

EDGE THERAPEUTICS, INC.

Policy Regarding Transactions with Related Persons

1. Statement of Policy

Edge Therapeutics Inc. (“Edge”) has currently in place a Code of Conduct that prohibits actual or potential conflicts of interest, unless such conflicts are specifically disclosed and approved as provided in the Code of Conduct.

This Policy Regarding Transactions with Related Persons deals specifically with transactions between Edge and its direct and indirect subsidiaries, if any, on the one hand, and one or more Related Persons (as defined below), on the other hand, that may present risks of a conflict of interest or the appearance of a conflict of interest. The Board of Directors of Edge (the “Board”) has adopted this policy to set forth procedures for the review and approval or ratification of Related Person Transactions (as defined below) in accordance with the Edge Code of Conduct.

2. Definitions

A “Related Person” is defined in item 404(a) of Securities and Exchange Commission Regulation S-K (“Item 404(a)”) as:

- Any person who is or was an executive officer, director, or director nominee of Edge at any time since the beginning of Edge’s last fiscal year;
- A person who is or was an Immediate Family Member of an executive officer, director or director nominee at any time since the beginning of Edge’s last fiscal year; or
- Any person who, at the time of the occurrence or existence of the transaction, is the beneficial owner of more than 5% of any class of Edge’s voting securities (a “Significant Stockholder”) or is an Immediate Family Member of a Significant Stockholder.

An “Immediate Family Member” of a person means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of such person, or any other person sharing such person’s household, other than a tenant or employee.

A “Disinterested Director” is a member of Edge’s Board who (a) does not have a financial interest (directly or through any trust or beneficial ownership of more than 5% of any class of voting securities of any business entity) in the Related Person Transaction, and (b) does not have an Immediate Family Member with a financial interest (directly or through any trust or beneficial ownership of more than 5% of any class of voting securities of any business entity) in the Related Person Transaction.

A “Related Person Transaction” means any transaction, arrangement or relationship within the meaning of Item 404(a) between Edge and any Related Person that would be required to be disclosed pursuant to Item 404(a). This would include any transaction, arrangement, relationship or any series of similar transactions, arrangements or relationships in which Edge was or is to be a participant, the amount involved exceeds \$120,000, and a Related Person had or will have a direct or indirect material interest. The Board has determined that the following do not individually create a material direct or indirect material interest on behalf of a Related Person, and are, therefore, not “Related Person Transactions” for purposes of this Policy:

1. Interests arising from direct or indirect ownership by the Related Person and all other Related Persons in the aggregate of less than a 10% equity interest (other than a general partnership interest) in another entity that is a party to the transaction; or
2. Interests arising solely from the ownership of a class of Edge’s equity securities if all holders of that class of equity securities receive the same benefit on a pro rata basis; or
3. A transaction that involves compensation to an executive officer if the compensation has been approved, or recommended to the Board for approval, by the Compensation Committee of the Board or the independent Disinterested Directors of Edge performing a similar function; or
4. A transaction that involves cash, equity or other compensation to a director for services as a director of Edge if such compensation will be reported pursuant to Item 402(k) of Regulation S-K; or
5. A transaction that is specifically contemplated by provisions of Edge’s Certificate of Incorporation or Bylaws; or
6. A transaction that involves the rendering of services as a common or contract carrier or public utility at rates or charges fixed in conformity with law or governmental authority; or
7. A transaction that involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.
8. Any charitable contribution, grant or endowment by Edge to a charitable organization at which a Related Person's only relationship is as an employee (other than an executive officer), if the aggregate amount involved does not exceed the greater of (a) \$100,000 or (b) two percent of the charitable organization's total revenues.
9. Indemnification payments or any other payments under any director’s or officer’s insurance policy or indemnification agreement approved by the Board.
10. Ordinary course business travel and expenses, advances and reimbursements.

