



## SATSUMA PHARMACEUTICALS, INC.

### POLICIES AND PROCEDURES FOR COMPLAINTS

(Adopted August 28, 2019)  
(Effective as of September 12, 2019)

The following procedures have been adopted by the Board of Directors (the "Board") of Satsuma Pharmaceuticals, Inc., a Delaware corporation (the "Company"), to govern the receipt, retention and treatment of complaints regarding the Company's accounting, internal accounting controls or auditing matters, and to protect the confidential, anonymous reporting of employee concerns regarding questionable accounting or auditing matters.

#### POLICY

The Company is committed to full and accurate financial disclosure and to maintaining its books and records in compliance with all applicable laws, rules and regulations. The Company wishes to encourage employees, independent contractors and interested third-party vendors, customers and business partners, as well as health care providers, to make us aware of any practices, procedures or circumstances that raise concerns about the integrity of our financial disclosures, books and records.

All employees and third parties making reports are asked to provide as much detail and supporting information as possible about their concerns in order to assist the investigative process. In particular, it is the policy of the Company to treat complaints about accounting, internal accounting controls, auditing matters or questionable financial practices (collectively, the "Accounting Complaints") seriously and expeditiously.

Employees will be made aware of the procedures contained herein and will be given the opportunity to submit for review confidential and anonymous Accounting Complaints by either, or all, of the following: (i) the Company's designated compliance officer (the "Compliance Officer"), who shall be the Company's General Counsel (or the Chief Financial Officer in the absence of a General Counsel), or (ii) the Audit Committee of the Board (the "Audit Committee"). The Audit Committee may designate a different compliance officer at any time. The following are examples of Accounting Complaints, but Accounting Complaints regarding matters not listed here may be submitted as well:

- fraud against investors, securities fraud, mail or wire fraud, bank fraud or fraudulent statements to the U.S. Securities and Exchange Commission (the "SEC") or the investing public;
- violations of SEC rules and regulations or any other laws applicable to the Company's financial accounting, maintenance of financial books and records, internal accounting controls and financial statement reviews or audits;

- fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- significant deficiencies in or intentional noncompliance with the Company's internal accounting controls;
- misrepresentations or false statements regarding a matter contained in the financial records, financial reports or audit reports of the Company; and
- deviations from the full and fair reporting of the Company's financial condition.

If requested by the employee, the Company will protect the confidentiality and anonymity of the employee to the fullest extent possible, consistent with the need to conduct an adequate review. Vendors, customers, business partners and other parties external to the Company will also be given the opportunity to submit Accounting Complaints; however, the Company is not obligated to keep Accounting Complaints from non-employees confidential or to maintain the anonymity of non-employees.

All Accounting Complaints will be reviewed under Audit Committee direction and oversight by the Compliance Officer or such other persons as the Audit Committee determines to be appropriate.

It is the Company's policy to comply with all applicable laws that protect its employees against unlawful discrimination or retaliation by the Company or its agents as a result of their lawfully reporting information regarding, or their participation in, investigations involving matters outlined in the scope of this policy. Specifically, the Company's policy prevents any employee from being subject to disciplinary or retaliatory action by the Company or any of the Company's employees or agents as a result of the employee's:

- disclosing information to a government or law enforcement agency, where the employee has reasonable cause to believe that the information discloses a violation or possible violation of federal or state law or regulations; 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 employee reasonably believes involves a violation of:
  - federal criminal law relating to securities fraud, mail fraud, bank fraud, or wire, radio and television fraud;
  - any rule or regulation of the SEC; and
  - any provision of federal law relating to fraud against stockholders.

However, employees 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, this policy is not intended to protect employees who violate the confidentiality of any applicable attorney-client privilege to which the Company or its agents may be entitled under statute or common law principles, or to protect employees who violate their confidentiality obligations with regard to the Company's trade secret information. Employees considering providing information that may violate these privileges or reveal the Company's trade secrets should consult an attorney before doing so. Nothing herein is intended to or shall prevent an employee from communicating directly with, cooperating with, or providing information to, any federal, state or local government regulator, including, but not limited to, the SEC, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice.

