



## **Insider Trading Policy**

Adopted by the Board of Directors September 18, 2018

### **Scope**

The Janel Corporation (the “Company”) Insider Trading Policy (this “Policy”) is applicable to all Company and subsidiary or affiliated company Directors, officers, staff members, consultants, contract workers, temporary staff and any other person (natural or otherwise) that has performed services for the Company (“Covered Persons”). Consultants, contract workers, and temporary staff are subject to this Policy even though not Company employees.

### **Policy**

The insider trading laws of the United States (“U.S.”) prohibit buying or selling a company’s securities while aware of material, non-public information about that company. It may also violate U.S. securities laws to disclose material, non-public information (deliberately or inadvertently) to another person (including your spouse, parent, child or sibling) if that person either buys or sells securities while aware of the information disclosed, or passes that information to a third party who does. Providing advice regarding a company’s stock while aware of material, non-public information regarding that company may also violate civil and criminal U.S. securities laws. If a person makes such a disclosure or provides such advice, the person may be subject to damages, civil suits and criminal prosecution, regardless of whether the person receives financial gain from the transaction.

It is the Company’s policy to comply with the U.S. insider trading laws and regulations. This Policy sets forth the requirements for Covered Persons’ compliance with insider trading laws and regulations. Many countries other than the U.S. have similar laws regarding insider trading. Even if the activities prohibited in this Policy are not illegal in another country, the Company’s requirements for insider trading compliance apply to all Covered Persons regardless of location.

Covered Persons are responsible for assuring that their family members (including spouses, minor children, or any other family members living in the same household) comply with the provisions of this Policy as if they were Covered Persons.

### **General Prohibition on Insider Trading**

It is against the Company’s Policy for:

- Covered Persons to purchase or sell any type of security while aware of material, non-public information relating to the issuer of the security, whether the issuer of that security is the Company’s or those of any other company;
- Covered Persons to directly or indirectly provide (“tip”) material, non-public information about any company to anyone who may trade while aware of such information;

It is therefore against this Policy for Covered Persons to pass along material, non-public information about any company, or to recommend buying or selling securities while aware of material, non-public information about any company to others, including family members, others living in their household, friends or casual acquaintances.



Securities transactions executed pursuant to “limit orders”, “good until cancelled orders” or similar market orders are also subject to this Policy, regardless of when the order was placed.

### **Pre-Clearance of Trades**

No Covered Person may, directly or indirectly, effect any transaction in the Company’s securities without first obtaining prior approval from the Company’s Chief Financial Officer (the “CFO”). Covered Persons shall submit requests for approval in writing to the CFO. The CFO shall advise the Covered Person in writing whether the proposed transaction is permissible under this Policy, and such advice shall be unappealable by the Covered Person. Unless revoked by the CFO, the CFO’s grant of permission will remain valid until the close of trading two (2) business days following the day on which it was granted. If the transaction does not occur during the two-day period, pre-clearance of the transaction must be re-requested.

### **Trading Window Periods**

The Company’s Directors, officers (those required to make filings under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) and all subsidiary employees at the Vice President level and above, as well as all employees in the accounting group may buy, sell or trade in Company securities only while the Company’s trading window is open. In general, the Company’s trading window opens after the close of business two (2) full days following public announcement of quarterly earnings and remains open through the last trading day of the second calendar month of the then current fiscal quarter (the “Trading Window”). The prohibition on trading in Company securities by such persons at all times other than the Trading Window Period is designed to prevent any inadvertent trading by such persons in the Company’s securities during times when there may be material financial information about the Company that has not been publicly disclosed. The grant or exercise of stock options to purchase the Company’s stock is permitted outside Trading Window Periods (although any sale of such stock outside Trading Window Periods is prohibited unless such sale is made pursuant to an approved Rule 10b5-1 Trading Plan).

A Covered Person who is subject to a quarterly earnings blackout period and who has an unexpected and urgent need to sell Company stock in order to generate cash may, in appropriate circumstances, be permitted to sell the Company’s stock even during the quarterly blackout period. Hardship exceptions may be granted only by the CFO and must be requested at least two (2) full days in advance of the proposed trade. A hardship exception may be granted only if the CFO reasonably concludes that the individual making the hardship exception request does not possess material, nonpublic information.

### **Black-out Communications**

The Company reserves the right to issue “black-out notices” to specified persons when material, non-public information exists. Any person who receives such a notice shall treat the notice as confidential and shall not disclose its existence to anyone else.

### **Rule 10b5-1 Trading**

Notwithstanding the restrictions stated in this Policy, such restrictions shall not apply to purchases or sales of securities of the Company made by Covered Persons who have entered into a written trading plan that complies with Rule 10b5-1 of the Exchange Act and has been approved by the CFO. For the purposes of this Policy and the U.S. securities laws, the entrance into, or amendment of, a trading plan under Rule 10b5-1 shall constitute a transaction in the Company’s securities and must therefore be undertaken only in compliance with the provisions of this Policy related to such transactions.



## **Compliance with Section 16 and Rule 144**

Covered Persons who are also directors and executive officers are responsible for compliance with Section 16 of the Exchange Act and Rule 144 of the Securities Act of 1933, as amended, in connection with their transactions in the Company's securities. The requirements of this Policy do not supersede the required compliance with your obligations under Section 16 or Rule 144.

## **Prohibition Against Derivative Transactions**

For the protection of both the Covered Persons and the Company, it is important to avoid the appearance as well as the fact of insider trading or disclosure of material, non-public information. Therefore, it is against this Policy for Covered Persons to directly or indirectly participate in transactions involving trading activities that by their nature are aggressive or speculative or may give rise to an appearance of impropriety.

