

# **AKARI THERAPEUTICS, PLC**

## **COMPANY CODE OF CONDUCT AND ETHICS**

### **FOREWORD**

Akari Therapeutics, Plc (the “Company”) has adopted a *Company Code of Conduct and Ethics* (the “Code”) which is intended to provide our Associates with a clear understanding of the principles of business conduct and ethics that are expected of them.

The term “Associate” includes each full and part-time employee of the Company and its subsidiaries, each executive officer of the Company (Executive Chairman, Chief Executive Officer, Chief Operating Officer, Chief Legal & Compliance Officer, and Chief Financial Officer), and each member of the Company’s Board of Directors (the “Board”).

The standards set forth in the Code apply to each Associate and each must acknowledge that he or she has reviewed the Code and agrees to comply with its terms as a condition of his or her continuing relationship with the Company.

Many of the standards outlined on the following pages will be familiar, for they reflect the fundamental values of fairness and integrity that are a part of our daily lives. Applying these standards to our business lives is an extension of the values by which we are known as individuals and by which we want to be known as a company. To that end, the Company has made the Code publicly available on its website.

It is our responsibility to conduct ourselves in an ethical business manner and to ensure that others do the same. If any one of us violates these standards, he or she may be subject to disciplinary action, up to and including termination of employment or other relationship with the Company, and depending on the violation, could possibly be subject to other legal action.

If you know or become aware of any breach of the Code, you are obligated to report it. You may report it to the Chief Legal & Compliance Officer, or the Chair of the Audit Committee of the Board, or to any other executive officer of the Company. In the United States, you may also report it using the Hotline. In the UK, only financial improprieties, such as fraud, may be reported using the Hotline.

The ultimate responsibility for maintaining our Code rests with each of us. As individuals of personal integrity, we should do no less than behave in a way that will continue to bring credit to ourselves and the Company.

While the Code cannot possibly describe every situation that may arise, the standards set forth in this Code are guidelines that should govern our conduct always. If you are confronted with situations not covered by the Code, or have questions regarding the matters that are addressed in the Code, you are encouraged to consult with the Chief Legal & Compliance Officer or, if he is not available, another executive officer of the Company.

The provisions of the Code which set forth the actions the Company will take are guidelines. There may be circumstances that reasonably require the Company to take different measures or actions.

This document does not constitute a contract, employment or otherwise, between the Company and any of its Associates.

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## **I. IMPLEMENTATION OF THE CODE**

The following questions and answers address the Company's implementation of the Code. The Company has attempted to design procedures that ensure maximum confidentiality, anonymity, and, most importantly, freedom from the fear of retaliation for complying with and reporting violations under the Code.

In addition, each Associate shall sign the Associates Agreement to Comply in substantially the form attached hereto as Appendix A annually, or at such other interval as may be determined by the Audit Committee of the Board, or the Board from time to time.

### **Q: Who is responsible for administering, updating and enforcing the Code?**

**A:** The Board has appointed a Corporate Compliance Committee (the "Committee") that comprises the Chief Legal and Compliance Officer, the Executive Chairman, and the Chair of the Audit Committee of the Board. It is the responsibility of the Committee to administer, update and enforce the Code. Ultimately, the Board must ensure that the Committee fulfills its responsibilities.

The Committee has overall responsibility for overseeing the implementation of the Code. Its specific responsibilities are to:

- Develop the Code based on legal requirements, regulations and ethical considerations that are raised in the Company's operations;
- Ensure that the Code is distributed to all Associates and that all Associates acknowledge the principles of the Code;
- Provide a reporting mechanism so that Associates have a confidential and anonymous method of reporting not only suspected violations of the Code but concerns regarding federal securities or antifraud laws, accounting issues, or any federal law relating to fraud against stockholders;
- Implement a training program around the Code;
- Audit and assess compliance success with the Code;
- Serve as the focal point for Associates who wish to report violations or who have questions concerning the Code;
- Conduct internal investigations, under the direction of the Chief Legal & Compliance Officer, of suspected compliance violations;
- Evaluate disciplinary action for Associates who violate the Code;
- In the case of more severe violations of the Code, make recommendations regarding disciplinary action to the Board or a committee thereof; and
- Evaluate the effectiveness of the Code and improve the Code, including making updates to comply with changes in the law.

The Committee will provide a summary of all matters considered under the Code to the Board or a committee thereof at each regular meeting thereof, or sooner if warranted by the

severity of the matter. All proceedings and the identity of the person reporting will be kept confidential unless otherwise required by applicable law.

**Q: How can I contact the Committee?**

**A:** The names of the Committee members and their contact information are listed below. Any one of these individuals can assist you in answering questions or reporting violations or suspected violations under the Code.