If any employee believes he or she has been subjected to any harassment, threat, demotion, discharge, discrimination or retaliation by the Company or its agents for reporting Accounting Complaints, he or she may file a complaint with the Compliance Officer. If it is determined that an employee has experienced any improper employment action in violation of this policy, the Company will endeavor to promptly take appropriate corrective action.

Any third-party handling complaints or any part of the complaint process will comply with these policies and procedures.

## **PROCEDURES**

The Company urges any person desiring to make an Accounting Complaint to contact the Compliance Officer directly. For persons who wish to make an Accounting Complaint but do not wish to contact the Compliance Officer directly, the Company has established alternative procedures to report an Accounting Complaint anonymously. If the Complaint involves the Compliance Officer, the person desiring to make the Accounting Complaint should contact the Chairman of the Board or the Chairman of the Audit Committee or the Company's outside legal counsel. Any person who desires to report an Accounting Complaint has four (4) options for doing so.

### **Receipt of Accounting Complaints**

1. Telephone Hotline: Any person with an Accounting Complaint can call [ ● ]<sup>1</sup> (toll-free) to submit his or her Accounting Complaint. Employees who call this number need not leave their names or other personal information and reasonable efforts will be used to conduct the investigation that follows from any employee call in a manner that protects the confidentiality and anonymity of the employee making the call. The phone call will be received by a third-party contractor specifically engaged to provide Accounting Complaint services. Among other things, the following information may be requested by the person receiving the call:
  - if the caller is an employee, the division of the Company in which the caller works and, if the caller is a non-employee, where such person is employed or such person's relationship to the Company;

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<sup>1</sup> To be added promptly following closing of the offering.

- any relevant information concerning the allegations; and
- name of the caller (unless the caller decides to remain anonymous).

The information from the call will be documented in a format acceptable to the Company, shall include at a minimum a written description of the information received concerning the Accounting Complaint allegations.

For Accounting Complaints received through the telephone hotline, the written description of the complaint prepared by the third-party contractor will be provided to the chairman of the Audit Committee and our Chief Financial Officer. For ethics complaints or other complaints that are not Accounting Complaints, the written description of the complaint prepared by the third-party contractor will be provided to the Compliance Officer and such complaint will be under Audit Committee oversight under the Code of Business Conduct and Ethics.

2. Online Fraud and Whistleblower Complaint: Any employee with an Accounting Complaint may follow the Fraud and Whistleblower Complaint link on the Company's Intranet site. Any employee may also submit an Accounting Complaint directly by logging on at [ ● ].

The website will ask you to identify the category of your complaint. The categories "Accounting and Auditing Matters," "Embezzlement," "Falsification of Contracts, Reports or Records" and "Securities Violations" will be considered Accounting Complaints under this policy. The content of such complaints will be sent anonymously by e-mail to the chairman of the Audit Committee, who is Ken Takanashi. If you identify your complaint as falling into some other category, the content will instead be sent anonymously by e-mail to the Compliance Officer.

Reasonable efforts will be used to conduct the investigation that follows from any employee submission of an electronic Accounting Complaint in a manner that protects the confidentiality and anonymity of the employee making the complaint.

3. Audit Committee: Any person with an Accounting Complaint can report to the Audit Committee openly, confidentially or anonymously. Fraud and accounting allegations can be made orally or in writing to Audit Committee members Ken Takanashi, Thomas King and Elisabeth Sandoval. Employees submitting this information need not provide their names or other personal information and reasonable efforts will be used to conduct the investigation that follows from any employee who reports an Accounting Complaint in accordance with the procedures set forth herein in a manner that protects the confidentiality and anonymity of the employee submitting the Accounting Complaint.
4. Written Complaints: Any person may submit a written Accounting Complaint to the Compliance Officer at the following address:

Satsuma Pharmaceuticals, Inc.  
Attn: Compliance Officer

400 Oyster Point Boulevard, Suite 221  
South San Francisco, CA 94080

Employees submitting this information need not provide their names or other personal information and reasonable efforts will be used to conduct the investigation that follows from an Accounting Complaint from an employee in a manner that protects the confidentiality and anonymity of the employee submitting the Accounting Complaint.

