



Who We Are



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Mission

To help patients manage the preservation of their sight by providing access to innovative and affordable medicines and services.

Vision

To deliver novel eyecare solutions to physicians and patients today at accessible prices.

Values

INTEGRITY

The success of our company is built on the foundation of personal and professional integrity – being ethically unyielding and honest and inspiring trust by saying what we mean, matching our behaviors to our words and taking responsibility for our actions.

INNOVATION

Our goal is to match our innovations with the expectation of our constituents. We are pioneers whose innovations are evaluated and validated through a proprietary, disciplined process and whose success is measured by our physicians' and patients' outcomes. We constantly renew our portfolio/pipeline to explore options to meet the realities of the new healthcare economy with the aim to increase value for all stakeholders.

EVIDENCE-BASED DEVELOPMENT

We will make medicines that solve real-world, unmet patient needs. Through our extensive innovation network of physicians and pharmacists, we have the opportunity to see what works for patients in a real-world clinical setting. We pride ourselves on our ability and willingness to listen to what the market wants and provide high quality and effective solutions. We are not a business that tells the market what it needs.

GREAT PRODUCTS

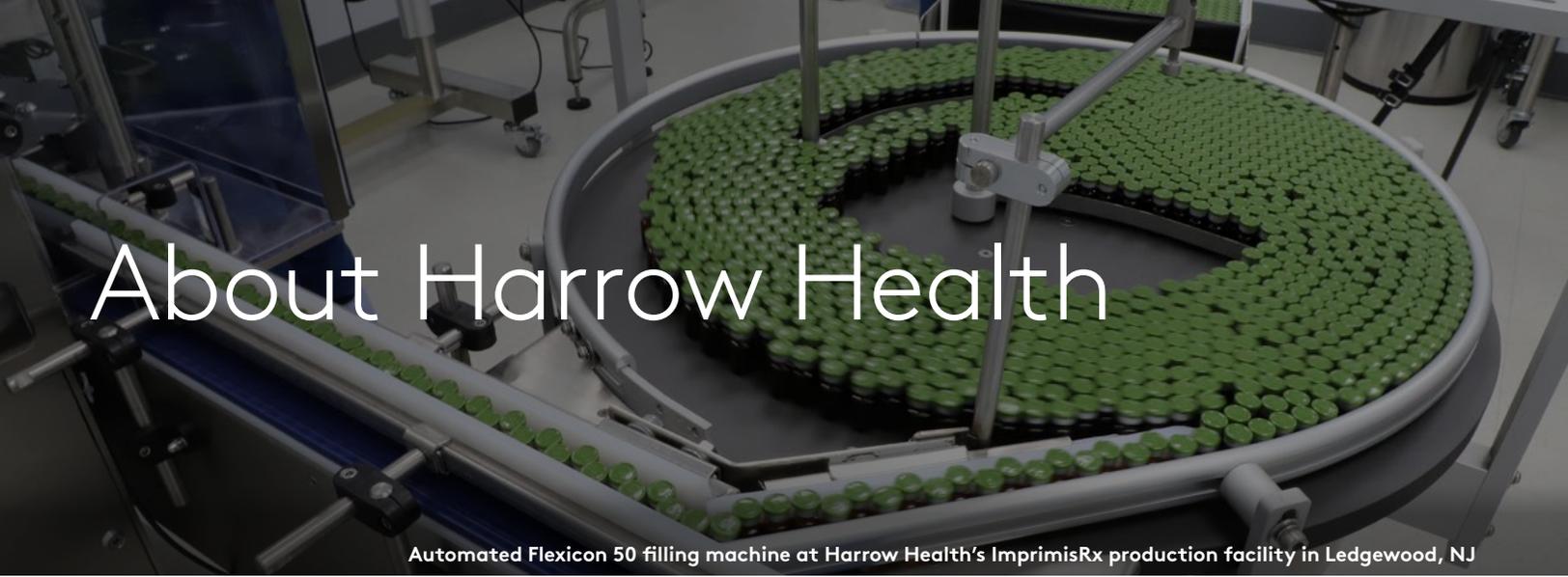
Quality and safety are paramount. We make sure that everything we produce is of consistently high quality so that our physicians, patients, and employees can be proud of how we serve our community of customers.

PEOPLE

Relationships are our most precious resource. Above all else, we believe in creating long-term relationships by being responsive and relevant and by consistently delivering value. We focus on attracting, developing, and retaining the best talent for our business, challenging our people, demonstrating a "can-do" attitude and fostering a collaborative and mutually supportive environment.

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About Harrow Health

Automated Flexicon 50 filling machine at Harrow Health's ImprimisRx production facility in Ledgewood, NJ

Our commitment has always been, and will always be, to help patients manage the preservation of their sight by providing access to innovative and affordable medicines and services.

Harrow Health, Inc. (NASDAQ: HROW) is a growing leader in the U.S. ophthalmic healthcare market. Our amazing journey has taken us from humble beginnings in 2014, when we bought our first pharmacy and began commercial operations, to our current role as *one of the leading ophthalmic pharmaceutical companies in the United States, manufacturing and distributing about 40 innovative products to over 10,000 prescribers and institutions in virtually every major populated county in the U.S.*

