

MENLO CORPORATE COMPLIANCE PROGRAM

Menlo Compliance

Menlo's corporate compliance program expects all colleagues to take ownership of our compliance practices. We offer a summary of these guidelines in our HCC Policy Guide that governs our interactions with Healthcare Professionals.

Menlo's Compliance Program represents a shared undertaking on the part of colleagues ranging from the highest levels of management to the most junior employees. Our training programs and organizational structures have been developed to go beyond compliance. All colleagues are expected to take ownership of compliance and to perform all tasks with integrity. We continuously scrutinize our internal practices and have put into place procedures for taking immediate action when we identify potential violations. We offer a Compliance Hotline, an Open Door Policy, and anti-retaliation protections.

Our Compliance Program incorporates the elements of an effective compliance program in accordance with the "Compliance Program Guidance for Pharmaceutical Manufacturers" ("OIG Guidance"), developed by the United States Department of Health and Human Services Office of Inspector General ("OIG").

WRITTEN STANDARDS OF CONDUCT:

The Compliance Program consists of Menlo's Code of Business Conduct and Ethics and the HCC Policy Guide. Additionally, many other Company policies and procedures must also be adhered to. While the scope of these documents may differ, the concepts contained within them reflect the Company's commitment to ethical behavior are consistent, and Company personnel (Employees and consultants) are required to comply with all Company policies and procedures, including those specified below. In cases where a policy or procedure overlap, Company personnel must comply with the more restrictive policy.

COMPLIANCE OFFICER AND COMPLIANCE COMMITTEE:

Melanie Trinidad serves as the Company's Chief Compliance Officer and is responsible for overseeing Menlo's global compliance program. In this capacity, Ms. Trinidad reports to the General Counsel and has open lines of communication to the Nominating and Corporate Governance Committee and the Board of Directors. Ms. Trinidad heads the Compliance Division, which is responsible for administering all aspects of the Compliance Program, including training programs and compliance monitoring systems, developing informational colleague resources, and investigating potential violations of law or Company policy. The Compliance Committee, which is made up of senior leaders from across the Company, provides oversight and support for Menlo's efforts to ensure that its business is conducted appropriately.

EFFECTIVE TRAINING and EDUCATION:

Menlo is committed to providing effective training to employees, managers, officers, and directors on the Compliance Program. Training resources include in-person education, online compliance education, as well as online access to policies and procedures.

EFFECTIVE LINES OF COMMUNICATION

Menlo provides multiple channels for asking questions and raising compliance concerns. The Company has open door, anti-retaliation, and confidentiality policies to encourage and protect colleagues who raise a valid concern.

OPEN DOOR POLICY

Menlo adheres to an "Open Door Policy" and encourages colleagues to discuss all issues, concerns, problems, and suggestions with their immediate supervisors or other managers without fear of retaliation and with the assurance that the matter will be kept as confidential as possible.

COMPLIANCE DIRECT

At Menlo, colleagues can contact Compliance directly in any of the following ways:

Email: compliance@foamix.com

Mail: 520 US Highway Rt.22 Bridgewater, NJ 08807

Phone: 908-458-6929

COMPLIANCE HOTLINE

Where available and permitted by law, Menlo's Compliance Hotline allows colleagues to report a concern or get information or advice anonymously. Where available, the Compliance Hotline can be reached by phone or online via the web-reporting tool. This resource is accessible 24 hours a day, 7 days a week, 365 days a year and is offered in English and Hebrew. The Compliance Helpline is operated by specially trained third-party representatives:

Compliance Hotline Number* (US and Puerto Rico): 844-914-0398

The Compliance Hotline numbers for Israel:

Direct Access 2 Step Dialing

1. From an outside line dial the direct access number for your location:

Israel (Golden Lines)

1-80-922-2222

Israel (Barak)

1-80-933-3333

Israel (Bezeq)

1-80-949-4949

2. At the English prompt dial 844-914-0398

Compliance Helpline Web-Reporting Tool **foamix.ethicspoint.com**.

COMMUNICATION WITH THE BOARD OF DIRECTORS

Communication with the Board of Directors is a critical part of an effective compliance program. Members of the Board and its Committees are readily accessible to senior management, including the General Counsel and the Chief Compliance Officer. Periodic reports are provided to Members of the Board and its Committees.

INTERNAL MONITORING AND AUDITING:

Internal monitoring and auditing of business processes are important parts of an effective Compliance Program to help detect and prevent potential violations of law or policy.

Compliance with the HCC Policy Guide will be monitored by the Compliance Department routinely. This will be accomplished by reviewing transactions generated in various Company systems, interviews, meeting participation, and ride-alongs.

All Employees are responsible for supporting internal monitoring activities and complying with requests for additional explanations, documentation, etc. At times, confidential requests may be made for information or documentation, and employees are expected to respond promptly. Any request made in confidence must be honored.

The monitoring activities will be documented, including observations, corrective active recommendations, and compliance enhancements, and provided to the Compliance Committee as appropriate.