Robert M. Shaw Chief Legal & Compliance Officer (718) 312-3814 <a href="mailto:robert.shaw@akaritx.com">robert.shaw@akaritx.com</a>
Ray Prudo Executive Chairman +44 20 7025 7911 <a href="mailto:ray.prudo@akaritx.com">ray.prudo@akaritx.com</a>
Donald A. Williams Chair, Audit Committee (858) 692-5408 <a href="mailto:DonWilliams.SD@gmail.com">DonWilliams.SD@gmail.com</a>

The members of the Committee may change from time to time. You are encouraged to consult the copy of the Code that is included on the company’s website to obtain the current membership.

Associates are encouraged to exhaust all internal alternatives and await the results of all internal investigations prior to making any form of external communication. We have instituted the procedures described in this Code, including procedures to make anonymous submissions, to facilitate the use of internal investigations.

Individuals are encouraged, but not required, to leave a name or at least a contact number when submitting a report. Such information will facilitate a more thorough investigation. The Committee will strive to maintain the integrity and confidentiality of all compliance-related communications. However, in certain circumstances, the identity of the person raising the issue may become known or need to be revealed, particularly if governmental enforcement authorities become involved in the investigation. The Company cannot guarantee confidentiality when material evidence of a violation of the law is disclosed or if the person is identified during the normal course of an investigation.

**Q: How can I report any concerns that I have in a confidential and anonymous manner?**

**A:** Reports that you make to a member of the Committee will be maintained in confidence but as noted in this Code, internal or external investigations may impact that confidentiality and in some instances, laws or regulations may require disclosure. If you are not comfortable speaking directly with a member of the Committee, you may also report it using the Hotline. However, due to privacy laws in the UK, only financial improprieties, such as fraud, may be

reported using the Hotline. You may also send an email from a non-Company email account to [corpcompliance@akaritx.com](mailto:corpcompliance@akaritx.com).

## **II. GENERAL REQUIREMENTS**

Each Associate of the Company is expected to be honest, fair, and accountable in all business dealings and obligations, and to ensure:

- the ethical handling of conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in the reports required to be filed by the company with the Securities and Exchange Commission and other applicable regulatory bodies and in other public communications made by the Company; and
- compliance with applicable governmental laws, rules and regulations.

## **CONFLICTS OF INTEREST**

Associates should avoid any situation that may involve, or even appear to involve, a conflict between their personal interests and the interests of the Company. In dealings with current or potential customers, suppliers, contractors, and competitors, each Associate should act in the best interests of the Company to the exclusion of personal advantage. For purposes of this section, a “significant” amount or interest shall be deemed to be any amount more than \$25,000. Associates are prohibited from any of the following activities which could represent an actual or perceived conflict of interest:

- No Associate or immediate family member of an Associate shall have a significant financial interest in, or obligation to, any outside enterprise which does or seeks to do business with the Company or which is an actual or potential competitor of the Company, without prior approval of the Committee, or in the case of executive officers or members of the Board, the full Board or a committee thereof; provided however, that this provision shall not prevent any Associate from investing in any mutual fund or owning up to 1% of the outstanding stock of any publicly traded company.
- No Associate shall conduct a significant amount of business on the Company’s behalf with an outside enterprise which does or seeks to do business with the Company if an immediate family member of the Associate is a principal or officer of such enterprise, or an employee of such enterprise who will play a significant role in the business done or to be done between the Company and such enterprise, without prior approval of the Committee, or in the case of executive officers or members of the Board, the full Board or a committee thereof.

- No Associate, or an immediate family member of an Associate, shall serve as a director, officer or in any other management or consulting capacity of any actual competitor of the Company without the prior approval of the full Board or a committee thereof.
- No Associate shall use any Company property or information or his or her position at the Company for his or her personal gain.
- No Associate shall engage in activities that are directly competitive with those in which the Company is engaged.
- No Associate shall divert a business opportunity from the Company to such individual's own benefit. If an Associate becomes aware of an opportunity to acquire or profit from a business opportunity or investment in which the Company is or may become involved or in which the Company may have an existing interest, the Associate must disclose the relevant facts to a member of the Committee. The Associate may proceed to take advantage of such opportunity only if the Company, as communicated by the Committee, is unwilling or unable to take advantage of such opportunity and expressly authorized the Associate that he or she may do so.
- No Associate or immediate family member of an Associate shall receive any loan or advance from the Company, or be the beneficiary of a guarantee by the Company of a loan or advance from a third party, except for customary advances or corporate credit in the ordinary course of business or as approved in advance and in writing by the Committee. Please see Section IV.E. below, "Corporate Advances", for more information on permitted corporate advances.

As used herein, an "immediate family member" in respect of any person means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such person, and any person (other than a tenant or employee) sharing the household of such person.

In addition, the Audit Committee of the Board must review and approve, in advance, all related-party transactions, as required by the Securities and Exchange Commission, The Nasdaq Stock Market, LLC or any other regulatory body to which the Company is subject.

