



Comprehensive Compliance Program

In May 2003, the U.S. Department of Health and Human Services Office of Inspector General released the "Compliance Program Guidance for Pharmaceutical Manufacturers." In accordance with this guidance, Jaguar Health, Inc. ("Jaguar") has developed and maintains for itself and for its wholly owned subsidiary Napco Pharmaceuticals, Inc. ("Napco") an effective Ethics and Compliance Program, Code of Business Conduct (the "Code"), and policies and procedures (collectively, the "Compliance Program").

The Compliance Program is a dynamic program that provides a flexible framework for adapting to the changing environment in which Napco, a pharmaceutical manufacturer, operates. The Compliance Program is continually evaluated, by Jaguar and Napco's executive team, and the Board of Directors ("Board"), to ensure that it functions as intended, serves the purposes for which it has been designed, and enables Jaguar and Napco to meet their commitment to ethical and compliant conduct.

The Compliance Program encompasses the following components:

Governance

- Chief Compliance Officer – Napco has appointed a CCO to design, implement and oversee the Napco Compliance Program. The CCO reports to the CEO, has direct access to the Board, and regularly informs the CEO and the Board on the Compliance Program and any significant Compliance risks, concerns, issues or violations that may come to the attention of the CCO.

Standards

- The U.S. Department of Health and Human Services Office of Inspector General's "Compliance Program Guidance for Pharmaceutical Manufacturers," released in 2013, sets forth the framework for the Compliance Program.
- Code of Business Conduct and Ethics –The Code effectively sets forth Napco's compliance obligations, including compliance with all applicable laws and regulations. In addition, Napco has developed, and will continue to develop policies and procedures that capture Napco's commitment to Compliance, effectively address Napco's Compliance obligations, provide clarity in terms of how to conduct a given activity in a compliant manner, and account for specific areas of risk relevant to pharmaceutical companies. Compliance with the Code and all applicable policies and procedures is a condition of employment and an element in evaluating the performance of all Napco employees.

- PhRMA Code for Interactions with Health Care Professionals (as revised January 2019) – In addition to the Code of Business Conduct and Ethics, Napo has adopted the PhRMA Code for Interactions with Health Care Professionals (the “PhRMA Code”). The PhRMA Code effectively sets forth Napo’s commitment to legal and appropriate interactions with health care professionals. Compliance with the PhRMA Code is a condition of employment and an element in evaluating the performance of all Napo employees.

Education and Training

- Napo has developed and delivered, and will continue to develop and deliver, regular and effective Compliance education and training programs for all Napo Personnel, including the Executive Team. Compliance education and training at Napo is and will be targeted, where necessary, by function and topic to maximize its effectiveness.

Lines of Communication

- Napo has a disclosure program which encourages all Napo Personnel to engage in an open, frank and productive Compliance dialogue and has developed, and will continue to develop, vehicles and mechanisms for promoting this dialogue, and for employing the dialogue to provide Compliance guidance and identify opportunities to enhance the Compliance Program. The disclosure program includes a reporting mechanism (e.g., a toll- free hotline 1-866-852-4827) through which Napo Personnel are able to make anonymous Compliance inquiries or anonymously report Compliance concerns or potential Compliance violations. The disclosure program is publicized and conducted in a manner that emphasizes a strict non-retribution and non-retaliation policy.

Monitoring and Auditing

- Napo’s monitoring and auditing activities are calibrated based on periodic risk assessments, specific company activities, and ongoing evaluation of internal and external risk areas for the Company.

Investigation and Enforcement

- Napo promptly responds to all alleged Compliance violations, by conducting a thorough investigation of the alleged violation, and taking appropriate corrective and/or disciplinary action for established violations and identifying potential preventative measures to help prevent the recurrence of similar violations. Corrective actions considered by Napo include: (1) identifying and addressing in timely fashion any gaps in policies, practices, training or understanding that may have contributed to a violation; (2) imposing a range of disciplinary measures, up to and including termination from employment and contract termination; and (3) reporting the violation to the appropriate government authorities when warranted.

California Compliance Program Declaration

For purposes of compliance with the requirements of California Health and Safety Code, §§ 119400 - 119402 (effective July 1, 2005) (hereinafter “California Compliance Program Law”), Napo Pharmaceuticals, Inc., including its subsidiaries, has established, as part of its Comprehensive Compliance Program, an annual dollar limit concerning appropriate items covered by the California law (“Covered Items”) that are provided to individual California medical and healthcare professionals as part of interactions with these professionals to enhance the practice of medicine and benefit patient care. Some examples of these Covered Items include educational items, such as medical textbooks, and modest meals provided in connection with efforts to advance the professionals’ understanding of product efficacy, safety, and benefits.

Napo Pharmaceuticals, Inc., including its subsidiaries, has established an annual dollar limit of \$2,000 on meals and items per individual healthcare professional. This limit is a maximum amount and not an average or goal. Because this limit is a part of the Napo Compliance Program, and because the Compliance Program, by its very nature, must remain dynamic so as to be effective, this annual limit may be revised based on a variety of factors.

Consistent with a good faith understanding of the California Compliance Program Law, as of July 1, 2020, Napo Pharmaceuticals, Inc., including its subsidiaries, excludes certain items and payments from its annual dollar limit such as:

- Drug samples provided to individual healthcare professionals intended for free distribution to patients.
- Financial support of independent education, including continuing medical educational forums.
- Financial support for health education scholarships.
- Payments for legitimate professional services, including professional speaking, advising, consulting, training or market research services, that are based on the fair market value of the services provided.
- Educational items provided to physicians to give to their patients to enhance patients' understanding or management of a disease state or disorder (items such as patient educational brochures, instruction sheets, and patient self-assessment tools to track medical information).

**Annual Declaration for Purposes of California Health & Safety Code,
§§ 119400-119402**

Napo Pharmaceuticals, Inc., including its subsidiaries, declares, to the best of its knowledge and based upon a good faith understanding of the applicable statutory requirements, that it has established the Compliance Program that encompasses the Comprehensive Compliance Program requirements stated in California Health & Safety Code, §§ 119400-119402.

As of July 1, 2020, Napo Pharmaceuticals, Inc. declares that it is, in all material respects, in compliance with the Comprehensive Compliance Program as described above and California Health & Safety Code, §§ 119400 - 119402 for reporting year July 1, 2019 through June 30, 2020. Because the pharmaceutical industry regulatory environment is continuously evolving, Napo Pharmaceuticals, Inc. will continue to assess the overall effectiveness of the elements of its Compliance Program, and, as part of its assessment, may modify aspects of the Program to enhance its effectiveness. By declaring that it is in compliance with the Compliance Program, Napo Pharmaceuticals, Inc. is asserting that the Compliance Program is reasonably designed to prevent or detect and address Compliance Program deviations.

Copies of the summary of the Compliance Program and declaration may be obtained by contacting the Chief Compliance Officer at compliance@napopharma.com.