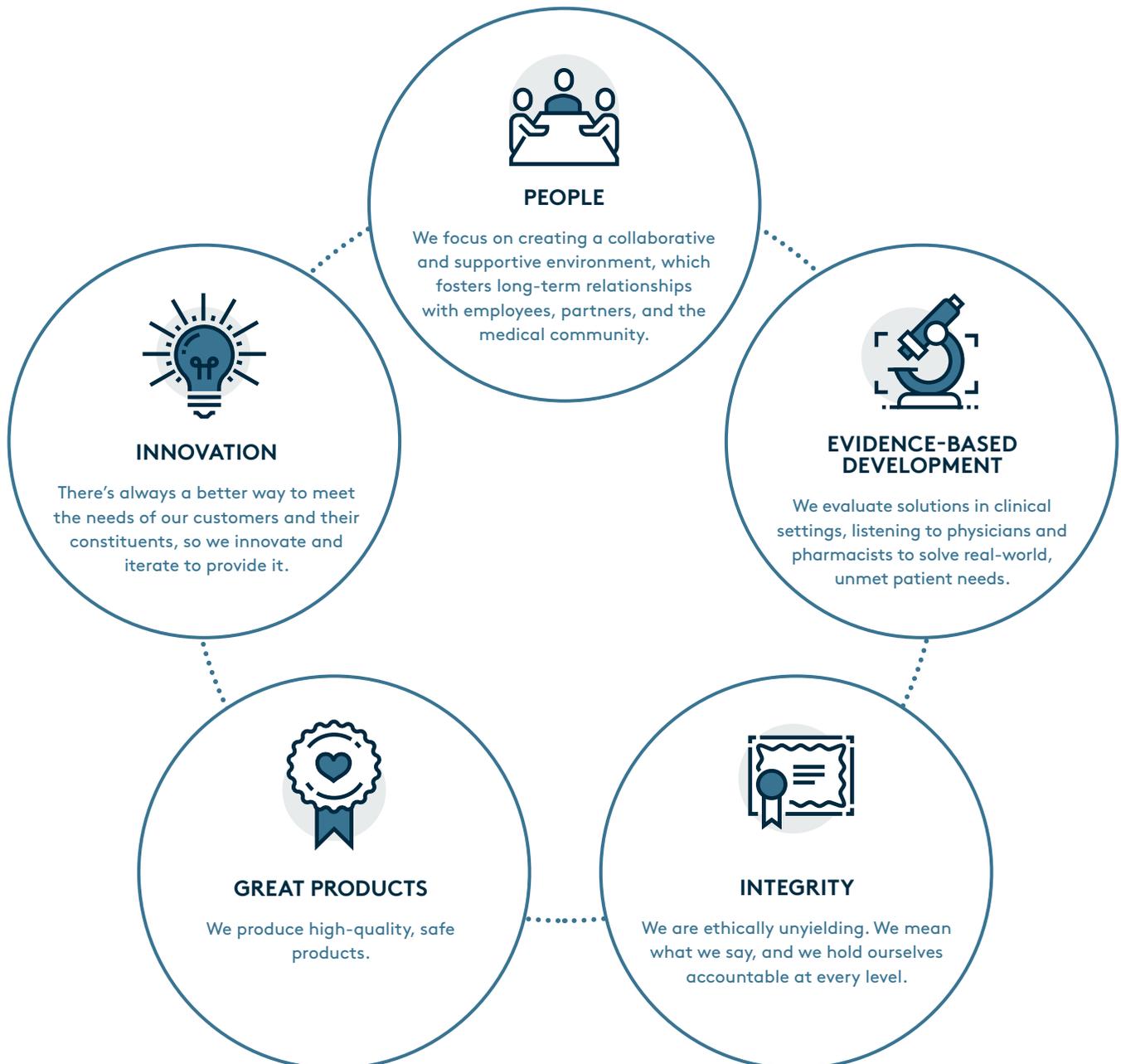
We are vertically integrated and supported by a national sales and customer service organization, as well as an efficient, scalable, and tech-enabled national production and distribution platform licensed to do business in all 50 states.

Harrow Health provides pharmaceutical products regularly used in the 5.5 million ophthalmic surgeries performed each year in the U.S., as well as medications prescribed to treat chronic and acute eye conditions such as dry eye disease, glaucoma, allergies, infections, and other ophthalmic inflammatory conditions. Our commitment has always been, and will always be, to help patients manage the preservation of their sight by providing access to innovative and affordable medicines and services.

Our core pharmaceutical business, [ImprimisRx](#)[®], a wholly owned subsidiary of Harrow, is our customer-facing brand, serving ophthalmologists, optometrists, ambulatory surgery centers, hospitals, and U.S. patients, nationwide. In addition, [Visionology](#), another subsidiary of Harrow, is a direct-to-consumer brand, focused on helping patients manage chronic eye disease using a simple and seamless user experience. Visionology leverages our “Eyecare-as-a-Service™” model to drive value, transparency, and access.

Harrow Health also holds non-controlling equity positions in [Surface Ophthalmics](#), [Melt Pharmaceuticals](#), and [Eton Pharmaceuticals](#), all of which started as Harrow Health subsidiaries. Harrow owns royalty rights in four clinical-stage drug candidates being developed by Surface Ophthalmics and Melt Pharmaceuticals.

The following Harrow Health corporate values support our commitment to ensuring access to affordable eyecare solutions:



A Message from our CEO



Mark L. Baum - Harrow Health Founder, Chairman of the Board of Directors, and CEO

We are confident that by focusing on our mission and staying true to our core values, we will continue to create growth that benefits our stakeholders and the communities we serve.

I am pleased to share with you the Harrow Health story, including the strength of our commitment to initiatives that our business requires to further our mission. As a publicly traded company committed to delivering long-term value and profits to shareholders, we believe these efforts, including our inclusive culture, better serve the sustainability of the resources that our employees, families, and communities need to exist and thrive.

We are all proud of the kind of company that we have been able to build—not through demands or pressure from any third parties, but by exercising common sense as we pursued our core values of integrity, innovation, evidence-based development, great products, and people. These values are at the heart of the Harrow Health commitment to superior and sustainable strategic and financial results. We are confident that by focusing on our mission and staying true to our core values, we will continue to create growth that benefits our stakeholders and the communities we serve.

Our business was built—and continues to operate and grow today—on these values. From supporting mission trips around the world, to powering our New Jersey facilities with sustainable, energy-efficient sources, to wholeheartedly supporting our amazingly diverse workforce by offering all employees an ownership stake in the Company, we are committed to building a profitable, ethical, and sustainable business that respects our shared environment.

