided to a healthcare provider on purchases of products or services are generally permitted.

Excellence in competing responsibly in the marketplace

PURCHASING PRACTICES

CannapharmaRx bases purchasing decisions on achieving optimal value for the company and alignment to our business standards and goals. We treat fairly and do not discriminate against suppliers; however, it is appropriate to differentiate among suppliers based upon appropriate business considerations. CannapharmaRx expects suppliers to comply with applicable laws and to conduct business with integrity.

DO THE RIGHT THING

- Follow established procedures before you enter into any agreement with a consultant, contractor or an other third party business partner
- Provide consultants, contractors and any other third party business partners with a copy of the Code of Business Conduct and Ethics and explain our expectations
- Complete appropriate due diligence regarding the background and qualifications of consultants, contractors or any other third party business partners
- Be alert to improper discussions when attending trade association functions or industry meetings
- Refrain from discussing or entering into any agreement that is intended to restrain trade
- Seek guidance from the Legal department whenever you have any questions or are unsure about a situation involving a competitor
- Do not provide a commission that is disproportionate to the services provided

- Do not request or accept an kind of personal payment or benefit or other improper advantage
- Ask questions, seek guidance and raise concerns

Q + A

Q One of my customers has promised to increase his business with CannapharmaRx if I hire him as a consultant. He is a good customer and he might be able to help us with a new product launch. What should I do?

A You may not try to disguise an improper payment as a proper payment. This customer is asking you to be dishonest and provide him with cash through a consulting agreement in exchange for his business with you. Consulting payments, royalty payments, charitable donations, commissions and any other payments to a customer may only be made for proper purposes.

Excellence in protecting the global supply chain

WE SUPPORT INITIATIVES AND POLICIES TO HELP PROVIDE A SECURE GLOBAL SUPPLY CHAIN THROUGHOUT THE HEALTHCARE SYSTEM.

THE IMPORTANCE

Consistent with our business plan, CannapharmaRx will provide products and services that will have the potential to save, or if misused, to harm lives. It is essential that at every step of the process our employees handle these products appropriately so that hospitals, pharmacists, doctors and patients can rely on us to provide quality healthcare products.

QUALITY

We will put quality systems in place so we manufacture, handle, store and distribute products in accordance with applicable legal and regulatory requirements. Every employee will be responsible for following our quality processes when working with the products we sell. CannapharmaRx will not compromise quality for deadlines. We will understand and comply with the policies that cover the manufacture, storage, handling and distribution of products we sell and respond promptly to quality issues we observe or that are raised by customers or vendors by talking to our management.

MONEY LAUNDERING & TERRORIST FINANCING

Employees, especially those employees who handle cash, must actively guard against the use of our products and services for purposes of money laundering, financing of terrorism or other criminal activity. Money laundering is the process by which individuals or organizations try to make the source of funds look legitimate by concealing the true origin of the funds. Terrorist financing tries to conceal the destination and use of funds that may have either legitimate or criminal origin.

ANTI-DIVERSION COMPLIANCE

CannapharmaRx is committed to maintaining the integrity of the supply chain by developing and maintaining processes to help guard against diversion. We will develop and maintain policies and procedures to validate that the products we ship are sold in accordance with legal and contractual requirements and are received by customers for their legitimate use.

TRADE REGULATIONS

We must comply with applicable U.S. and local import and export control laws as products move across country boundaries. Export control laws and contractual agreements with our suppliers will place restrictions on how we can move products across country boundaries and may prohibit us from doing business with certain countries, companies or individuals. As a company based in the United States, all employees, agents and subsidiaries must comply with U.S. and local trade laws.

DO THE RIGHT THING

- Select suppliers that meet our quality, delivery, service and pricing standards and that are responsible corporate citizens
- Contact the Legal department to confirm the trade status of any country before doing business with or in that country
- Be alert for any warning signs of supply chain integrity issues with a particular supplier or customer and promptly raise to your manager or Human Resources department

Question and answer

Q + A

Q While receiving product at a distribution center, I noticed that some refrigerated product was on the loading dock and no one seemed to be working with the product. Should I raise a concern to a supervisor?

A Yes. Refrigerated product must be promptly moved from the loading dock to refrigerated storage locations. You should immediately bring this, or any other questions or concerns, to the attention of your manager.

Q While visiting a Company pharmacy, I noticed several customers arriving at the same time to obtain prescriptions. I overheard them talking to the pharmacist and each other about how long a drive they have ahead of them to get home — several hours and many states away. I also noticed that the customers appeared to be receiving powerful pain medications. It seemed suspicious to me. What should I do?

