

**Nivalis Therapeutics, Inc.**  
**Code of Business Conduct and Ethics**

This Code of Business Conduct and Ethics (this “Code”) embodies the commitment of Nivalis Therapeutics, Inc. (the “Company”) to conduct its business in accordance with all applicable laws, rules and regulations and the highest ethical standards. All employees, officers and members of the Board of Directors are expected to adhere to principles and procedures set forth in this Code that apply to them.

For purposes of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder, this Code shall be the code of ethics for the Company’s Chief Executive Officer and President, Chief Financial Officer, Controller or other chief accounting officer, and any other senior executive or financial officers of the Company performing similar functions and so designated from time to time by the Chief Executive Officer of the Company (collectively, the “Senior Executive and Financial Officers”).

**1. General**

The policy of the Company is to comply with all laws governing its operations and to conduct its affairs in keeping with the highest moral, legal and ethical standards. In particular, Senior Executive and Financial Officers hold an important and elevated role in maintaining a commitment to (i) honest and ethical conduct, (ii) full, fair, accurate, timely and understandable disclosure in the Company’s public communications and (iii) compliance with applicable governmental rules and regulations. Accordingly, the Company has adopted this Code. This Code has been approved initially by the Board of Directors and thereafter shall be approved periodically and amended as necessary by the Audit Committee of the Board of Directors (the “Committee”). This Code shall be made available on the Company’s website at [www.nivalis.com](http://www.nivalis.com).

**2. Honest and Ethical Conduct**

Employees and directors are expected to exhibit and promote the highest standards of honest and ethical conduct, by, among other things, their adherence to the following policies and procedures:

- Employees and directors shall engage in only honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- Employees and directors shall inform the Chairperson of the Committee of (a) any deviations in practice from policies and procedures governing honest and ethical behavior that comes to their attention or (b) any material transaction or relationship that comes to their attention that could reasonably be expected to create a conflict of interest.
- The Company shall periodically distribute this Code to all Company employees and directors in order to remind them of this Code and reinforce these principles and standards throughout the Company.
- Employees and directors shall respect the confidentiality of information acquired in performance of their responsibilities and shall not use confidential information for personal advantage.

### **3. Conflicts of Interest**

Employees are expected to devote their best efforts and substantially full business time to the performance of their duties and the advancement of the business and affairs of the Company. The Company's resources and information should not be used for personal gain, whether financial or otherwise. No employee or director shall use their position or contacts to further private interests.

Employees and directors shall avoid any personal relationship, activity, investment or association that competes with the Company, impairs such employee's or director's ability to fulfill his or her responsibility to the Company, could appear to interfere with such employee's or director's good judgment concerning the Company's best interests or involves or may involve an actual or potential conflict between his or her personal interest and the interest of the Company. For example, a conflict of interest may exist if an employee or director:

- causes the Company to engage in a business transaction with his or her relatives or friends;
- uses nonpublic Company, client or vendor information for his or her personal gain or the personal gain of his or her relatives and friends; or
- has more than a modest financial interest in the Company's vendors, clients or competitors.

Employees dealing with customers, suppliers, contractors, competitors or any person seeking to do business with the Company shall act in the best interest of the Company at all times. Employees must make prompt and full disclosure in writing to their supervisor of any potential situation that may involve a conflict of interest, whether it concerns such employee or any other employee or director of the Company. Directors should report any potential conflict of interest to the Chairperson of the Committee. The Committee is responsible for assessing any conflict of interest, reporting to the Board of Directors whether the situation impacts the independence of the director and recommending whether the situation should, or should not, result in a change in Committee assignments for directors or the individual's continued service as a director or employee.

Employees wishing to engage in any "moonlighting" activities should notify their supervisor in writing prior to beginning the activity. The Company will review any such employee's proposed activity and advise whether approval is given to proceed. The Company shall not approve proposed moonlighting activity that (a) involves use of the Company's facilities, information or materials; (b) is conducted during the employee's hours of employment with the Company; (c) involves the Company's franchisees; (d) relates to the Company's current or proposed business activities; or (e) is in an area of the employee's expertise at the Company. The Company will not approve any activity that it believes to be in conflict with any such employee's duties to the Company, and any approved moonlighting activities must not adversely impact any such employee's ability to fulfill his or her job responsibilities at the Company.

### **4. Securities Trading**

Every employee and director of the Company is subject to, and has a personal responsibility to review and understand, the Company's Insider Trading Policy. If any employee or director of the Company has any questions regarding the policy or its requirements, he or she should contact the Company's Chief Financial Officer.