Our belief that medicine should be accessible and affordable is the foundation of Harrow Health's responsible corporate citizenship. As I wrote in [The Wall Street Journal](#) some years ago, we are morally obligated to "ensure that demonstrably safe drugs made in America can be offered at a reasonable price to patients who need them." In an industry underpinned with regulations, government oversight, and a complex value chain, this is often an uphill battle and certainly not for the faint of heart—but our team, which fully embraces the responsibility of leadership, is up to the task.

During the first half of 2020, Harrow Health was adversely impacted, as were most businesses, due to stay-at-home orders and the postponement of elective surgeries. However, we remained flexible—reimagining, reinventing, and improvising where necessary. We kept 100% of our workforce employed and engaged in advancing our common interest—the service to our customers—while also developing the necessary infrastructure to ensure their safety. Acolytes of innovation, we met and tackled those challenges and emerged a stronger company. We ended the third quarter of 2020 with [record financial results](#)—and we've continued to achieve record financial results since.

At Harrow Health, we embrace a non-bureaucratic corporate culture. Of course, we have a Board of Directors and investors to whom we answer, but we pride ourselves on being a scrappy, straight-talking organization, confident that the harder and smarter we work, the "luckier" we will be and the closer we will come to fulfilling our mission: patient access to affordable, sight-saving medications. That promise is our guiding principle and what drives our actions as a responsible corporate citizen.



Mark L. Baum

Founder, Chairman of the Board of Directors,
and Chief Executive Officer
February 2022

We kept 100% of our workforce employed and engaged in advancing our common interest—the service to our customers—while also developing the necessary infrastructure to ensure their safety.

Respect for our Environment

Solar panels on the roof of Harrow Health's ImprimisRx production facility in Ledgewood, NJ

We are proud of our environmental record over the years, especially our relatively low environmental footprint of energy use, emissions and waste generated, and water consumed.

Energy, Emissions, Waste & Water

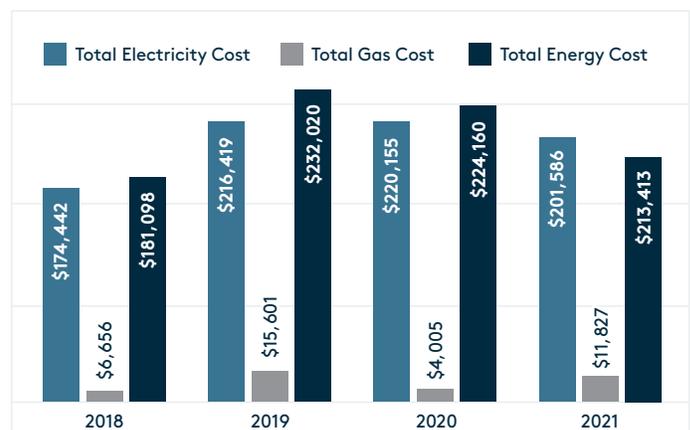
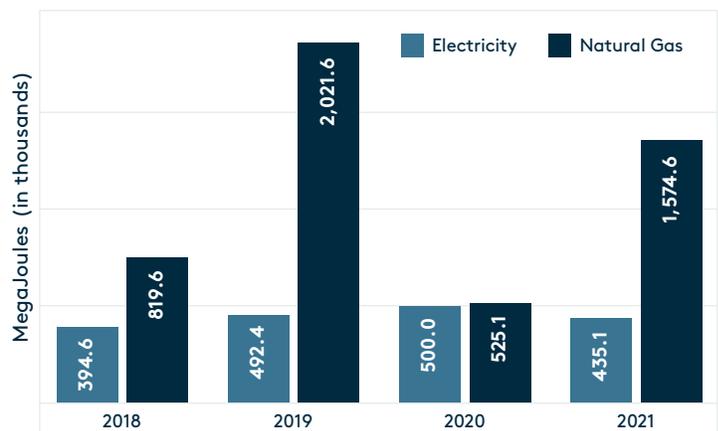
Waste management, emissions control, and energy and water conservation are all essential components of our overall sustainability strategy. We have always known that respecting the environment was important to achieving long-term success, but with the current concerns related to energy sustainability, we are even more dedicated to these initiatives.

Energy

Our production facilities rely on electricity to heat and cool our workspaces, with supplemental gas heating used only if required. All duct work is equipped with electric heaters, and the electricity used in operations is generated by solar panels located on the roof of our production facilities. Steam generation is limited to individual units used in our manufacturing processes, which are monitored to ensure minimal output.

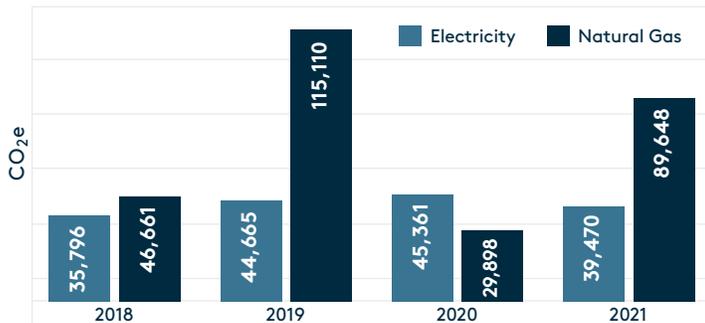
We have also converted all lighting at our production facilities to LEDs, and we have installed motion sensors in production areas to reduce energy consumption.

As you can see from the charts below, energy volumes at our production facilities increased in 2018 and 2019, but began decreasing in 2020 due to efficient use of solar energy. This trend continued in 2021, even as production volume for our facilities significantly increased.