Each Associate must make prompt and full disclosure in writing to a member of the Committee of any situation that does involve or which has the potential to involve a conflict of interest. *Failure to disclose any actual or perceived conflict of interest is a violation of the Code.*

## **PROTECTION AND PROPER USE OF COMPANY ASSETS**

Proper protection and use of Company assets and assets entrusted to it by others, including proprietary information, is a fundamental responsibility of each Associate. Associates must comply with security programs to safeguard such assets against unauthorized use, disclosure or removal, as well as against loss by criminal act or breach of trust. The provisions in the Code

relating to protection of the Company's property also apply to property of others entrusted to the Company (including proprietary and confidential information).

### ***A. Proper Use of Company Property***

The removal from the Company's facilities of the Company's property is prohibited, unless authorized by the Company. This applies to furnishings, equipment, and supplies, as well as property created or obtained by the Company for its exclusive use, including, without limitation, client lists, files, personnel information, reference materials and reports, computer software, data processing programs and data bases. Neither originals nor copies of these materials may be removed from the Company's premises or used for purposes other than the Company's business without prior written authorization from the Compliance Committee.

The Company's products and services are its property and include contributions made by an Associate in their development and implementation and remain so even if the Associate's employment or other relationship with the Company terminates.

Each Associate has an obligation to use the time for which he or she receives compensation from the Company productively. Work hours should be devoted to activities directly related to the Company's business.

### ***B. Confidential Information***

The Company may directly or indirectly provide its Associates with confidential information relating to the Company. Such information is to be held in confidence and not communicated to anyone who is not authorized to receive it, except as may be required by law. The types of information that each Associate must safeguard include (but are not limited to) the Company's plans and business strategy, unannounced products and/or contracts, sales data, projects, research, clinical programs, customer and supplier lists, inventions, patent applications, trade secrets, manufacturing techniques and financial information, whether in electronic or any other format. These are valuable assets of the Company. No Associate shall use these assets for his or her own personal benefit.

### ***C. Accurate Records and Reporting***

Under law, the Company is required to keep books, records and accounts that accurately and fairly reflect all transactions, dispositions of assets and other events that are the subject of specific regulatory record keeping requirements, including generally accepted accounting principles and other applicable rules, regulations and criteria for preparing financial statements and for preparing periodic reports filed with the Securities and Exchange Commission and other regulatory bodies. All Company reports, accounting records, sales reports, expense accounts, invoices, purchase orders, and other documents must accurately and clearly represent the relevant facts and the true nature of transactions. Reports and other documents should state all material facts of a transaction and not omit any information that would be relevant in interpreting such report or document. Under no circumstance may there be any unrecorded liability or fund of the Company, regardless of the purposes for which the liability or fund may have been intended, or any improper or inaccurate entry knowingly made on the books or records of the company. No

payment on behalf of the Company may be approved or made with the intention, understanding or awareness that any part of the payment is to be used for any purpose other than that described by the documentation supporting the payment. In addition, intentional accounting misclassifications (e.g., expense versus capital) and improper acceleration or deferral of expenses or revenues are unacceptable reporting practices and are expressly prohibited.

The Company has developed and maintains a system of internal controls to provide reasonable assurance that transactions are executed in accordance with management's authorization, are properly recorded and posted, and comply with regulatory requirements. The system of internal controls within the Company includes written policies and procedures, budgetary controls, supervisory review and monitoring, and various other checks and balances, and safeguards such as password protection to access certain computer systems.

The Company has also developed and maintains a set of disclosure controls and procedures to ensure that all information required to be disclosed by the Company in the reports that it files or submits to regulatory bodies, including the Securities and Exchange Commission in the United States and Companies House in the United Kingdom, is recorded, processed, summarized and reported within the time periods specified.

Associates are expected to be familiar with, and to adhere strictly to, these internal controls and disclosure controls and procedures.

Responsibility for compliance with these internal controls and disclosure controls and procedures rests not solely with the Company's accounting personnel, but with all Associates involved in approving transactions, supplying documentation for transactions, and recording, processing, summarizing and reporting of transactions and other information required to be filed with these regulatory bodies.

***Because the integrity of the Company's external reports to stockholders and to these regulatory bodies depends on the integrity of the Company's internal reports and record-keeping, all Associates must adhere to the highest standards of care with respect to the Company's internal records and reporting. The Company is committed to full, fair, accurate, timely, and understandable disclosure in the periodic reports it is required to file, and it expects each Associate to work diligently towards that goal.***

Any Associate who believes the Company's books and records are not in accord with these requirements should immediately report the matter to a member of the Compliance Committee or to the Hotline. The Company has adopted explicit non-retaliation policies with respect to these matters, as described in Section VIII below.