## **5. Financial Records and Periodic Reports**

The Company is committed to full, fair, accurate, timely and understandable disclosure in reports and documents that it files with, or submits to, the Securities and Exchange Commission (the “SEC”) and in other public communications made by the Company. In support of this commitment, the Company has, among other measures, (i) designed and implemented disclosure controls and procedures (within the meaning of applicable SEC rules) and (ii) required the maintenance of accurate and complete records, the prohibition of false, misleading or artificial entries on its books and records, and the full and complete documentation and recording of transactions in the Company’s accounting records. In addition to performing their duties and responsibilities under these requirements, all employees involved in the Company’s SEC reporting process, including each of the Senior Executive and Financial Officers, will establish and manage the Company’s reporting systems and procedures with due care and diligence to ensure that:

- reports filed with or submitted to the SEC and other public communications contain information that is full, fair, accurate, timely and understandable and do not misrepresent or omit material facts;
- business transactions are properly authorized and completely and accurately recorded in all material respects on the Company’s books and records in accordance with generally accepted accounting principles and the Company’s established financial policies; and
- retention or disposal of Company records is in accordance with applicable legal and regulatory requirements.

## **6. Compliance with Applicable Laws, Rules and Regulations**

All employees and directors will comply with all applicable governmental laws, rules and regulations, and the Company’s Senior Executive and Financial Officers will establish and maintain mechanisms to:

- monitor compliance of the Company’s finance operations and other key employees with all applicable federal, state, local and foreign statutes, rules, regulations and administrative procedures; and
- identify, report and correct any detected deviations from applicable federal, state, local and foreign statutes, rules, regulations and administrative procedures.

## **7. Corporate Opportunities**

Employees and directors owe a duty to the Company to advance the Company’s legitimate business interests when the opportunity to do so arises. Employees and directors are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position, using corporate property, information or position for personal gain or competing personally with the Company.

## **8. Protection and Proper Use of Company Assets**

All employees and directors should protect the Company’s assets and ensure their efficient use. Company assets include, but are not limited to, confidential information, software, computers, office equipment, manufacturing equipment and supplies. All Company employees must appropriately secure all company property within his or her control to prevent its unauthorized use. All Company assets

should be used for legitimate business purposes only. Company employees and directors shall make sure that any use of Company assets that is not solely for the benefit of the Company is approved beforehand through the Company's Chief Financial Officer.

## **9. Confidentiality**

In carrying out the Company's business, employees and directors often learn confidential or proprietary information about the Company, its customers, prospective customers or other third parties. Employees and directors must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information includes, among other things, any nonpublic information concerning the Company, including its business, marketing, menu plans, business, franchise and pricing strategies, financial information, forecasts, recipes, databases, personnel information, franchise and supplier lists and data and similar types of information provided by customers, suppliers and franchisees.

## **10. Use of Technology and Software**

Company and third party technology and software may be distributed and disclosed only to persons authorized to use such technology or software. Company and third party technology and software may not be copied without specific authorization and may only be used to perform assigned responsibilities.

All third-party technology and software must be properly licensed. The license agreements for such third-party technology and software may place various restrictions on the disclosure, use and copying of such technology and software.

## **11. Fair Dealing and Antitrust laws**

The Company has a history of engaging only in honest business competition. We do not seek competitive advantages through illegal or unethical business practices. Each employee and director should endeavor to deal fairly with the Company's customers, vendors, service providers, suppliers, competitors and employees. No employee or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

The Company complies with all antitrust laws. Antitrust laws are designed to protect customers and the competitive process. These laws generally prohibit the Company from:

- establishing price fixing arrangements with competitors or resellers;
- sharing pricing information or other competitive marketing information (including production and inventory information) with competitors or allocating markets or clients with competitors;
- entering into agreements with competitors or clients to boycott particular suppliers, clients or competitors; and
- establishing a monopoly or attempted monopoly through anticompetitive conduct.

Noncompliance with antitrust laws can have extremely negative consequences for the Company. If any employee has questions regarding antitrust laws or is uncertain whether a contemplated action

raises unfair competition or antitrust issues, such employee shall contact the Company's Chief Financial Officer.

## **12. Equal Employment Opportunity and Harassment**

The Company's focus in personnel decisions is on merit and contribution to the Company's success. The Company affords equal employment opportunity to all qualified persons without regard to any impermissible criterion or circumstance. This means equal opportunity in regard to each individual's terms and conditions of employment and in regard to any other matter that affects in any way the working environment of the employee. We do not tolerate or condone any type of discrimination prohibited by law, including harassment.

## **13. Gifts**

All employees and directors must be careful to avoid even the appearance of impropriety in giving or receiving gifts and entertainment. In general, gifts, favors and payments may not be offered or provided, unless they are consistent with accepted business practices, sufficiently limited in value, in a form not construed as a gratuity, bribe or payoff, not in violation of applicable law and generally accepted ethical standards, and of a type such that public disclosure of the facts surrounding such gift would not cause embarrassment or harm to the Company. Government employees and contractors are subject to varied and complex rules regarding acceptance of gratuities, often prohibiting them from accepting anything of value unless expressly authorized by applicable statute or regulation, and certain commercial enterprises may be subject to government limitations or gratuities. Further, under certain statutes, such as the U.S. Foreign Corrupt Practices Act, or FCPA, giving anything of value to a government official to obtain or retain business or favorable treatment is a criminal act subject to prosecution and conviction.