Emissions

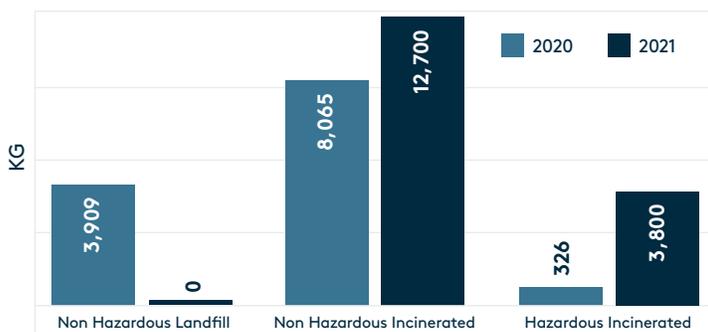
Harrow does not use boilers or furnaces in manufacturing, nor do we own vehicles for transporting goods.



Waste

At Harrow production facilities, we have implemented various protocols to decrease waste, including streamlining manufacturing processes to eliminate or reduce chemical waste originating from rejected batches and systematically monitoring finished goods inventory to minimize the need to destroy expired products. We are also focused on supply chain management to avoid excess purchases that might result in waste down the road.

We recycle plastic, glass, paper, and cardboard, and all printers default to double-sided printing. We also use recycled materials for product packaging, and all our paper products, including toilet paper, paper towels, and cups, are made from recycled materials. We embrace the adage that “every little bit helps.”



Water

As a vital ingredient in some of our products, water is a critical component of our manufacturing process. We no longer use pre-treated water packaged in plastic containers and bags, and instead now distill the water we need in-house.

By increasing the batch size of some products, we have decreased the frequency of equipment cleaning, and by optimizing cleaning cycles, we have also reduced consumption. Additionally, sensors located in the water purification system have reduced the amount of wastewater generated. We are also purchasing some disposable parts, made from recycled materials, so that they no longer need to be cleaned, thereby further decreasing water usage. Lastly, we have implemented systems designed to minimize daily water consumption, including automated control systems and sensors on faucets and toilets.

Supply Chain Management

Relying on suppliers involves risks, including the potential inability to obtain critical materials when needed and reduced control over production costs, reliability, and quality. Any unanticipated disruption has an unwelcome ripple effect that flows to our consumers.

The COVID-19 pandemic had a negative impact on supply chains globally. Fortunately, we have a robust supply chain and experienced no disruptions of our own. However, our heightened awareness of supply chain issues prompted us to audit our current vendors and develop a Supplier Operating Procedure designed to ensure reliability for current and future suppliers.

Harrow Health has begun to source active pharmaceutical ingredients (APIs) from third parties, while striving to adhere to good manufacturing practice (GMP) requirements to document new suppliers and update current suppliers. Procuring APIs from third parties has resulted in significant cost savings, which we expect to be realized in 2022.

Stainless-steel trays that hold 120 vials are another externally sourced item, and we use large volumes of them. In 2021, we began recycling these trays, sending them back to the manufacturer for sterilization and reuse. This practice saved approximately \$11,000 in 2021.

In total, through careful selection of externally sourced items, our Purchasing Department anticipates saving approximately \$747,000 in 2022.



ImprimisRx employees donate food to NourishNJ, a local charity

At Harrow Health, we embrace the opportunity to meet the ophthalmic needs of patients throughout the world, including our brothers and sisters in the U.S., with our innovative and sustainable products. In addition, our employees go the extra mile to help feed, clothe, and care for neighbors in our local communities.

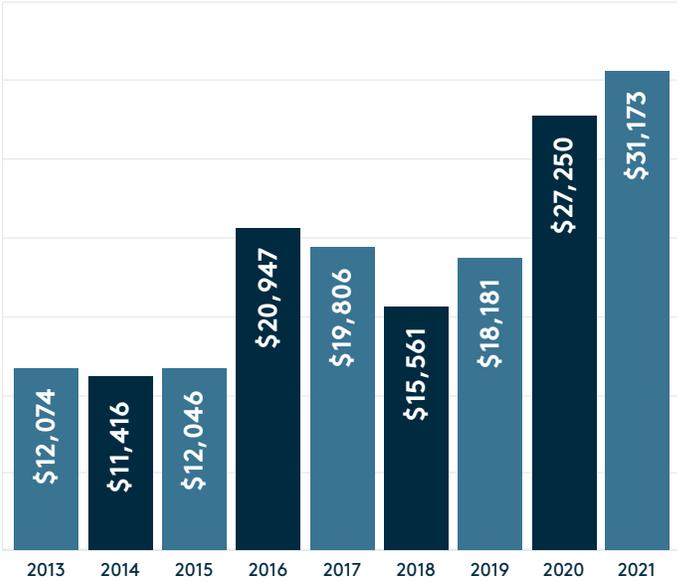
Community Involvement

Harrow Health takes great pride in our charitable work. For many years, *we have provided support for cataract surgeries in 17 countries through donations such as our Drogless® formulations.* We donate annually to the Southern Eye Institute for the Sierra Leone Mission, and the Restore Sight Mission has performed over 2,500 sight-saving surgeries with our help. Using our products, the Kenya Relief Mission gave a Maasai Warrior Chief his eyesight back after five years of blindness. Harrow also donates to clinics throughout the U.S. to help indigent people who may have nowhere else to turn for help accessing the medications they need.



A Maasai Warrior Chief gets his eyesight back after five years of blindness

We also sponsor local community activities that resonate with our employees. As seen in the following chart, since 2013, ImprimisRx employees have supported the non-profit San Diego Foster Angels during the holidays by hosting parties, dinners for children in group homes, and providing them with “smile-inducing” holiday gifts.



In addition to charitable events centered around the holidays, our employees also provide support throughout the year, such as the 2020 fundraiser to remodel the Polinsky Children’s Center game room in San Diego.

In Nashville, home of our corporate office, employees participate in a charitable event each quarter, volunteering with organizations like the Nashville Rescue Mission Homeless Shelter or participating in events such as the “Pencil” drive for school supplies and supporting a local Angel Tree or Second Harvest Food Bank of Middle Tennessee, to name a few.