#### **D. Document Retention**

Numerous federal and state statutes require the proper retention of many categories of records and documents that are commonly maintained by companies. In consideration of those legal requirements and the Company's business needs, all Associates must maintain records in accordance with these laws.

Any record, in paper or electronic format, relevant to a threatened, anticipated or actual internal or external inquiry, investigation, matter or lawsuit may not be discarded, concealed, falsified, altered, or otherwise made unavailable, once an Associate has become aware of the existence of such threatened, anticipated or actual internal or external inquiry, investigation, matter or lawsuit. The Chief Legal & Compliance Officer will typically issue a "Litigation Hold" memo to affected employees if such a situation arises.

When in doubt regarding retention of any record, an Associate must not discard or alter the record in question and should seek guidance from the Chief Legal & Compliance Officer. In addition, from time to time, the Company may adopt additional specific written policies and procedures with respect to document retention or amend existing policies and procedures. All Associates will be notified if such policies and procedures are adopted or if existing policies and procedures are amended.

#### **E. Corporate Advances**

Under law, the Company may not loan money to Associates except in limited circumstances. It shall be a violation of the Code for any Associate to advance Company funds to any other Associate or to himself or herself except for usual and customary business advances for legitimate corporate purposes which are approved by a supervisor or pursuant to a corporate credit card for usual and customary, legitimate business purposes. It is the Company's policy that any advance to an Associate of more than \$1,000 be approved in advance by a member of the Committee.

Company credit cards are to be used only for authorized, legitimate business purposes. An Associate is responsible for any unauthorized charges to his or her Company credit card.

### **III. FAIR DEALING WITH CUSTOMERS, SUPPLIERS, COMPETITORS, AND ASSOCIATES**

The Company does not seek to gain any advantage through the improper use of favors or other inducements. Good judgment and moderation must be exercised to avoid misinterpretation and adverse effect on the reputation of the Company or its Associates. Offering, giving, soliciting or receiving any form of bribe to or from an employee of a customer or supplier is strictly prohibited. There are also laws in the United States and other countries which may prohibit such conduct and which could subject the Company, Associate, or both to liability. If you have any questions about this, please consult the Chief Legal & Compliance Officer.

## **A. Giving Gifts**

Cash or cash-equivalent gifts must not be given by an Associate to any person or enterprise. Gifts, favors and entertainment may be given to non-governmental employees if what is given:

- is consistent with customary business practice;
- is not excessive in value and cannot be construed as a bribe or pay-off;
- is not in violation of applicable law or ethical standards; and
- will not embarrass the Company or the Associate if publicly disclosed.

See also subsection E below for considerations relating to gifts to foreign officials and Section VI. B below for considerations relating to gifts to government employees.

## **B. Receiving Gifts**

Gifts, favors, entertainment or other inducements may not be accepted by Associates or members of their immediate families from any person or organization that does or seeks to do business with, or is a competitor of, the Company, except as common courtesies usually associated with customary business practices. If the gift is of more than token value, it must be immediately reported to the Committee which will take appropriate action.

An especially strict standard applies when suppliers are involved. If a gift may unduly influence an Associate's decision or judgment or would reasonably be expected to make an Associate feel obligated to "pay back" the other party with business, receipt of the gift is not acceptable, must be refused, or received must be returned and in any event, must be reported to the Committee.

It is never acceptable to accept a gift in cash or cash equivalent. Even cash gifts of token value must be declined and, if received, returned and reported to the Committee.

## **C. Unfair Competition**

Although the free enterprise system is based upon competition, rules and laws exist that define what can and what cannot be done in a competitive environment. The following practices can lead to liability for "unfair competition" and should be avoided. They are also violations of the Code.

*Disparagement of Competitors.* It is not illegal to point out weaknesses in a competitor's service, product or operation; however, Associates may not spread false rumors about competitors or make misrepresentations about their businesses. For example, an Associate may not pass on anecdotal or unverified stories about a competitor's products or services as the absolute truth (e.g., the statement that "our competitors' diagnostic testing procedures have poor quality control").

*Disrupting a Competitor's Business.* This includes bribing a competitor's employees, posing as prospective customers or using deceptive practices such as enticing away employees to obtain secrets or destroy a competitor's organization. For example, it is not a valid form of "market research" to visit a competitor's place of business posing as a customer.

*Misrepresentations of Price and Product.* Lies or misrepresentations about the nature, quality or character of the Company's services and products are both illegal and contrary to Company policy. An Associate may only describe the Company's services and products based on their documented specifications, not based on anecdote or his or her belief that the Company's specifications are too conservative.

#### **D. Antitrust Concerns**

Antitrust laws are intended to preserve the free enterprise system by ensuring that competition is the primary regulator of the economy. Every corporate decision that involves customers, competitors, and business planning with respect to output, sales and pricing can give rise to antitrust issues. Compliance with the antitrust laws is in the public interest, in the interest of the business community at large, and in our Company's interest.

