

**CYNAPSUS THERAPEUTICS INC.**  
**(the “Corporation”)**

**CODE OF BUSINESS CONDUCT AND ETHICS**

**ARTICLE 1 - OBJECTIVES**

**1.1** The Corporation’s commitment to ethical and lawful business conduct is a shared value of its Board of Directors (the “Board”), management and employees. The Corporation’s standards for business conduct provide that it will uphold ethical and legal standards as it pursues its financial objectives, and that honesty and integrity will not be compromised. Consistent with these principles, the Corporation’s Board had adopted this Code of Business Conduct and Ethics (this “Code”) as a guide to the ethical and legal standards expected of its Directors, officers and employees.

**ARTICLE 2 - APPLICATION OF THIS CODE**

**2.1** This Code applies to all Directors, officers and employees of the Corporation and its subsidiaries (collectively the “Company Personnel”). A copy of this Code shall be provided to each new Director, officer and employee, and each such person shall acknowledge that he or she has read the Code before commencing activities as a Director, officer or employee, as the case may be. This Code should also be provided to and followed by our agents and representatives, including consultants.

**2.2** When there is doubt about what action of any Company Personnel is appropriate, guidance should be obtained from the Corporation’s Chief Executive Officer (“CEO”), who may consult with the Chairman of the Board, Chairman of the Audit Committee, or the Corporation’s legal counsel as the CEO deems necessary.

**ARTICLE 3 - MONITORING COMPLIANCE AND WAIVERS**

**3.1** The Board is responsible for monitoring compliance with this Code. Any waiver of this Code will be granted only in exceptional circumstances. Any waivers from this Code that are granted for the benefit of the Corporation’s Directors or executive officers shall be granted by the Board only, and will be promptly disclosed to shareholders as required by applicable law, the NASDAQ Stock Market LLC (“NASDAQ”) or other applicable stock exchange regulation.

**ARTICLE 4 - CONFLICTS OF INTEREST**

**4.1** Company Personnel must act honestly and in good faith, with a view to the best interests of the Corporation. Company Personnel must avoid situations involving a conflict or the potential for a conflict between their personal interests and the interests of the Corporation.

**4.2** A “conflict of interest” occurs when an individual’s private interest interferes in any way, or even appears to interfere, with the interests of the Corporation as a whole. The following are examples of conflicts that may arise in the course of carrying out the Corporation’s business:

(a) Outside Business Interests

Company Personnel are free to take on employment and other activities outside of their work responsibilities with the Corporation. However, in doing so, Company Personnel must ensure that any “outside” activities (i) do not present a real or perceived conflict with the interests of the Corporation or with their duties as Company Personnel or (ii) rise to the level of a material management interest or a material financial interest in a business that supplies goods or services to the Corporation or competes with the Corporation. A material management interest means a position such as a Director, trustee, officer, partner, proprietor and any other management and/or ownership position in a profit making or non-profit enterprise. A 5% or greater ownership interest in a business will generally be presumed to be a material financial interest; however, the level of interest in a business that constitutes a material financial interest will be determined on a case by case basis based on the applicable facts and circumstances and a material financial interest may exist at ownership levels below 5%.

(b) Outside Directorships

Certain Company Personnel are free to take on directorships, however, Company Personnel must be aware of any potential for conflicts with the interests of the Corporation or with their duties as Company Personnel. Officers and Director-level employees shall receive written approval from the CEO prior to accepting a nomination or appointment to any for-profit entity that has or may have any relationship with the Company.

(c) Financial Interests in Suppliers, Contractors or Competitors

Any proposed affiliation (which includes, but is not limited to, any affiliations between the Company Personnel and any entity or individual by blood, marital or adopted relative status, a material management interest or a material financial interest) between the Company Personnel and any entity or individual that has a relationship with the Corporation is subject to review and approval by the Board, and any such person shall disqualify himself or herself from any decision to be made by the Board or eliminate such affiliation, if possible.

(d) Personal Loan or Guarantee from the Corporation

Company Personnel should not accept, whether directly or indirectly, any loan or guarantee of obligations from the Corporation for personal benefit.