Covered Persons may not:

- Engage in short sales (sale of stock that the seller does not own or a sale that is completed by delivery of borrowed stock) with respect to Company securities;
- Purchase or pledge Company stock on margin (with the exception of the use of a margin account to purchase Company common stock in connection with the exercise of Company-granted stock options); or
- Enter into any derivative or similar transactions with respect to Company securities.
  - Examples of prohibited derivative transactions include, but are not limited to, purchases or sales of puts and calls (whether written or purchased or sold), options (whether "covered" or not), forward contracts, including but not limited to prepaid variable forward contracts, put and call "collars", "equity" or "performance" swap or exchange agreements or any similar agreements or arrangements however denominated in Company securities.

## **Permitted Transactions**

This Policy does not:

- Apply to exercises of Company stock options, provided that none of the underlying shares of Company common stock received upon such exercise are sold while aware of material non-public information, whether to fund the exercise, pay taxes or otherwise;
- Apply to purchases made in the Company stock fund in Company plan as part of a systematic investment plan that has not been altered; or
- Prohibit investments in publicly traded mutual funds.

## **Third Party Information**

Covered Persons who have access to material, non-public confidential or proprietary information regarding a company other than the Company, its products or activities, are prohibited from trading in the securities of these companies. In considering whether confidential or proprietary information is material, Covered



Persons should remember that the threshold for what is considered material may be lower for other companies than it is for the Company.

## **Post-Employment Transactions**

The trading restrictions contained in this Policy apply to all Covered Persons who are aware of material, non-public information when they terminate employment or services. Such Covered Persons may not trade in the Company's securities until that information has become public or is no longer material. In all other respects, the pre-clearance and blackout procedures set forth in this section of this Policy will cease to apply to such Covered Person's transactions in the Company's securities upon the expiration of any "blackout period" that is applicable at the time of such person's termination of employment or services.

## **Additional Procedures**

The Company may elect, from time to time, to institute special securities procedures with respect to certain staff members, including, but not limited to, the Company's Board of Directors, executive officers and senior management. In addition, the Company may also elect, in the Company's sole discretion, to permit staff members, including, but not limited to, the Company's Board of Directors, executive officers and senior management, to enter into trading plans pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

## **Guidance on Understanding Material, Non-Public Information**

### *What Information is Material?*

The standard Covered Persons should use in deciding whether information may be "material" for purposes of this Policy is whether the information is of such a nature that a reasonable investor would think it important in deciding whether to buy, hold or sell the security. In other words, if information would affect a person's decision whether to buy or sell if that person were contemplating a transaction, it would probably have the same effect on others.

Examples of possible material information include (but are not limited to): corporate earnings or earnings forecasts; sales results; strategic plans; clinical results; product and research developments; important personnel changes; marketing plans; government inspections, approvals or other regulatory actions; collaborations, mergers or acquisitions; major litigation; significant borrowings or financings; stock splits; defaults on borrowings; and bankruptcies.

Moreover, material information does not have to be related to a company's business. For example, advance knowledge of the contents of a forthcoming newspaper column that is expected to affect the market price of a security can be material. In considering whether confidential or proprietary information is material, Covered Persons should remember that the threshold for what is considered material may be lower for other companies than it is for the Company. The fact that the Company is evaluating a transaction with another company may constitute material, non-public information with regard to the other company. Examples of the types of transactions that may provide access to material, non-public information about another company include: joint ventures, partnerships and collaborations; research and/or development agreements; in-licensing or out-licensing of products or product candidates; marketing, co-marketing, and co-promotion agreements; acquisitions or other business combinations and strategic equity investments by the Company

### *What Is Non-Public Information?*



Information is “non-public” if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through such media as Dow Jones, Reuters Economic Services, The Wall Street Journal, The Los Angeles Times, Associated Press, or United Press International. The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination. In addition, even after a public announcement, a reasonable period of time must elapse in order for the market to react to the information. Generally, one should allow a minimum of two (2) full business days following publication as a reasonable waiting period before such information is deemed to be public, although some information may require longer periods to be deemed to be public.

#### *Covered Persons Responsibility for Compliance*

Every Covered Person is required to observe high standards of business and personal ethics in the conduct of their duties and responsibilities and to comply with all applicable laws and regulatory requirements. Covered Persons should exert due diligence in preventing violations of such laws, regulations, and Company policies. Covered Persons must refer to the Company’s policies and/or request guidance from their manager and/or an officer of the Company.

The Company expects its managers to be familiar with (or take appropriate steps to become familiar with) the laws, regulations, and the Company’s policies applicable to the activities they manage or supervise, ensure their direct reports have appropriate training on compliance requirements to perform their job functions, and supervise their direct reports with respect to compliance requirements and activities.

Every Covered Person is responsible for reporting a violation of this Policy. Any Covered Person who knows about a violation, or reasonably believes there has been a violation, is encouraged to report that information through normal reporting channels.

If the Company determines that any Covered Person has violated this Policy, related standards, procedures or controls, applicable laws or regulations, or any governance documents, appropriate disciplinary measures will be taken, up to and including immediate termination of employment, to the extent permitted by applicable laws. The following is a non-exhaustive list of possible disciplinary measures to which Covered Persons may be subject (subject to applicable law): oral or written warning, suspension, removal of job duties/responsibilities, demotion, reduction in compensation, and/or termination of employment.

Subject to applicable laws, the Company reserves the right to take whatever disciplinary or other measure(s) it determines in its sole discretion to be appropriate in any particular situation, including disclosure of the wrongdoing to governmental authorities. Nothing in this Policy changes the at-will nature of employment at the Company, its affiliates or subsidiaries, where applicable. The Company may also terminate the services or work engagement of non-employee Covered Persons for violation of this Policy.