Failing to recognize antitrust risk is costly. Antitrust litigation can be expensive and time-consuming. Moreover, violations of the antitrust laws can, among other things, subject an Associate and the Company to the imposition of injunctions, damages, and heavy fines. Criminal penalties may also be imposed, and individual Associates can receive heavy fines or even be imprisoned. For this reason, antitrust compliance should be taken seriously at all levels within the Company.

If you have any question about these laws or their applicability to a situation, contact the Chief Legal & Compliance Officer.

A primary focus of antitrust laws is on dealings between competitors. In all interactions with actual or potential competitors all Associates must follow these rules:

- Never agree with a competitor or a group of competitors to charge the same prices or to use the same pricing methods, to allocate services, customers, private or governmental pay or contracts or territories, to boycott or refuse to do business with a provider, vendor, payor or any other third party, or to refrain from the sale or marketing of, or limit the supply of, products or services.
- Never discuss past, present, or future prices, pricing policies, bundling, discounts or allowances, royalties, terms or conditions of sale, costs, choice of customers, territorial markets, production quotas, allocation of customers or territories, or bidding on a job with a competitor.
- Be careful of your conduct. An "agreement" that violates the antitrust laws may be not only a written or oral agreement, but also a "gentlemen's agreement" or a tacit understanding. Such an "agreement" need not be in writing. It can be inferred

from conduct, discussions or communications of any sort with a representative of a competitor.

- Make every output-related and sales-related decision (pricing, volume, etc.) independently, considering costs and market conditions and competitive prices.
- Carefully monitor trade association activity. These forums can create an opportunity for competitors to engage in antitrust violations.

Another focus of antitrust law is how a company deals with customers, suppliers, contractors and other third parties. The following practices could raise issues, and Associates should always consult the Chief Legal & Compliance Officer before doing any of the following:

- Refusing to sell to any customers or prospective customer;
- Entering into any new distribution or supply agreement which differs in any respect from those previously approved;
- Conditioning a sale on the customer's purchasing another product or service, or on not purchasing the product of a competitor;
- Agreeing with a customer on a minimum or maximum resale price of our products;  
or
- Imposing restrictions on the geographic area to which our customers may resell the Company's products.

If our Company has a dominant or potentially dominant position with respect to a product or market, especially rigorous standards of conduct must be followed. In these circumstances, all Associates should consult the Chief Legal & Compliance Officer before selling at unreasonably low prices or engaging in any bundling practices; and keep the Chief Legal & Compliance Officer or the Committee fully informed of competitive strategies and conditions in any areas where the Company may have a significant market position.

Finally, always immediately inform the Chief Legal & Compliance Officer if any law enforcement officials request information from the Company concerning its operations and do not provide any such information unless instructed to do so by the Chief Legal & Compliance Officer.

### ***E. Unfair Practices in International Business***

Under the Foreign Corrupt Practices Act ("FCPA"), associates of the company are prohibited from making certain gifts to foreign officials. "Foreign officials" include not only persons acting in an official capacity on behalf of a foreign government, agency, department or instrumentality, but also representatives of international organizations, foreign political parties and candidates for foreign public office. The gift is "corrupt" under the FCPA if it is made for the purpose of:

- influencing any act or decision of a foreign official in his official capacity;

- inducing a foreign official to do or omit to do any act in violation of his lawful duty;
- inducing a foreign official to use his position to affect any decision of the government; or
- inducing a foreign official to secure any “improper advantage.”

A gift is still “corrupt” even when paid through an intermediary. Any Associate who has any questions whatsoever as to whether a particular gift might be “corrupt” under the FCPA, should immediately contact the Chief Legal & Compliance Officer. Other countries have similar laws which may apply and therefore it is important to first check with the Chief Legal & Compliance Officer before taking any action which could be construed to be in violation of the FCPA or another country’s laws.

## **IV. GOVERNMENT RELATIONS**

Associates must adhere to the highest standards of ethical conduct in all relationships with government employees and must not improperly attempt to influence the actions of any public official.

### ***A. Government Procurement and Funding***

The U.S. government, governments of other countries and many state, regional and local governments have adopted comprehensive laws and regulations governing the purchase of products from private contractors or the provision of funds to the private sector for research and development. These laws and regulations are intended to assure that governmental entities receive pricing, terms, and/or conditions equivalent to those granted to the company's most favored commercial counterparties and that there is full and open competition in contracting.

When selling products or services to, or seeking funding from, government agencies, the company is accountable for complying with all applicable laws, regulations, and requirements. Certifications to, and contracts with, government agencies are to be signed by a Company Associate authorized by the Board to sign such documents, based upon knowledge that all requirements have been fully satisfied.