(e) Giving and Receiving Gifts

Company Personnel are prohibited from soliciting or receiving any gift, loan, reward or benefit from a supplier or customer in exchange for any

decision, act or omission by any Company Personnel in the course of carrying out their functions. Similarly, Company Personnel should not try to influence the decisions of a supplier or customer by giving gifts of any type. Further, Company Personnel are strictly prohibited from accepting (i) gifts of cash or cash equivalents of any amounts, (ii) gifts that are inconsistent with customary business practices, or (iii) gifts that are excessive in value.

**4.3** Officers and Directors annually will be required to disclose in writing any outside business or financial interest which could influence the impartial discharge of their fiduciary responsibilities and duties, including any interest in another entity which, to their knowledge, does business with the Corporation or is in competition with the Corporation. Other employees may be required to make similar disclosures from time to time.

## **ARTICLE 5 - PROTECTION AND PROPER USE OF CORPORATE ASSETS AND OPPORTUNITIES**

**5.1** All Company Personnel must handle all assets and information of the Corporation with integrity and with due regard to the interests of all of the Corporation's stakeholders. Company Personnel cannot appropriate a corporate opportunity or corporate property, arising out of their relationship with the Corporation, for their own personal benefit and Company Personnel may not compete directly or indirectly with the Corporation. Company Personnel owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises.

**5.2** All Company Personnel should protect the Corporation's asset and ensure their efficient use for legitimate business purposes. The obligation of Company Personnel to protect the Corporation's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business plans, customer information and records of the Corporation.

**5.3** Company Personnel must have authorization to enter into business transactions on behalf of the Corporation. All corporate transactions must be accounted for in the Corporation's books. Records must not be manipulated or destroyed for the purpose of impeding or obstructing any investigation undertaken by the Corporation or a governmental/authoritative body.

**5.4** No action shall be taken to fraudulently influence, coerce, manipulate or mislead anyone engaged in the performance of an audit of the Corporation's financial statements.

**5.5** Email and Internet systems are provided primarily for business use. Personal use of these resources should be kept to a minimum. As email may not be entirely secure, Company Personnel must exercise caution and etiquette when sending email correspondence.

## **ARTICLE 6 - CONFIDENTIALITY OF CORPORATE INFORMATION; INSIDER TRADING**

**6.1** Confidential information is any information that is not known to the general public and includes business research, market plans, strategic objectives, unpublished financial information, customer, supplier and personnel lists and all intellectual property, including trade

secrets, software, trademarks, copyrights and patents. Confidential information may not be given or released without proper authority and appropriate protection to anyone not employed by the Corporation or to Company Personnel who have no need for such information. This non-disclosure obligation applies to Company Personnel during their period of employment or service and after termination of employment or service or retirement. All documents and records of the Corporation (including copies) are solely the property of the Corporation and must be returned to the Corporation upon termination of any Company Personnel's employment or service.

**6.2** Company Personnel are prohibited from trading or encouraging others to trade in the securities of the Corporation where the person trading is in possession of material non-public information. All non-public information about the Corporation should be considered confidential information. The Board has adopted a policy relating to Securities Trading and Reporting Guidelines. Such policy applies to all Directors, officers and employees of the Corporation.

## **ARTICLE 7 - FAIR DEALING; HUMAN RESOURCES**

**7.1** Company Personnel shall not obtain, use or induce the disclosure of proprietary information or trade secrets from any other company. Company Personnel shall not undertake any activities that could reasonably be expected to result in an unreasonable restraint of trade, unfair trade practice or any other anticompetitive behaviour in violation of any law. However, in the normal course of business, it is not unusual for Company Personnel to acquire information about other organizations. In doing so, Company Personnel must not use illegal or unethical means to acquire a competitor's trade secrets or other confidential information. Any Company Personnel who work in an area that requires frequent contacts with competitors, customers or suppliers should be particularly sensitive to the requirements of competition laws.

**7.2** The Corporation undertakes to deal fairly with all Company Personnel. There is a "no tolerance" policy in place for any form of discrimination or harassment against Company Personnel with respect to race, color, religion, age, gender, marital and family status, sexual orientation, ethnic or national origin, veteran status or disability or any other grounds enumerated in applicable human rights legislation. Acts of violence, threatening behavior, or the existence of a hostile environment are strictly prohibited. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol.