COMPLIANCE CERTIFICATIONS:

All Employees are responsible for supporting the Compliance Program by monitoring compliance with Company policies and procedures, relevant laws and regulations, and reporting any observed non-compliance.

At the end of each calendar-quarter, department heads and applicable functional area heads will be required to sign a "Compliance Certification form" indicating compliance with applicable laws and company policies and procedures associated with the activities in their area of responsibility, based on their reasonable knowledge.

ENFORCEMENT THROUGH DISCIPLINE

Our Compliance policies educate colleagues about our company's commitment to compliance. These policies put all colleagues, including management, on notice that failure to adhere to our compliance standards may have disciplinary consequences, up to and including termination of employment. If an internal investigation suggests that discipline may be warranted, appropriate action is taken.

PROMPT RESPONSE AND CORRECTIVE ACTION

Our Compliance Program supports prompt response and corrective action for significant, potential, suspected or actual violations of law or policy. Compliance concerns referred through any of the communication channels available (personal contact, email, Compliance Hotline, etc.) will be carefully reviewed, thoroughly and thoughtfully investigated in a timely manner, and appropriately resolved.

MENLO POLICIES ON INTERACTIONS WITH HEALTH CARE PROFESSIONALS IN CALIFORNIA

Policies that regulate Menlo colleagues' interactions with health care professionals in the United States reflect our commitment to compliance with applicable federal and state laws and regulations. We review and revise our policies as we deem appropriate to meet the requirements of a highly regulated and complex health care environment.

COMPLIANCE WITH CALIFORNIA SB 1765 California SB 1765 (California Health and Safety Code Sections 119400-119402 or "Statute"), requires pharmaceutical companies to set a specific annual dollar limit on gifts, promotional materials, and items or activities that pharmaceutical companies may give or otherwise provide to an individual medical or health care professional as defined under the Statute. Accordingly, Menlo has modified certain policies and procedures that regulate interactions with covered medical and health care professionals in the State of California consistent with this annual aggregate limit.

Additionally, in accordance with the California Statute, our Compliance Program includes compliance policies consistent with the most recent version of the Pharmaceutical Research and Manufacturers of America (PhRMA) "Code on Interactions with Health Care Professionals."

Annual Aggregate Limit

Menlo has set its annual aggregate limit on covered promotional expenditures at \$2,000 per California licensed prescriber or other covered medical or health professional as defined by the Statute for annual periods commencing on May 1, 2008. This limit may be revised by Menlo from time to time. The foregoing limit does not represent a usual, customary, average, or typical amount for medical or health care professionals.

The Statute excludes from promotional expenditures items such as drug samples given to medical or health care professionals intended for free distribution to patients, financial

support for continuing medical education forums, financial support for health educational scholarships, and payments made at fair market value for legitimate professional services provided by health care professionals.

Menlo's annual aggregate limit is based on an estimate of the maximum value of gifts, promotional materials, and other items or activities as defined herein that a medical or health care professional may receive in a one year period. In setting this limit, we have taken into account the size of the Company and the size of its product portfolio in the United States.

Gifts

The PhRMA Code allows pharmaceutical companies to, where permitted by law, provide "items designed primarily for the education of patients or health care professionals if the items are not of substantial value (\$100 or less) and do not have value to health care professionals outside of his or her professional responsibilities," as long as they are not provided "in exchange for prescribing products or for a commitment to continue prescribing products" or "in a manner or on conditions that would interfere with the independence of a health care professional's prescribing practices." Our annual aggregate limit on certain promotion-related expenditures for purposes of California law excludes from calculation educational items that are permissible under the PhRMA Code.

Promotional Materials

Neither the California Statute, nor the PhRMA Code, nor the OIG Guidance defines "promotional materials." For purposes of this Statute, Menlo does not include in its definition of "promotional materials" documents and information that inform medical or health care professionals about Menlo products, provide scientific and educational data, or support medical research and education.

Other Items or Activities

The Statute also subjects to the per-medical or health care professional annual aggregate limit all other "items or activities that the pharmaceutical company may give or otherwise provide to an individual medical or health care professional in accordance with the OIG Guidance and with the PhRMA Code." We include, among other items in this category, the retail cost of meals provided to covered medical or health care professionals in connection with educational presentations. To comply with the Statute, Menlo will monitor and limit, if necessary, the number of educational presentations that covered medical or health care professionals may attend during the reporting period for compliance with the annual aggregate limit.

Menlo Declaration Of Compliance

Menlo declares, based on its good faith understanding of the California Health and Safety Codes §§ 119400-119402, that as of January 1, 2020, it is in substantial compliance with its Comprehensive Compliance Program and the requirements of California Health and Safety Codes §§ 119400-119402. This declaration is based on Menlo's most recent evaluation,

which includes consideration of the annual aggregate limit noted on covered promotional expenditures. This declaration will be updated on an annual basis.