### ***B. Payments to Officials***

Payments or gifts shall not be made directly or indirectly to any government official or associate if the gift or payment is in violation of any applicable law, or if it is for the purpose of influencing or inducing the recipient to do, or omit to do, any act in violation of his or her lawful duty. Under no circumstances should gifts be given to any government employees.

### ***C. Political Contributions***

Company funds, property or services may not be contributed to any political party or committee, or to any candidate for or holder of any office of any government. This policy does not preclude, where lawful, Company expenditures to support or oppose public referendum or separate ballot issues, or, where lawful and when reviewed and approved in advance by the Committee, the formation and operation of a political action committee in the United States or a similar body where permitted in another country where the Company does business.

## **V. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

### ***A. Insider Trading Policy***

The Company expressly forbids any Associate from trading on material non-public information or communicating material non-public information to others in violation of law. This conduct is frequently referred to as "insider trading." This policy applies to every Associate of

the Company and extends to activities both within and outside their duties to the Company, including trading for a personal account.

The concept of who is an “insider” is broad. It includes officers, directors and employees of a company. In addition, a person can be a “temporary insider” if he or she enters into a special confidential relationship in the conduct of a company’s affairs and as a result is given access to information solely for that company’s purpose. A temporary insider can include, among others, a company’s investment advisors, agents, attorneys, accountants and lending institutions, as well as the employees of such organizations. An Associate may also become a temporary insider of *another company* with which the Company has a contractual or other relationship.

Trading on inside information is not a basis for liability unless the information is material. This is information that a reasonable investor would consider important in making his or her investment decisions, or information that is likely to have a significant effect on the price of a company’s securities.

Information is non-public until it has been effectively communicated to the marketplace. Tangible evidence of such dissemination is the best indication that the information is public. For example, information found in a report filed with the Securities and Exchange Commission or appearing in a national newspaper would be considered public.

If you have any question concerning this topic, contact the Chief Legal & Compliance Officer.

***Each Associate must be familiar with and abide by the Company’s Insider Trading Policy. A copy of this policy is given to all new Associates of the Company and is available from the Chief Legal & Compliance Officer. Annual certification is required.***

## ***B. Equal Employment Opportunity***

The Company makes employment-related decisions without regard to a person’s race, color, religious creed, age, sex, sexual orientation, marital status, national origin, ancestry, present or past history of mental disorder, mental retardation, learning disability or physical disability, including, but not limited to, blindness and genetic predisposition, or any other factor unrelated to a person’s ability to perform the person’s job. “Employment decisions” generally mean decisions relating to hiring, recruiting, training, promotions and compensation, but the term may encompass other employment actions as well.

The Company encourages its Associates to bring any problem, complaint or concern regarding any alleged employment discrimination to the attention of the Chief Legal & Compliance Officer. Associates who have concerns regarding conduct they believe is discriminatory should also feel free to make any such reports to a member of the Committee, or use the Hotline.

## ***C. Sexual Harassment Policy***

The Company is committed to maintaining a collegial work environment in which all individuals are treated with respect and dignity and which is free of sexual harassment. In keeping with this commitment, the Company will not tolerate sexual harassment of Associates by anyone, including any supervisor, co-worker, vendor, client or customer, whether in the workplace or at assignments outside the workplace, including Company-sponsored social functions.

#### ***D. Health, Safety & Environment Laws***

Health, safety, and environmental responsibilities are fundamental to the Company's values. Associates are responsible for ensuring that the Company complies with all applicable provisions of the health, safety, and environmental laws of the United States and of other countries where the Company does business.

The penalties that can be imposed against the Company and its Associates for failure to comply with health, safety, and environmental laws can be substantial, and can include imprisonment and fines.

#### ***E. Health Care Regulations***

The Company is committed to compliance with applicable laws, including laws in the United States which prohibit fraud and abuse such as the federal and state anti-kickback laws and federal and state false claims laws.

The federal anti-kickback statute prohibits the knowing and willful payment of remuneration to a physician, hospital or other source with the intent to induce the physician, hospital or other source to refer patients or recommend any items or services paid for by any federal health care program. There are certain "safe harbor" exceptions to this statute; however, their application is very complicated. A violation of the federal anti-kickback statute can result in severe penalties, including criminal conviction, fines and exclusion from Medicare and Medicaid programs. Many other jurisdictions have similar anti-kickback laws governing items or services payable under government programs and/or by private insurance companies.

Federal and state laws in the United States also contain numerous provisions prohibiting the submitting of claims that are false or fraudulent. Claims that (i) provide misleading or incomplete information to customers regarding health care products or services, (ii) fail to include proper documentation or show a failure to obtain proper diagnosis information and (iii) bill for services not rendered, coded improperly or otherwise not rendered in the manner required, have resulted in penalties to providers under false claims statutes. A violation of a false claims statute can result in severe consequences including criminal conviction.