2021 Nashville Rescue Mission Homeless Shelter Drive



2021 Angel Tree

Innovation/Sustainable Products

At Harrow, we develop ophthalmic pharmaceutical products to serve unmet patient needs. These are creative solutions that clinically benefit patients and providers, while also being affordable and accessible.

Our First Product

Our company was founded on one such solution for the millions of Americans who experience cataract surgery each year. We realized that people with mental or physical challenges, including the elderly who may have diminished manual dexterity, were struggling to apply multiple doses of prescribed eye drops (steroid, antibiotic, nonsteroidal anti-inflammatory) after cataract surgery.

These challenges often led to compliance issues that diminished surgical outcomes. Harrow responded by creating an innovative product that can be injected by the surgeon at the time of surgery, potentially reducing the need for multiple eye drops to be administered by the patient during recovery.



Tri-Moxi+® and Simple Drops®

Innovation

Elective surgeries were postponed in the first quarter of 2020, but Harrow continued—and even ramped up—its investment in research, development, and innovation. We successfully created and modernized our preservative-free Simple Drops® formulary to eliminate the need for refrigeration—an amazing technical challenge. We completed a Phase 1 trial for our IV-free and non-opioid drug candidate for sedation and analgesia for patients undergoing cataract surgery. Also during that period, the Company identified two ophthalmic drug candidates, which it acquired in mid-2021—the first a non-opioid topical gel for intra-operative pain management during ocular surgeries and the second an intravitreal injection for visualization of the vitreous during vitrectomy.

Benefiting The Youngest

We have also found a way to help eye doctors address pediatric myopia (nearsightedness in children). Those who are too young for vision correction procedures must either wear eyeglasses or use pharmacologic eye drops to manage their vision. But for the many people who struggle to pay for visits to the doctor and the increasing cost of drugs/drops and eyeglasses, price often dictates whether parents seek help for their children.

We collaborated with a pediatric optometrist in Texas to develop a proprietary dilute Atropine Sulfate drop that is prescribed for twice-a-day use to help manage children's nearsightedness—and in keeping with our corporate vision, we made the therapy affordable and accessible. This patent-pending formulation of the drug Atropine was a bright spot for us during the pandemic. It demonstrates that our development and pricing model is sustainable and can be used in a wide variety of therapeutic areas within ophthalmology.

Taking Aim at the Opioid Crisis

The opioid crisis, declared a national public health emergency in 2017, was exacerbated by the coronavirus pandemic. **Harrow renewed its commitment to help alleviate the problem, developing ophthalmic therapeutics that may eliminate the need for opioids during ocular surgeries.** We created an IV-free, non-opioid sublingual sedation and analgesia therapy, MKO Melt, that replaces opioids for intra-operative pain during cataract surgery. The patented therapy has been widely adopted as a compounded product for almost five years, and we invested more than \$10 million to begin Phase 2 clinical trials in the second half of 2021 to establish safety and efficacy as part of our process to obtain FDA approval for this drug candidate.

Harrow also acquired a product, AMP-100, that will provide intra-operative pain relief when applied topically to the eye before ocular surgery. This non-opioid drug candidate demonstrated in a significant Phase 3 clinical trial that it provides sufficient pain relief without the use of opioids.

We anticipate that these essential solutions, aimed at eliminating or reducing the need for opioids during ocular surgeries, have the potential to positively impact over four million people annually.

Supporting Mission Work

As part of our DNA since our founding, we are proud that ***we have never turned away an opportunity to support the mission work of our physician customers.***

This is part of our commitment to invest in our relationships with our physician partners—the front line, real-world caretakers of patients. They drive much of our innovation, and we are fortunate to partner with them and their patients. We encourage our physician partners to develop investigator-initiated studies to evaluate our therapies, providing the evidence-based innovation and development that fuels our portfolio/pipeline programs for Harrow Health. In addition, we continue to partner with eyecare providers to bring these important therapies on mission trips around the world.



We serve patients in need in the U.S. and around the world by providing high quality and innovative medications for use by U.S. ophthalmologists on mission trips.

Our Employees Set us Apart

We believe our employees exemplify what it means to be the best. Each employee plays a critical role in our success. We are proud of our employee engagement, our health and safety standards and our diversity.

Employee Recruitment, Development, and Retention

Harrow is committed to hiring the best talent from all walks of life, with different experiences and unique perspectives, and then we work hard to develop and retain those employees. We have found that our natural commitment to diversity and the development of our employees is an important contributor to good financial metrics.

More than 50% of U.S. job losses during the pandemic happened because employers had to reduce staff or shut down due to lost business. Despite the enormity of the problem globally, the job market remained competitive in our field. As a result, during the pandemic Harrow expanded its recruiting efforts to include social media outreach and college/university recruitment at virtual career fairs.

We increased employee referral bonuses and offered retention bonuses. These activities contributed to the addition of 50 new hires in 2020 and 43 new hires in 2021, including both new positions due to Company growth as well as normal turnover and rehiring. Once a qualified applicant is identified, we move quickly from one phase of the hiring process to the next. Applicants meet with various departments, including Human Resources, Quality Control, IT, and Training, to get an overview of the entire company and a thorough understanding of our culture.

We strive to ensure that each Harrow employee achieves their full potential. We provide on-the-job training tailored to their specific responsibilities, and hold quarterly, site-based communications meetings.



