

# **PROPHASE LABS, INC.**

## Non-retaliation Policy for Employees who Report Actions which may be Violations of Law

ProPhase Labs, Inc. and its subsidiaries (the “Company”) are committed to providing a workplace conducive to open discussion of its business practices. It is Company policy to comply with all applicable laws that protect employees (“Associates”) against unlawful discrimination or retaliation by their employer as a result of their lawfully reporting information regarding, or their participating in, investigations involving corporate fraud or other violations by the Company or its agents of federal or state law. Specifically, Company policy prevents any Associate from being subject to disciplinary or retaliatory action by the Company or any of its Associates or agents as a result of the Associate’s:

- disclosing information to a government or law enforcement agency, where the Associate has reasonable cause to believe that the information discloses a violation or possible violation of federal or state law or regulation; or
- providing information, causing information to be provided, filing, causing to be filed, testifying, participating in a proceeding filed or about to be filed, or otherwise assisting in an investigation or proceeding regarding any conduct that the Associate reasonably believes involves a violation of:
  - federal criminal law relating to securities fraud, mail fraud, bank fraud, or wire, radio and television fraud, or
  - any rule or regulation of the Securities and Exchange Commission, or
  - any provision of federal law relating to fraud against shareholders, or
  - the Company’s Code of Ethics policy,

where, with respect to investigations, such information or assistance is provided to or the investigation is being conducted by a federal regulatory agency, a member of Congress, or a person at the Company with supervisory or similar authority over the Associate.

However, please be advised that Associates who file reports or provide evidence which they know to be false or without a reasonable belief in the truth and accuracy of such information will not be protected by the above policy statement and may be subject to disciplinary action, including termination of their employment. In addition, except to the extent required by law, the Company does not intend this Policy to protect Associates who violate the confidentiality of any applicable lawyer-client privilege to which the Company or its agents may be entitled under statute or common law principles, or to protect Associates who violate their confidentiality obligations with regard to the Company’s trade secret information. Associates considering providing information that may violate these privileges or reveal Company trade secrets are advised to consult an attorney before doing so.

The Company has designated a Compliance Officer who is responsible for administering this Policy. The Compliance Officer is responsible for receiving, collecting, reviewing, processing and resolving concerns and reports by Associates and others on the matters described above and other similar matters. Associates are encouraged to discuss issues and concerns of the type covered by this Policy with their supervisor, who is in turn responsible for informing the Compliance Officer of any concerns raised. If an Associate prefers not to discuss these sensitive matters with his or her own supervisor, the Associate may instead discuss such matters with the Compliance Officer. The Compliance Officer will refer complaints submitted, as she determines to be appropriate or as required under the directives of the Board of Directors (or a Committee of the Board), to the Board or an appropriate Committee of the Board.

The Company's Compliance Officer is James McCubbin, a member of the Board of Directors and the Audit Committee, who may be reached at email [jmccubbin@widepoint.com](mailto:jmccubbin@widepoint.com)

In addition, the Company has established a procedure by which confidential complaints may be raised anonymously within the Company. Associates that wish to submit complaints confidentially shall submit an anonymous written complaint directly to the Compliance Officer. Complaints submitted through this confidential process that involve the Company's accounting, auditing, and internal auditing controls and disclosure practices will be presented to the Audit Committee of the Company's Board of Directors. An Associate may utilize this confidential process either to raise new complaints or if he or she feels that a complaint previously raised has not been appropriately handled.

If any Associate believes he or she has been subjected to any action that violates this Policy, he or she may file a complaint with his or her own supervisor, or the Compliance Officer. If it is determined that an Associate has experienced any improper employment action in violation of this Policy, such Associate will be entitled to appropriate corrective action.