As the application of federal and state anti-kickback and false claims laws in the United States and similar laws in other countries is very complicated and nuanced, it is imperative that an Associate with questions about the application of these laws contact the Chief Legal & Compliance Officer for guidance in advance of taking any action.



## **VI. REPORTING VIOLATIONS UNDER THE CODE: NON-RETALIATION POLICY**

### **A. Obligation to Make Reports; Procedure**

An Associate of the Company having any information or knowledge regarding the existence of any violation or suspected violation of the Code has a duty to report the violation or suspected violation to a member of the Committee or through the Hotline. Associates are also encouraged to raise any issues or concerns regarding the Company's business or operations. Failure to report suspected or actual violations is itself a violation of the Code and may subject the Associate to disciplinary action, up to and including termination of employment or legal action. Reports may be made on a completely confidential and anonymous basis. To the extent any investigation is necessitated by a report, the Company will endeavor to keep the proceedings and the identity of the reporting Associate confidential unless otherwise required by applicable law.

Associates are encouraged to exhaust all internal alternatives and await the results of all internal investigations prior to making any form of external communication. We have instituted the procedures described in this Code, including procedures to make anonymous submissions, to facilitate the use of internal investigations.

Associates are encouraged, but not required, to leave a name or at least a contact number when submitting a report. Such information will facilitate a more thorough investigation. The Committee will strive to maintain the integrity and confidentiality of all compliance-related communications. However, the Company cannot guarantee confidentiality when material evidence of a violation of the law is disclosed or if the person is identified during the normal course of an investigation.

### **B. Anti-Retaliation Pledge**

Any Associate who acts reasonably and in good faith reports to a member of the Committee or using the Hotline a suspected violation under the Code by another Associate, by the Company, or by the Company's agents acting on behalf of the Company, or by a third party, such as a vendor, or who in good faith raises issues or concerns regarding the Company's business or operations, may not be fired, demoted, reprimanded or otherwise harmed for, or because of, the act of reporting the suspected violation, issue or concern.

In addition, any Associate who in good faith reports a suspected violation under the Code which the Associate reasonably believes constitutes a violation of applicable law by another Associate, by the Company, or by the Company's agents acting on behalf of the Company, to a governmental regulatory or law enforcement agency, may not be reprimanded, discharged, demoted, suspended, threatened, harassed or in any manner discriminated against in the terms and conditions of the Associate's employment for, or because of, the act of making such report.

## VII. QUESTIONS UNDER THE CODE AND WAIVER PROCEDURES

Associates are encouraged to consult a member of the Committee about any uncertainty or questions they may have under the Code.

If any situation should arise where a course of action would likely result in a violation of the Code but for which the Associate thinks that a valid reason for the course of action exists, the Associate should contact the Chief Legal & Compliance Officer *prior to taking any such action*. Except as noted below, the Committee will review all the facts surrounding the proposed course of action and will determine whether the proposed action will be permitted, assuming there is no violation of applicable law.

*Waiver Procedures for Executive Officers and Directors.* Waiver requests by an executive officer or member of the Board shall be referred by the Committee, with its recommendation, to the Board or a committee thereof for consideration. If either (i) a majority of the independent directors on the Board, or (ii) a committee comprised solely of independent directors agrees that the waiver should be granted, and it is not in violation of applicable law, it will be granted. In reaching a decision, the independent directors charged with making the decision may consult with the Chief Legal & Compliance Officer, provided that individual is not requesting the waiver, or with outside counsel. The Company will disclose the nature and reasons for the waiver on a Form 6-K (or Form 8-K) to be filed with the Securities and Exchange Commission within four (4) days or as otherwise permitted by the rules of the Securities and Exchange Commission and the The Nasdaq Stock Market, LLC. If the Board denies the request for a waiver, the waiver will not be granted and the Associate may not pursue the proposed course of action.

*It is the Company's policy to grant waivers from the Code, if at all, only in limited and compelling circumstances.*

## VIII. FREQUENTLY ASKED QUESTIONS AND ANSWERS

The following questions and answers are intended to provide assistance to Associates in understanding and complying with the Code.

**Q: Do I have a duty to report violations under the Code?**

**A:** Yes. Compliance with the Code is mandatory. You must immediately report any suspected or actual violation of the Code to a member of the Compliance Committee or to the Hotline. Failure to report suspected or actual violations is itself a violation of the Code and may subject you to disciplinary action, up to and including termination of employment or legal action.

**Q: I'm afraid of being fired for raising questions or reporting violations under the Code. Will I be risking my job if I do?**

**A:** The Code contains a clear non-retaliation policy, meaning that if acting reasonably you in good faith report to a member of the Committee or to the Hotline a violation of the Code by another Associate, the Company, or by the Company's agents acting on behalf of the Company, the act of reporting such violation will not result in your being fired, demoted, reprimanded or otherwise harmed. Note, however, that while you will not be disciplined for the act of reporting a violation, if you have committed a violation of the Code you may be subject to discipline. You are entitled to make the report on a confidential and anonymous basis.