Tobe Dussinger (L), ImprimisRx Director of Manufacturing, works with Ed Ramirez (R) in the NJ Production facility

Elizabeth Palacio joined ImprimisRx as Visual Inspector in September 2021. When asked about her onboarding experience, she said, “On my first day of work, HR invited me to a new hire meeting, where they greeted and welcomed me to the team. In the orientation, they gave me an overview of the Company, explained the benefits, and walked me through the ADP onboarding process. A representative from our Quality Team walked me through the Litmos and RESCOP trainings. I met with my supervisor, and they gave me a tour of the facilities and introduced me to the Visual Inspection team. At noon, HR invited me to a luncheon with my supervisor and other department members. The second half of the day, I started my training process, reviewing SOPs and modules on Litmos. I learned about safety and security in the workplace, the various products we produce and cGMPs, to name a few things. After completing my SOP and Litmos trainings and observing members of my team performing their jobs, I was ready to undergo the qualification process, which consisted of three tests. Upon completion of the tests, I received good feedback from my Supervisor on my progress, which made me feel confident and comfortable that I was on the right track in my new career.”

Performance evaluations are aligned with the Company’s Mission, Vision, and Values as well as department goals and the specific duties and responsibilities of each position. Management regularly communicates with each employee to ensure that they fully understand their job responsibilities and their role in the fulfillment of our Corporate Mission. We work diligently to cultivate a culture where each employee takes pride in being a part of the Harrow team and is motivated and incentivized to be the best version of themselves. We are also dedicated to ensuring that everyone feels welcomed, supported, included, and valued for their contributions to the Company’s success.

In 2021, we implemented our Job Leveling Program, through which employees can be considered for career advancements based on their successful completion of internally developed certified training programs.

We firmly believe that development opportunities greatly benefit our employees, while also improving the Company’s bottom line by minimizing turnover and associated costs. We have also found that satisfied employees not only contribute to the Company’s success at a higher level, but they also serve as an effective recruitment tool.



CJ Ecot (L), Level 2 Compounding Technician, works with Steven Michelsen (R) in preparation for his advancement to Level 1 Compounding Technician through the Job Leveling Program

We are growing rapidly, and as of December 31, 2021, 25% of non-exempt employees and 50% of exempt employees—or 38% of all employees—have been with the Company for two years or more. For those employees with the Company less than two years, 26% were new positions added due to company growth. In addition, Harrow Health’s retention rate was 72% in 2021.

	Less than 2 Years	2-5 Years	More than 5 Years
Non-Exempt	75%	19%	6%
Exempt	50%	22%	28%
Total	62%*	20%	18%

*26% were new positions added due to company growth

Employee Health & Safety

Harrow Health prioritizes the health and safety of all employees, whether located in an office environment or one of our compounding or outsourcing facilities, which require specialized health and safety protocols. We provide employees with extensive training, empowering them with the knowledge necessary to choose the best course of action in any given situation. In our production sites, we follow manufacturing protocols designed to ensure each employee's safety, including providing extensive employee training and oversight as well as sterile gowns, safety eyewear and hard-toe safety shoes, where appropriate. We adhere to all industry regulations, but our strong commitment to our people is what really drives our passion for health and safety.



cGMP protocols are strictly followed to ensure employee safety

Harrow has partnered with ADP TotalSource® to design and manage workplace safety programs and assist with various HR-related activities, including workers compensation. Incidents and injuries are reported and tracked categorically within ADP TotalSource, providing the necessary data points for evaluating and implementing effective corrective action plans.

In 2020, Harrow further demonstrated its commitment to employee safety at its compounding and outsourcing facilities with the appointment of a Maintenance and Facilities Manager, whose priority was to establish a formal Safety Committee. The Committee is responsible for educating employees on

best safety practices as well as regularly monitoring and reviewing workplace protocols and safety data to recommend actions aimed at continuously improving safety and preventing future incidents.



Safety Committee Members

Employees enrolled in Harrow's medical insurance can also participate in a wellness program sponsored by the insurance provider. The program encourages employees to reach their highest level of physical fitness and emotional well-being through incentive rewards such as gifts cards or the ability to earn a free Apple Watch. Harrow believes this program can be a win/win for everyone, with employees benefiting from improved overall health and the Company from decreased absenteeism.

The most pressing challenge to the health and safety of all our employees came because of the COVID-19 pandemic. Beginning with the outset of the pandemic in early 2020, we thoroughly reassessed and enhanced health and safety protocols and proactively initiated policies and procedures designed to protect our employees. Where possible, we bolstered our infrastructure to allow remote work; where onsite work was required, we meticulously followed CDC safety guidelines and added additional signage in work areas to reinforce mask protocol, hand washing, and social distancing.

Working in concert with the Safety Committee, we implemented actions throughout our compounding and outsourcing facilities such as staggered break and

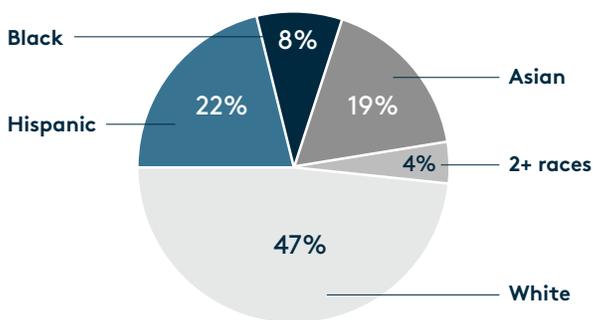
lunch schedules to limit contact, contact tracing if an employee contracted COVID-19, and hiring an outside cleaning consultant to frequently and thoroughly clean and sanitize all areas. We also encouraged employees to integrate safety awareness into their everyday routines as our entire culture became more attuned to the need to protect each other. As a result of these policies and safeguards, the number of company-wide COVID-19 cases has been light and there have been no hospitalizations or deaths.

We Have Diversity in our DNA

Employees are the heart of Harrow Health. These partners are critical to our success and vitally important to maintaining quality service for our customers.

Our strength comes from employees who look and think differently from one another—who have lived rich and rewarding lives because they have either already overcome, or are experiencing the joy of overcoming, life’s challenges. Our leadership team has worked hard to cultivate an environment that promotes diversity of thought and experience. In practice, our workforce is equally split between genders and is both racially and ethnically diverse.