A These are warning signs that indicate diversion of controlled substances. Report what you saw to the CannapharmaRx Human Resources department or to your manager.

Excellence in interacting with government officials

WE COMPLY WITH THE LAWS AND REGULATIONS THAT GOVERN THE POLITICAL PROCESS AND INTERACTIONS WITH GOVERNMENT ENTITIES, OFFICIALS AND EMPLOYEES.

THE IMPORTANCE

Working with local, state and federal government entities, officials and employees and complying with the numerous complex regulations governing the healthcare industry are routine business operations for many of us at CannapharmaRx. It is important that we conduct business with government entities through bona fide, transparent means. In addition, we help government officials understand our business.

AUDITS AND INVESTIGATIONS

Effectively working with regulators as they establish regulations and conduct audits and inspections is critical to maintaining CannapharmaRx's reputation for trustworthiness. Contact the Legal department if you receive a request for information from a government agency.

INTERACTIONS WITH GOVERNMENT RELATED CONTRACTORS

There are stringent laws and regulations that apply to our interactions with government-related officials. Many government-related officials have conflicts of interest rules or similar policies which restrict or prohibit accepting anything of value (including meals and gifts) from vendors. Do not offer or give anything of value (e.g., gifts, cash, etc.) to government officials or others with decision-making power or influence over any aspect of our business.

BRIBERY AND CORRUPTION PREVENTION

Many countries in which we do business prohibit giving someone something of value to obtain an improper advantage. For example, the U.S. Foreign Corrupt Practices Act makes it a crime to bribe foreign governmental officials. In many countries, the employees of hospitals, clinics and pharmacies are government employees. In addition, we may be held responsible for the actions of our consultants, agents or distributors if they violate the law.

INTERACTIONS WITH ELECTED OFFICIALS/ POLITICAL CONTRIBUTIONS AND LOBBYING

We are committed to complying with applicable federal, state and local laws and regulations, including the U.S. Honest Leadership and Open Government Act which places particularly stringent restrictions on interactions with members of the U.S. Congress. In addition, most countries, including the United States, have very stringent rules regarding political contributions and lobbying by companies. Do not use CannapharmaRx resources to support your choice of political parties, causes, political action committees or candidates. Always make clear that your political views, actions and contributions are your own and not necessarily those of CannapharmaRx. Report to the Legal counsel any contribution requested by a U.S. federal representative, senator or member of his or her staff.

Excellence in interacting with government officials

DO THE RIGHT THING

- Treat regulators professionally, with courtesy and respect and provide accurate, truthful information
- Contact the Legal department with respect to any requests for information, subpoenas or any other government inquiry.
- Know with whom you are doing business – follow our due diligence procedures and accurately reflect all financial transactions in our books, records and accounts
- Follow CannapharmaRx procedures for contracting, due diligence and training before hiring a consultant, agent, distributor or any other party
- Obtain prior approval before lobbying or meeting with a government official, individually or as a part of a group (e.g., trade association, customer visit, etc.) engaging a lobbyist at either the state or federal level inviting legislator to a Company facility or engaging in an entertainment activity

Q + A

Q An industry colleague has asked me to accompany him/her to a meeting with a state legislator. Because I am not attending specifically for CannapharmaRx, do I need to inform anyone?

A Yes. It is very possible you were asked to join him/her because you are from CannapharmaRx and the colleague wants to leverage our position in the state to help with a particular issue. CannapharmaRx has business interests in many states and it is necessary to contact the Human Resources department to discuss the specific policy issue, whether CannapharmaRx is currently working with that person and whether the state has requirements for reporting lobbying activity.

Q The pharmacist at a state-owned hospital wants to conduct our business meeting at a local restaurant. In the past we have always split the cost, but this time he is suggesting that I should pay for his meal as well. What should I do?

A Government employees, even pharmacists employed by state-owned hospitals, are subject to stricter rules than you might expect. You should not provide meals, gifts, any form of entertainment, travel provisions or other items of value to a government employee (e.g., employee of a locally- or state-owned pharmacy, etc.) unless CannapharmaRx policy, the policy of the corresponding organization or entity and applicable laws allow it.

Excellence in internal communications

WE RECORD INFORMATION IN A TIMELY AND ACCURATE WAY SO THAT INVESTORS AND OTHER STAKEHOLDERS CAN TRUST THE INFORMATION AND MAKE INFORMED DECISIONS.