3. Policy/Standards for Review, Approval or Ratification of Related Person Transaction

Each Related Person Transaction, and any material amendment or modification to a Related Person Transaction, must be reported to Edge's General Counsel and shall be reviewed and approved or ratified by the Audit Committee of the Board (the "Audit Committee") in accordance with the terms of this policy. Whenever practicable, each Related Person Transaction and material amendment or modification thereto shall be approved by the Audit Committee prior to the effectiveness or consummation of the transaction; provided, that if the General Counsel determines that advance approval of a Related Person Transaction is not practicable under the circumstances, the Audit Committee shall review and, in its discretion, may ratify the Related Person Transaction at the next meeting of the Audit Committee, or at the next meeting following the date that the Related Person Transaction comes to the attention of the General Counsel; provided further, however, that the General Counsel may present a Related Person Transaction arising in the time period between meetings of the Audit Committee to the Chairman of the Audit Committee, who shall review and may approve the Related Person Transaction, subject to ratification of the Audit Committee at the next meeting of the Audit Committee. In the event the Related Person in any given Related Person Transaction is the General Counsel or an Immediate Family Member of the General Counsel, the Chief Accounting and Administrative Officer shall fill the role of General Counsel for purposes of this paragraph.

In connection with the review and approval or ratification of a potential Related Person Transaction, the Audit Committee shall review and consider, as appropriate for the circumstances, the following:

- The Related Person's interest in the transaction;
- The approximate dollar value of the amount involved in the transaction;
- The approximate dollar value of the amount of the Related Person's interest in the transaction without regard to the amount of profit or loss;
- Whether the transaction was undertaken in the ordinary course of business of Edge;
- Whether the transaction with the Related Person is proposed to be, or was, entered into on terms no less favorable to Edge than terms that could have been reached with an unrelated third party;
- The purpose of, and the potential risks, costs and benefits to Edge of, the transaction;
- Whether the transaction complies with the terms of any of Edge's agreements governing its material outstanding indebtedness and Edge's Code of Conduct;
- Whether the transaction will be required to be disclosed in Edge's applicable filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (the "Exchange Act") and related rules, (and, to the extent required to be disclosed, management must ensure that the Related Person Transaction is disclosed in accordance with such acts and related rules);

- Whether the transaction constitutes a “personal loan” for purposes of Section 402 of the Sarbanes-Oxley Act of 2002; and
- Any other information regarding the transaction or the Related Person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

The Audit Committee will review all relevant information, as determined by the Audit Committee, available to it about the potential Related Person Transaction. The Audit Committee, in its sole discretion, may impose such conditions as it deems appropriate on Edge or the Related Person in connection with the approval of the Related Person Transaction. If a Related Person Transaction will be ongoing, the Audit Committee may establish guidelines for Edge's management to follow in its ongoing dealings with the Related Person. Thereafter, the Audit Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Person to ensure that they are in compliance with the Audit Committee's guidelines and that the Related Person Transaction remains appropriate.

In addition, in connection with any approval or ratification of a Related Person Transaction involving a non-employee director or nominee for director, the Audit Committee should consider whether such transaction would compromise such director's status as: (1) an independent director under the Nasdaq listing standards, or (2) an “outside director” under Section 162 (m) of the Internal Revenue Code or a “non-employee director” under Rule 16b-3 under the Exchange Act, if such non-employee director serves on the Compensation Committee of the Board.

The review, approval or ratification of a transaction, arrangement or relationship pursuant to this policy does not necessarily imply that such transaction, arrangement or relationship is required to be disclosed under Item 404(a).

If Edge becomes aware of a Related Person Transaction that has not been approved under this Policy, the Related Person Transaction shall be reviewed in accordance with the procedures set forth herein and, if the Audit Committee determines it to be appropriate, ratified at the Audit Committee's next regularly scheduled meeting.

In any case where either the Audit Committee determines not to approve a Related Person Transaction or ratify a Related Person Transaction that has been entered into without approval, the Audit Committee may consider additional action, in consultation with the General Counsel and/or outside counsel, including, but not limited to, termination of the transaction, rescission of such transaction or modification of the transaction in a manner that would permit it to be ratified by the Audit Committee.

Adopted by the Edge Therapeutics, Inc. Board of Directors on October 18, 2016