**7.3** All Company Personnel must comply with all health and safety laws, regulations and Corporation policies.

## **ARTICLE 8 - COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

**8.1** All Company Personnel, in discharging their duties, must comply with the laws of the municipalities, states, provinces and countries in which the Corporation and its subsidiaries carry on business. All Company Personnel are charged with the responsibility for acquiring sufficient knowledge of the laws involved in each area relating to their particular duties.

**8.2** All Company Personnel are expected to comply with all applicable federal and provincial or state antitrust laws and regulations.

**8.3** Company Personnel are prohibited from making illegal payments or giving gifts of any type to a public or government official in any country in which the Corporation and its subsidiaries operate, in order to obtain a business advantage or influence any decisions by such public or government official.

## **ARTICLE 9 – RECORD KEEPING**

**9.1** Company Personnel are required to honestly and accurately report any required information in order for the Corporation to make responsible business decisions. Any business expenses incurred by Company Personnel must be documented and recorded accurately.

**9.2** The Corporation's books, accounts, records and financial statements must be maintained in reasonable detail and in conformity with applicable legal requirements and internal controls.

**9.3** Records should always be maintained or destroyed in accordance with the Corporation's record retention policies. In accordance with such policies, in the event of litigation or governmental investigation it is essential to follow the advice of the Corporation's legal counsel with respect to preservation or destruction of documents.

## **ARTICLE 10 – DISCLOSURE POLICY**

**10.1** The Corporation shall provide full, fair, accurate, timely and understandable disclosure of all documents required to be filed with or furnished or submitted to any Canadian securities regulators and the United States Securities and Exchange Commission ("SEC") and in all other public communications. The Corporation expects that all Company Personnel will act in a manner to support this policy.

**10.2** The only Company Personnel authorized to discuss the Corporation with the media are the [CEO, Chief Financial Officer and Chief Operating Officer]. All other Company Personnel must refer media, analyst and investor inquiries with respect to the Corporation to one of these authorized spokespersons.

**10.3** All communications of the Corporation shall comply with applicable law, including any applicable Canadian securities laws and rules and regulations of the SEC, and the Communications, Corporate Disclosure and Confidentiality Policy of the Corporation adopted by the Board.

## **ARTICLE 11 – REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOUR**

**11.1** Company Personnel are each responsible for being aware of, understanding and complying with this Code when making business decisions. Company Personnel must promptly report any problems or concerns and any actual or potential violation of this Code. To do otherwise, will be viewed as condoning a violation of this Code.

**11.2** There shall be no reprisal or other action taken against any Company Personnel who, in good faith, bring forward concerns about actual or potential violations of laws or this Code. Anyone engaging in any form of retaliatory conduct will be subject to disciplinary action,

which may include termination. Employees, officers and Directors are expected to cooperate in internal investigations of misconduct.

**11.3** Company Personnel should first raise a complaint or concern with his or her supervisor. If that is not possible for some reason or if this does not resolve the matter, Company Personnel must take the matter up the chain of management within the Corporation. Ultimately, unresolved complaints and concerns should be referred to the Chair of the Board who will treat all disclosures in confidence and will involve only those individuals who need to be involved in order to conduct an investigation. Any complaint regarding accounting, internal accounting or auditing matters or a concern regarding questionable accounting or auditing matters should be referred to the Chair of the Audit Committee.

## **ARTICLE 12 - CONSEQUENCES OF VIOLATING THIS CODE**

**12.1** Failure to comply with this Code will be considered by the Corporation to be a very serious matter. Depending on the nature and severity of the violation, disciplinary action may be taken by the Corporation, up to and including termination of employment and/or service as a member of the Board, as applicable. In addition, the Corporation may make claims for reimbursement of losses or damages and/or the Corporation may refer the matter to the authorities. Anyone who fails to report a violation upon discovery or otherwise condones the violation of this Code may also be subject to disciplinary action.

## **ARTICLE 13 – CERTIFICATION**

**13.1** This Code was duly approved on May 13, 2015 by the Board of Directors of the Corporation, and made effective on June 18, 2015.