THE IMPORTANCE

Employees make decisions every day based on the information recorded by other employees. Our customers, suppliers, investors and other stakeholders also rely on the information that we provide to them. In addition, business documents and communications may become public through litigation, government investigations and the media. As such, it is important that information is recorded accurately and not in a misleading fashion.

BOOKS AND RECORDS

Employees who create or maintain reports, records or any other information must take care to review the accuracy of that information and not create a false or misleading report. Particular diligence is needed when working with:

- Documents filed with or submitted to governments or regulatory agencies
- Expense reports
- Financial statements and related accounting entries and adjustment
- Production and quality records
- Time reports

EXTERNAL COMMUNICATION

Before sending, posting, emailing, discussing or otherwise allowing the content of any document to be seen, be sure your message is clear and concise and is not ambiguous. CannapharmaRx prepares all public communications and disclosures in reports and documents we file with or submit to regulatory agencies in a full, fair, accurate, timely and understandable manner and in accordance with applicable legal standards for such filings and submissions.

INTERNAL COMMUNICATION

In all internal communications, take care to avoid false, misleading or derogatory remarks or characterizations of people, the company or other companies, as well as the use of exaggeration, guesswork or legal conclusions. Remember that email, instant messaging, voice-mail and other forms of electronic communication may be a business record.

DO THE RIGHT THING

- Strive to fully, fairly and accurately record the facts and substance of a transaction in reasonable detail to support business needs and financial reporting requirements
- Do not enter into any transaction or agreement that improperly accelerates, postpones or otherwise manipulates the accurate and timely recording of business revenue or expenses
- Do not make a payment or establish an account on behalf of CannapharmaRx with the understanding that any part of the payment or account is to be used for a purpose other than as described by the supporting documents
- Do not participate in any transaction where you have a reason to believe the other party intends to engage in improper accounting
- Correct any record that you receive that is not accurate and truthful – contact the Legal department if you have any questions about how to do so

Question and answer

Q + A

Q Our department is under pressure to meet the quarterly earnings projections. I think my manager reported inaccurate numbers last quarter to meet the projections thinking we could make it up this quarter. What should I do?

A It's never acceptable to report earnings that are not accurate. The company requires accuracy of all of our books and records. You should report questionable entries immediately to the Legal or Human Resources department.

Q I have \$5,000 in financial approval authority. I need to have a \$15,000 invoice from a major supplier paid immediately. My manager has approved these invoices in the past, but my manager is out of town. Is it all right for me to split the invoice into three separate invoices?

A No, employees may not split invoices or expenses to avoid exceeding approval limitations. You must wait until your manager returns or find someone else with sufficient approval authority and knowledge of the transaction to approve the invoices.

Excellence in protecting information and assets

WE PROPERLY USE AND TAKE REASONABLE PRECAUTIONS TO SAFEGUARD CANNAPHARMARX INFORMATION AND PHYSICAL ASSETS.

THE IMPORTANCE

Information created, obtained or compiled by or on behalf of CannapharmaRx belongs to the company. Such information and the physical assets of CannapharmaRx are critical to the continuing success and operation of the company and must be protected. We expect employees to respect and safeguard the company assets they use, including information, computers, personal electronic devices, furniture, buildings and vehicles.

CONFIDENTIAL INFORMATION

You may not disclose CannapharmaRx confidential information (e.g., customer lists, directories, files, reference materials and reports, computer software, data processing systems, computer programs, databases, etc.) to anyone outside the company unless: (1) a proper confidential disclosure agreement has been entered into; or (2) the disclosure has been properly authorized by CannapharmaRx management and the Legal department. To protect confidential information, the use of audio and visual recording devices on company property, including cellular telephone cameras, is not permitted without prior approval of management.

INTELLECTUAL PROPERTY

Intellectual property (e.g., innovations, discoveries, ideas, etc.) is critical to the continuing success and operation of the company and must be protected as confidential and proprietary information. The unauthorized disclosure of intellectual property may jeopardize its legal protection. Employee contributions to intellectual property are the property of CannapharmaRx. Employees agree that any and all rights to intellectual property (whether or not protected by patent, copyright, trademark or trade secret) are the property of CannapharmaRx.

RECORDS MANAGEMENT

Numerous laws require certain documents to be kept for various periods of time. You must identify, maintain, safeguard and dispose of records in the normal course of business in compliance with the current records retention schedule and any document preservation notice you may receive from the Legal department. Under no circumstances may you or anyone under your direction selectively edit or discard records.