An employee or director may accept for themselves and members of their family common courtesies usually employed with customary business practices, but shall not seek or accept for themselves any gifts, favors, entertainment or payments without a legitimate business purpose and without disclosure to the Company. In addition, no employee or director shall seek or accept personal loans (other than conventional loans at market rates from lending institutions) from any person or business organization that does or seeks to do business with or that is a competitor of the Company.

All employees and directors shall discuss with the Company's Chief Financial Officer any proposed entertainment or gifts if such employee or director is uncertain about the appropriateness of the proposed entertainment or gift.

## **14. Political Contributions**

No Company funds may be given directly to political candidates, political parties or political intermediary organizations. Employees and directors may, however, engage in political activity with his or her individual resources and on his or her personal time. Any such political activity shall not be conducted in a way that might appear to be an endorsement or contribution by the Company. The Company will not reimburse its directors or employees for political contributions.

## **15. International Business Laws**

Employees and directors are expected to comply with all applicable laws whenever and wherever they travel on Company business, including laws prohibiting bribery, corruption or the conduct of

business with specified individuals, companies or countries. Employees must also comply with U.S. laws, rules and regulations governing the conduct of business by U.S. citizens and corporations outside of the United States, including the FCPA, embargoes, export controls and anti-boycott compliance. If any employee or director has a question as to whether an activity is restricted or prohibited, please contact the Company's Chief Financial Officer prior to taking any action.

## **16. Public Communications**

It is the Company's policy to disclose material information concerning the Company to the public only in accordance with the Company's Disclosure Policy in order to avoid inappropriate publicity and ensure that all such information is communicated in a way that is reasonably designed to provide broad, non-exclusionary distribution of information to the public. Only those individuals designated as authorized speakers in the Disclosure Policy may disclose material information concerning the Company to the public. Please see the Disclosure Policy for additional information.

## **17. Reporting Process**

The Committee has established the following procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding ethical concerns, including accounting, internal accounting controls or auditing matters, and (b) the confidential and anonymous submission by employees of ethical concerns, including questionable accounting or auditing matters.

Employees and directors of the Company are encouraged to and should strive to identify and raise potential issues before they lead to problems, and should ask about the application of this Code whenever in doubt. An employee who witnesses but is unable to stop suspected misconduct or discovers it after it has occurred, should report it immediately to the Company's Chief Financial Officer or the Chairperson of the Committee.

The Company has established a toll-free "ethics hotline" through which employees and directors may anonymously report any ethical concern or violation, including without limitation, the confidential and anonymous submission of concerns regarding questionable accounting or auditing matters.

The Company shall maintain on its website directions for submitting complaints involving accounting, internal accounting controls or auditing matters by (1) telephone through the toll-free "ethics hotline," (2) mail and (3) electronic mail. If an employee or any other person has complaints or concerns regarding accounting, internal accounting controls or auditing matters, such persons are encouraged to report these complaints or concerns directly to the Committee. Employees may submit such complaints or concerns to the Committee on an anonymous or confidential basis; however, the Company may, in certain circumstances, be obligated by law to disclose the information or the identity of the person providing the information. Please refer to the Company's "Whistleblower and Non-Retaliation Policy" for further information regarding accounting, internal accounting controls or auditing matters.

Investigations relating to a reported ethical violation will be conducted in a full and fair manner. Retaliation against any employee or director, who, in good faith, reports a concern to the Company about illegal or unethical conduct, or a violation of this Code, will not be tolerated under any circumstances.

Any questions relating to how these policies should be interpreted or applied should be addressed to the Company's Chief Financial Officer.

## **18. Administration**

This Code shall be administered and monitored by the Company's Chief Financial Officer. The Company's Chief Financial Officer will handle day-to-day compliance matters, including:

- receiving, reviewing, investigating and resolving concerns and reports on the matters described in this Code;
- interpreting and providing guidance on the meaning and application of this Code; and
- reporting periodically and as matters arise to the Committee on the implementation and effectiveness of this Code and other compliance matters, and recommending any updates or amendments to this Code that he or she deems necessary or advisable.

The Company's Chief Financial Officer may seek the advice of the Committee as to interpretation of this Code.

## **19. Waivers of this Code**

From time to time, the Company may waive certain provisions of this Code. Any employee or director who believes that a waiver may be called for should discuss the matter with the Company's Chief Financial Officer. Waivers for executive officers (including Senior Executive and Financial Officers) or directors of the Company may be made only by the full Board of Directors. Such waivers and the reasons therefor shall be promptly disclosed to the Company's stockholders in accordance with SEC's rules and regulations and the listing standards applicable to companies listed on The NASDAQ Global Market. Any other waiver must be approved by the Company's Chief Financial Officer or Chief Executive Officer.

## **20. Amendments**

The Committee will periodically assess this Code and approve any amendments.

## **21. No Rights Created**

This Code is a statement of fundamental principles, policies and procedures that govern the Company's employees and directors in the conduct of Company business. It is not intended to and does not create any legal rights for any customer, supplier, competitor, stockholder or any other non-employee or entity.

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