	Male	Female
Non-Exempt	46%	54%
Exempt	53%	47%
Total	49%	51%

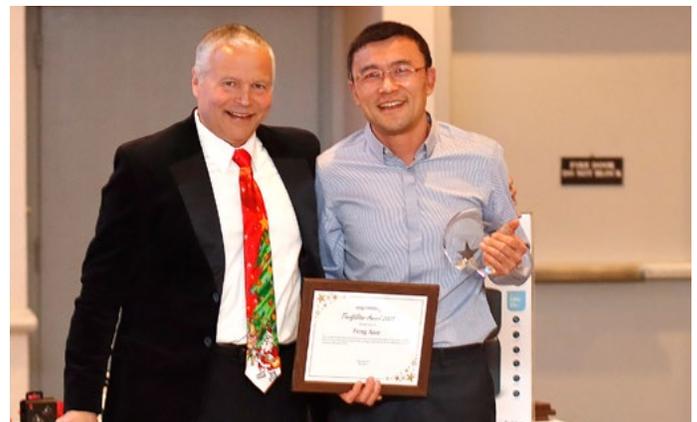


We provide leadership training for all our current and prospective managers and supervisors to ensure that they continue to progress in their careers within our company.

All employees are required to complete annual trainings that include nondiscrimination and zero-tolerance harassment policies. Management is 100% aligned with these policies and committed to enforcing them.

Keeping employees engaged has had a positive impact on lowering our turnover and boosting morale. Despite the competitiveness of our market, Harrow has increased headcount by approximately 33% in 2021. To promote employee engagement, we sponsor several internal events including:

- Service Award presentations
- Employee Recognition Awards and Spot Awards
- Monthly meet and greet for new hires
- Quarterly Town Hall meetings
- Bi-weekly huddle meetings
- Manager 1-on-1 meetings



At the 2021 annual Christmas party, John Saharek, President of ImprimisRx, presented a 2021 ThriftStar Award to Feng Xue, who joined ImprimisRx’s New Jersey team in 2021 as Senior Cost Accountant.

While managing social activities during the pandemic has been difficult, we try to bring everyone together on a regular basis at company-sponsored lunches and milestone celebrations, among other occasions, to cultivate bonding between co-workers and employees at all levels.



Governance

Our [Board of Directors](#) is committed to transparency and effective corporate governance, including the development of Harrow's strategic mission and policy decisions. The Board has substantial experience in healthcare, public health, and business in general and is comprised of physicians, healthcare industry experts, and current and former C-suite healthcare executives. They support Harrow Health in our drive to deliver accessible, affordable prescription pharmaceuticals to the U.S. ophthalmic surgical, chronic, and acute care markets. As with every member of the Harrow team, our Board is dedicated to the service of doctors, hospitals, ambulatory surgery centers, and the patients who rely on their care, as evidenced by their 100% attendance at Board meetings during the last three years.

Our Board carries out many of its duties through committees:

- The Audit Committee oversees the accounting and financial reporting processes and the audits of the Company's financial statements, as well as internal control over financial reporting.
- The Compensation Committee assists the Board in discharging its responsibilities relating to compensation of Harrow's directors and executive officers and produces an annual report on executive officer compensation for inclusion in the Company's proxy statement.

■ The Nomination and Corporate Governance Committee:

- Assists the Board in identifying nominees for election to the Board;
- Determines the composition of the Board and its committees;
- Recommends director nominees for the annual meeting of stockholders;
- Establishes processes and monitors the assessment of the Board's effectiveness;
- Develops, recommends, and oversees a set of corporate governance guidelines and procedures; and
- Oversees the evaluation of the Board and the management of the Company.

The individual [charters](#) for each of these committees can be seen on the Company's website.

Business Ethics, Corruption & Bribery

Much of the pharmaceutical industry pursues profits at the expense of the consumer, leaving many people unable to afford their medications. We believe that approach is ethically indefensible, ultimately unsustainable, and diametrically opposed to our worldview.

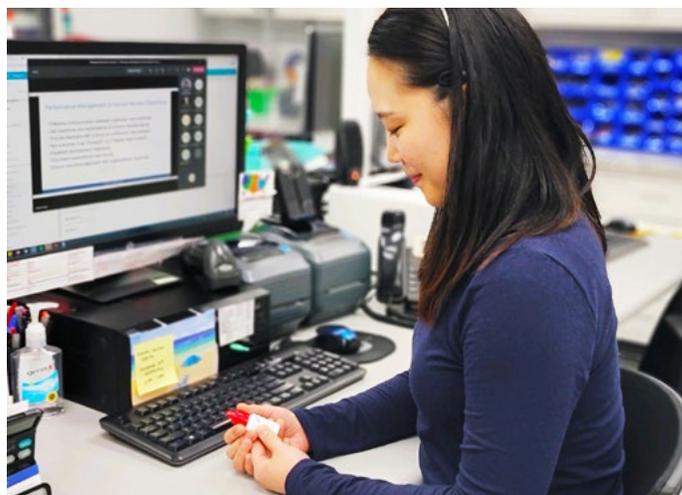
In a traditional pharmaceutical value chain, with tiered formularies and layers of intermediaries, middlemen thrive while consumers struggle to understand the system. Disgruntled, consumers focus their frustrations on the pharmaceutical companies and the pharmacies themselves.

At Harrow, we develop drugs when there is an identified need and then do our best to make them available at affordable prices. Our goal is to make pharmaceuticals and pharmacies simple and transparent. We disintermediate middlemen, the pharmacy benefit managers, wholesalers, and distributors. We eschew prior authorizations, formulary rejections, coupons, and discount cards. We publish prices on our website for all to see.

Because we are committed to the highest standards of legal and ethical business conduct, we maintain a whistleblower hotline through an outside vendor, which is available to anyone who wishes to register a complaint. A separate third-party vendor tests the whistleblower hotline annually to assure compliance. Any calls to the whistleblower, as well as the results of the compliance test, are sent to an independent Board member. To date, there have been no reports to the whistleblower hotline.