In addition, if acting reasonably you in good faith report to a regulatory or law enforcement agency a suspected violation under the Code which you reasonably believe constitutes a violation of applicable law or regulation by another Associate, by the Company, or by the Company's agents acting on behalf of the Company, you may not be reprimanded, discharged, demoted, suspended, threatened, harassed or in any manner discriminated against in the terms and conditions of your employment for the act of reporting the suspected violation. Note, however, that while you will not be disciplined for the act of reporting a violation, if you have committed a violation of law or regulation you may be subject to discipline or legal action. You are entitled to make the report on a confidential and anonymous basis.

Associates are encouraged to exhaust all internal alternatives and await the results of all internal investigations prior to making any form of external communication. We have instituted the procedures described in this Code, including the protections described above and procedures to make anonymous submissions, to facilitate the use of internal investigations.

**Q: How are suspected violations investigated under the Code?**

**A:** When a suspected violation is reported to the Hotline or to a member of the Committee, the Committee through or under the direction of the Chief Legal & Compliance Officer will conduct an investigation, which will typically involve interviewing other Associates and which may require that applicable governmental authorities be timely notified. The reporting Associate's immediate supervisor will not be involved in the investigation if the reported violation involved that supervisor but the supervisor will likely be interviewed. The Company will keep the identity of the reporting Associate confidential unless and to the extent it is required by the investigation or applicable law.

If the report is not substantiated, the reporting Associate will be informed and at that time will be asked for any additional information not previously communicated. If there is no additional information, the Committee will close the matter as unsubstantiated.

If the allegation is substantiated, the Committee will make a judgment as to the degree of severity of the violation and the appropriate disciplinary response. Depending on the nature of the violation, the Committee may make a recommendation to the Board and seek its approval. The Board's decision as to disciplinary and corrective action will be final. In the case of less severe violations, the Committee may refer the violation to the executive officers for appropriate disciplinary action. If required, the Chief Legal & Compliance Officer will timely report the violation to applicable governmental authorities who may conduct their own investigation and take action based on their findings.

The Committee shall provide a summary of all matters considered under the Code to the Board or a committee thereof at regularly scheduled meetings, or sooner if warranted by the severity of the matter.

**Q: Do I have to participate in any investigation under the Code?**

**A:** Your full cooperation with any pending investigation under the Code is a condition of your continued relationship with the Company. The refusal to cooperate fully with any investigation is a violation of the Code and grounds for discipline, up to and including termination.

**Q: What are the consequences of violating the Code?**

**A:** Associates who violate the Code may be subject to discipline, up to and including termination of employment. Associates who violate the Code may simultaneously violate federal, state, local or foreign laws, regulations or policies. Such Associates may be subject to prosecution, imprisonment and fines, and may be required to make reimbursement to the Company, a government or any other person for losses resulting from the violation. They may be subject to criminal prosecution, fines or damages depending on the severity of the violation and the applicable law.

**Q: What if I have questions under the Code or want to obtain a waiver under any provision of the Code?**

**A:** Any member of the Committee can help answer questions you may have under the Code. Legal questions should be directed to the Chief Legal & Compliance Officer. Particularly difficult questions will be answered with input from the full Committee. In addition, Section IX of the Code provides information on how you may seek a waiver from the Code but be advised that waivers will be granted rarely if at all and only in very limited and clearly defined circumstances. You should never pursue a course of action that is unclear under the Code without first consulting a member of the Committee and, if advised not to pursue that course of action, pursuing it will subject you to disciplinary action up to and including termination and may result in the action being reported to regulatory or law enforcement personnel.

**APPENDIX A**

**ASSOCIATE’S AGREEMENT TO COMPLY**

I have read the Akari Therapeutics, Plc (the “Company”) Corporate Code of Conduct and Ethics (the “Code”). I have had the opportunity to ask and receive answers to any questions about the Code. I agree to abide by the provisions of the Code.

I acknowledge that:

\_\_\_\_\_ To the best of my knowledge, I am not in violation of, or aware of any violation by others of, any provision contained in the Code;

OR

\_\_\_\_\_ I have made a full disclosure on the reverse side of this acknowledgement of the facts regarding any possible violation of the provisions set forth in the Code whether by myself or by others.

In addition, I understand, acknowledge and agree that I am required to report each suspected or actual violation of the Code, and that I may make such reports on an anonymous basis as set forth in the Code. I understand that I am required to cooperate fully with the Company in the investigation of any suspected violation. I understand that my failure to comply with the Code may result in disciplinary action, up to and including termination and, depending on the nature of my violation, may result in the Company reporting my violation to regulatory or law enforcement personnel.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name (Please print): \_\_\_\_\_

Department: \_\_\_\_\_

Location: \_\_\_\_\_