### **Treatment of Accounting Complaints**

1. An Accounting Complaint made under these procedures shall be directed to the Compliance Officer and/or the Audit Committee according to the procedures set forth above, and to the Audit Committee in the event of the Compliance Officer's extended absence. The Audit Committee shall be notified promptly of all Accounting Complaints.
2. The Compliance Officer or the Audit Committee, as applicable, shall review the Accounting Complaint, and may investigate it himself or herself or themselves or may assign an employee, outside counsel, advisor, expert or third-party service provider to investigate or assist in investigating the Accounting Complaint. The Compliance Officer or the Audit Committee, as applicable, may direct that any individual assigned to investigate an Accounting Complaint work at the direction of or in conjunction with the Company's outside legal counsel or any other attorney in the course of the investigation. The Compliance Officer or the Audit Committee will confidentially inform the reporting person (if his or her identity is known) that the Complaint has been received and provide him or her with the name of, and contact information for, the investigator assigned to the claim.
3. Unless otherwise directed by Compliance Officer or the Audit Committee, as applicable, the person assigned to investigate will conduct an investigation of the Accounting Complaint and report his or her findings or recommendations to the Compliance Officer and the Audit Committee. If the investigator is in a position to recommend appropriate disciplinary or corrective action, the investigator also may recommend disciplinary or corrective action.
4. If determined to be necessary by the Compliance Officer or the Audit Committee, as applicable, the Company shall provide for appropriate funding, as determined by the Compliance Officer or the Audit Committee, as applicable, to obtain and pay for additional resources that may be necessary to conduct the investigation, including without limitation, retaining outside counsel and/or expert witnesses.
5. Confidentiality of the employee submitting the Accounting Complaint will be maintained to the fullest extent reasonably possible, consistent with the need to conduct an adequate investigation. In the course of any investigation, the Company may find it necessary to share information with others on a "need to know" basis. If the investigation confirms that a violation has occurred, the Company will promptly take appropriate corrective action with respect to the persons involved, including discipline up to and including

termination of employment, and, in appropriate circumstances, referral to governmental authorities, and will also take appropriate steps to correct and remedy any violation.

6. At least once each calendar quarter and whenever else as deemed necessary, the Compliance Officer shall submit a report to the Audit Committee and any member of Company management that the Audit Committee directs to receive such report, that summarizes each Accounting Complaint made to the Compliance Officer within the last 12 months and shows specifically: (i) the complainant (unless anonymous, in which case the report will so indicate), (ii) a description of the substance of the Accounting Complaint, (iii) the status of the investigation, (iv) any conclusions reached by the investigator and (v) findings and recommendations.
7. At any time with regard to any Accounting Complaint received by the Compliance Officer, the Compliance Officer may specify a different procedure for investigating and treating such an Accounting Complaint, *provided* that, when the Accounting Complaint concerns pending litigation, it must be reported to the members of the Audit Committee.

#### **Treatment of Non-Accounting Complaints**

All non-accounting complaints received by the Audit Committee through the channels described above shall be provided to the Compliance Officer and such complaint will be under Audit Committee oversight under the Code of Business Conduct and Ethics.

#### **Access to Reports and Records and Disclosure of Investigation Results**

All reports and records associated with Accounting Complaints are considered confidential information and access will be restricted to the Compliance Officer or any person assigned to investigate the complaint on his/her behalf, members of the Audit Committee, the Company's legal department, employees of the Company or outside counsel involved in investigating an Accounting Complaint as contemplated by these procedures. Access to reports and records may be granted to other parties at the discretion of the Audit Committee.

Accounting Complaints and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at the time.

#### **Retention of Records**

All Accounting Complaints and documents relating to such Accounting Complaints made through the procedures outlined above shall be retained for at least five years from the date of the complaint, after which the information may be destroyed unless the information may be relevant to any pending or potential litigation, inquiry or investigation, in which case the information may not be destroyed and must be retained for the duration of that litigation, inquiry or investigation and thereafter as necessary.

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