Upon joining Harrow Health, all new employees are required to read Harrow's Employee Handbook. This handbook clearly delineates the Company's business ethics and standards of conduct and the responsibility of all employees to adhere to these ethics and standards.

And our people take it all to heart. For example, during the winter of 2021, a snowstorm in New Jersey delayed prescription deliveries. One of our pharmacists, Gloria Pak, concerned that a prescription scheduled for overnight delivery would not make it because of the weather, took matters into her own hands. She mapped a route to her home that would take her past the patient's location and made the delivery herself. The patient was struggling to clear his driveway of snow when Gloria appeared. He was surprised, delighted, and relieved when she hand-delivered his prescription. Gloria Pak is a wonderful example of the "spirit" of Harrow Health—and one of many examples where a Harrow employee put into action our mission of making medications more accessible and affordable.



Gloria Pak, Pharm D, ImprimisRx 503A Pharmacist

That same "go the extra mile" attitude can be found throughout our entire company. During 2020, when many offices were closed due to COVID-19, we provided a telehealth solution to any prescribing physician at no charge to help them provide continued service to their patients. In addition, when products purchased by customers expired during those shutdowns, we offered a deep discount on medications and surgical formulations needed to help physicians, ambulatory surgery centers and hospitals get back on their feet as they reopened their doors and resumed surgical procedures. Lastly, we implemented a Patient Assistance Program to help patients get medications that they might otherwise not be able to afford.

Drug Safety

As one of Harrow Health's top priorities is drug safety, a culture of quality permeates the entire company. In 2020, despite the challenges of applying it to an organization our size, we implemented "Quality on the Floor," an initiative that dovetailed with our hands-on approach to oversight during all stages of drug manufacturing. A vice president walks the manufacturing floor each week to evaluate production, and directors walk the floor daily. In addition, we have hired a second line of quality assurance, separate from the production/manufacturing staff, comprised of expert quality partners who are authorized to course correct on the spot while also flagging whether long-term corrections are required.



Erin Burns, Quality Assurance Trainer at ImprimisRx NJ facility, instructs employees on appropriate GMP gowning protocols and requirements

When quality issues are uncovered, they are logged and fixed immediately. These incidents are then used as subsequent training opportunities, which are developed on an ongoing basis by our Quality Assurance Trainers. Attending training and watching FDA-readiness videos are required for everyone involved in the drug manufacturing process.

During 2022, we are implementing an electronic Quality Management System aimed at reducing

human error and paper usage while ensuring the highest standards of quality. Typically, only larger pharmaceutical companies would make such a costly investment, but to uphold our high standards and unwavering commitment to quality, we view this system as critical and an important differentiator.

We are proud of the fact that in 2021, ***none of our products were listed on the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products, nor were any enforcement actions taken against the Company for violations of Current Good Manufacturing Practices (cGMP).***

Another example of our commitment to maintaining our stellar record of drug safety was seen in the addition of a Quality Assurance Post-Market Surveillance Specialist in 2020. This person, who is focused on product that is already in the market, manages the Annual Product Quality Review (APQR), a cGMP requirement, to follow up on and find the root cause of any problems. They look for trends or skewing in quality data points that could indicate a problem, like an adverse reaction, before the drug goes afoul of accepted established criteria. Through APQR, we monitor product quality, investigate complaints, and ensure proper regulatory reporting.

Harrow Health adheres to myriad regulations, as do all drug manufacturers. Our traditional compounding pharmacy is state-regulated and the compounding in our outsourcing facility is regulated by the FDA.

Using our Asset Review Model (ARM), we identify, vet, and initiate product development programs that address unmet needs identified in collaboration with our physician partners. In addition to ensuring alignment with our company vision, the process has several phases of review and evaluation across multiple teams, including quality, regulatory, technical, analytical, and commercial. These phases are complex and thorough to ensure the likelihood of success of new programs.

Data Protection & Patient Data Privacy

In 1996, the Health Insurance Portability and Accountability Act (HIPAA) was enacted to ensure patient health information would not be disclosed without the patient's consent or knowledge. Since then, the need to protect data privacy has become a given for most businesses; and as computer hackers continue to hone their skills, it is incumbent on us to increase our security to protect the proprietary data of our company, customers, and patients.

To that end, in 2021, we enhanced our encryption-based security platform to an even more comprehensive data protection and data privacy platform. We also introduced a security appliance that works in conjunction with network switches to take advantage of the new platform.

This new platform is a powerful tool to analyze network traffic and alert us to potential problems. It looks at seemingly innocuous endpoint processes and correlates them to predict how, over a period of time, they could become a threat. The system also produces daily threat logs and blocks malicious activity. On an average day, the threat report will show that thousands of invalid pings to Harrow's servers were blocked during a single hour.

We encrypt all data and enforce a "no external media" policy to keep patient information private and secure. We are also exploring solutions in cloud computing and hardware-free environments that can accommodate our strict patient data privacy protocols. In addition, IT has initiatives to ensure our network and files remain safe and secure including:

- Mandatory security/HIPAA/cGMP/workplace training,
- Phishing simulation to spot-check employee knowledge and promote best practices,
- Utilization of VPN tunneling protocols to access internal endpoints, and
- Enforcement of existing security policies on the endpoint when a machine is brought offline to provide 24/7 security coverage.

Harrow's IT department has also been refining our Security Incident Playbook to streamline the remediation process in the event of an incident. The playbook will include corrective action plans, escalation paths, disaster recovery, and business continuity plans. Of the ten reported incidents in a recent, representative month, none rose to the highest level of severity, and the rest were split equally between medium and low severity.

While we're confident that our data is secure today, we are not prepared to rest on our laurels. The persistent probing and active attacks on networks by modern day highway robbers mandate that we always stay alert to maintain a secure environment and keep abreast of threat trends and geo-location-based hacking activity.