PERSONAL USE

You are permitted to occasionally use the company's computer and telephone systems for personal purposes that are consistent with the company policies and Standards of Business Conduct, do not interfere with the performance of your responsibilities with CannapharmaRx and are not otherwise contrary to the interests of CannapharmaRx. Keep in mind that such use must be nominal in terms of time. Under no circumstances may you use company assets in any manner that is contrary to CannapharmaRx policy or connected with offensive, sexually explicit or inappropriate material, including using your company-provided computer to view or send such material during or after normal working hours.

PERSONAL INFORMATION

CannapharmaRx is committed to complying with the laws that govern the collection, use and management of personal information in the countries where we do business. Specific laws in many countries govern how employees handle personal information, prescription information or other patient-identifiable healthcare information.

Excellence in protecting information and assets

DO THE RIGHT THING

- Protect CannapharmaRx confidential information and use it only for valid business purposes during your employment with CannapharmaRx and after it ends
- Properly label information to indicate how it should be handled, distributed and destroyed
- Do not disclose confidential information or intellectual property, including posting on online chat rooms, message boards or blogs
- Report if you know or suspect that confidential information has been lost and/or seen by unauthorized individuals
- Follow CannapharmaRx procedures for reuse, redeployment and return of work equipment during your employment with CannapharmaRx and after it ends
- Do not use assets in a manner that might lead to loss or damage, including uses that might introduce viruses or cause a breach of our information technology security

Q + A

Q I am a new employee. Please provide me with examples of CannapharmaRx confidential or proprietary information and how to protect it.

A A good rule of thumb is that any information that has not been released to the public is confidential information and should not be discussed with anyone who does not have a legitimate business need to know it. Specific care should be given to confidential information that could put the company at a competitive disadvantage if it was disclosed (e.g., trade secrets, customer/ patient/employee information, financial data, business plans, etc.)

Excellence in providing public information

WE DIRECT OUTSIDE INQUIRIES TO THE APPROPRIATE COMPANY OFFICER IN ORDER TO PROVIDE INFORMATION TO THE PUBLIC THAT IS CONSISTENT, COMPLETE AND ACCURATE.

THE IMPORTANCE

Our Company conducts business in the healthcare sector in which there is growing public interest. As the industry continues to evolve and our business grows, you may experience an increase in public, government and investment community inquiries. It is critical that the information provided be complete, consistent and accurate in order to instill trust and credibility in our business relationships as well as our brand.

INQUIRIES FROM THE NEWS MEDIA

If you receive an oral or written inquiry from a journalist, direct the inquiry to Corporate Communications department. Do not respond to the inquiry yourself, even by saying “no comment”. Sometimes a “no comment” is not the appropriate answer, as it leaves room for broad interpretation. The right response is to say that a Company spokesperson will be contacted and advised of the inquiry.

INQUIRIES FROM THE INVESTMENT COMMUNITY

For questions regarding financial performance refer the inquiring party to our Chief Financial Officer.

INQUIRIES FROM GOVERNMENT REGULATORY AGENCIES

For legal or regulatory matters refer the inquiring party to our Legal department.

Q + A

Q Recently, at an industry conference, a colleague who writes an online blog asked my opinion regarding the legalization of recreational marijuana. This seemed to be a casual conversation, not an interview. Do we still need to refer the inquiry to Corporate Communications?

A Blogs are considered media outlets, just as much as mainstream newspapers, television and other forms of mass communication. Even if the blogger says the conversation is “off the record” or “not for attribution,” misunderstandings can occur. If the journalist presses you for a specific position, explain it is against company policy to express an opinion that can be construed as being on behalf of the company.

Ways to reach us

ADDRESS

2 PARK PLAZA SUITE 1200B
IRVINE, CALIFORNIA
92614
US

PHONE

+1 949 652 683

WEB

CANNAPHARMARX.COM

EMAIL

INFO@CANNAPHARMARX.COM

HR@CANNAPHARMARX.COM

LEGAL@CANNAPHARMARX.COM

CORPORATECOMMS@CANNAPHARMARX.COM

CANNAPHARMARX

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Watch what science can do.

This booklet does not create a contract of employment between CannapharmaRx and any CannapharmaRx employee, nor does it alter the at-will employment relationship or any employment contract and/or agreement between CannapharmaRx and any CannapharmaRx employee. In addition, this booklet does not create an implied or expressed promise for specific treatment in a specific situation. The current edition of the Code of Business Conduct and Ethics is posted on the company website. The Code of Business Conduct and Ethics and CannapharmaRx policies and procedures may be amended from time to time and all amendments are effective immediately upon posting. It is the responsibility of each employee to review the Code of Business Conduct and Ethics and CannapharmaRx policies and procedures from time to time to ensure that he or she is in compliance.