



CODE OF ETHICS AND BUSINESS CONDUCT

CARMAT SA | Immeuble l'Etendard | CS 40533 | 36, avenue de l'Europe | 78941 Vélizy-Villacoublay cedex | FRANCE
téléphone | +33 1 39 45 64 50 — télécopie | +33 1 39 45 64 51
siret | 504 937 905 00025 — n° TVA intra | FR35 504 937 905

1. Introduction: Purpose, Scope and Content

1.1 Purpose and Scope

Carmat's code of Ethics and Business Conduct (the 'Code') establishes corporate standards of behaviour for all Carmat directors, officers and employees, and for people who work for or on behalf of Carmat (together 'Carmat People', and individually 'Carmat Person'). By maintaining the standards described in this Code, Carmat's directors, officers and employees, and people who work for or on behalf of Carmat enable Carmat to fulfil its commitment to the highest integrity in ethics and business conduct, and to maintain the trust of the people who interact with us (patients, healthcare professionals, suppliers, investors, government officials ...).

This code applies to all Carmat's directors, officers and employees, but also to all organizations and people working for or on behalf of Carmat. This includes (but is not limited to): contingent workers¹, consultants, agents and distributors.

Carmat People generally have other legal and contractual obligations to Carmat. This Code is not intended to reduce or limit the other obligations that Carmat People may have to Carmat. Instead, the standards in this Code should be viewed as the *minimum standards* that we expect from Carmat People in the conduct of the business.

1.2 Content

This Code has two sections which follow this Introduction.

- Section 2 'Standards of Ethics and Business Conduct' contains the actual guidelines that Carmat People are expected to adhere to in the conduct of Carmat's business (the 'what').
- Section 3 'Compliance Procedures' explains how this Code should be applied and administered (the 'how').

2. Standards of Ethics and Business Conduct

2.1 Compliance with laws, rules and regulation

Carmat seeks to conduct its business in compliance with all applicable laws, rules and regulations. Carmat People shall not engage in any unlawful activity in conducting Carmat's business or in performing their day-to-day company duties, nor shall any Carmat Person instruct or influence others to do so.

2.2 Conflict of Interest

Carmat recognizes and respects the right of some Carmat People to engage in outside activities which they may deem proper and desirable, provided that these activities do not impair or interfere with the performance of their duties to Carmat or their ability to act in Carmat's best interests. This means that Carmat People must avoid situations that present a potential or actual conflict between their personal interests and Carmat's interests.

A 'conflict of interest' occurs when Carmat People's personal interest interferes with their ability to act in the best interest of Carmat. Conflicts of interest may arise in many situations. For example, conflicts of interest can arise when a director, officer or employee takes an action or has an outside interest, responsibility or obligation that may make it difficult for him or her to perform the responsibilities of their position objectively and/or effectively in Carmat's best interests. Conflicts of interest may also occur when a director, officer or employee or their immediate family member receives some personal benefit (whether improper or not) as a result of the director's, officer's or employee's position with Carmat. Each individual's situation is different and in evaluating their own

¹ Including 'Assistants Techniques' and 'Intérimaires'

situation, a director, officer or employee will have to consider many factors.

Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be reported promptly to the Compliance Office. The Compliance Office may notify the Board of Directors or a committee thereof as deemed appropriate.

It is not possible to describe every situation or occurrence that could lead to a conflict of interest, but some *common* conflict of interest situations are given, as examples and guidance, in Appendix 1.

2.3 Protection and Proper Use of Carmat's Resources and Assets

Loss, theft and misuse of Carmat's assets or resources may have a direct impact on Carmat's business and financial situation. Carmat People are expected to protect Carmat's assets and resources that are entrusted to them and to protect Carmat's assets and resources in general. Carmat People are also ~~expected~~ ~~to~~ ~~take~~ ~~steps~~ ~~to~~ ~~ensure~~ that ~~Carmat's~~ assets and resources are only used for legitimate business purposes.

In particular, Carmat's IT (Information Technology), communication and network resources should only be used in accordance with company policies; and business travel must have a legitimate business rationale and be conducted in such manner as to optimize the benefit of the trip to the company.

2.4 Anti-Competitive Practices and Fair Dealing

It is Carmat's policy that all Carmat People must endeavour to deal ethically and lawfully with Carmat's customers, suppliers, competitors and employees in all business dealings.

In particular, Carmat is committed to comply with all applicable anti-competition laws and regulations. In addition, Carmat people should never take unfair advantage of another person in business dealings on Carmat's behalf through the abuse of privileged or confidential information or through improper manipulation, concealment or misrepresentation of material facts.

Competing vigorously, with competitors and establishing advantageous, but fair, business relationships with customers and suppliers is a part of the foundation for long-term success; but Carmat should never engage in illegal business practices.

2.5 Confidentiality and Information Management

Confidential information² generated and gathered in Carmat's business plays a vital role in Carmat's business, prospects and ability to compete. 'Confidential information' includes all non-public information that might be of use to third-parties or harmful to Carmat, if disclosed; Confidential information also include all personal data.

Carmat People may not disclose or distribute Carmat's confidential information, except when disclosure is authorized by Carmat or required by applicable law, rule or regulation or pursuant to an applicable legal proceeding. Carmat People shall use confidential information solely for legitimate business purposes. Carmat People must return all of Carmat's confidential and/or proprietary information in their possession to Carmat when they cease to be employed by or to otherwise serve Carmat.

Confidential information that belong to third parties:

Getting and using information from other companies is acceptable only when the information is obtained lawfully. Confidential information rightfully provided to Carmat must be protected and may not be used or disclosed by Carmat People to any other party except according to the terms under which it was provided.

² Types of Confidential information might include, but are not limited to : research and scientific data, clinical study information, regulatory information, technical designs and processes, manufacturing processes, financial records and forecasts, business plans, unpublished patent applications, information that would enable a competitor to gain competitive advantage, information that may influence Carmat's share price.

Intellectual Property:

Protecting Carmat's intellectual property (IP) is essential to maintaining a competitive advantage. Carmat People are expected to protect Carmat's IP (including but not limited to patents, patent applications, trade names, trademarks and copyrights) by not disclosing such information and storing and managing it in a safe way.

Insider Trading:

Carmat is a listed company. Confidential information that could affect the share price or could be considered important by investors is commonly called 'inside information'. All non-public information about the company must be considered confidential and thus 'inside information'. The use of inside information for personal financial benefit or to 'tip' others who might make an investment decision on the basis of this information is illegal and will be subject to zero-tolerance by Carmat

Privacy:

Carmat is committed to protecting the privacy and integrity of personal information in all business activities, in line with applicable laws and regulation (including RGPD). In particular, Carmat takes precaution to safeguard the security of personal information when it is collected, processed, stored and transferred.

2.6 Bribes, Kickbacks and Other Improper Payments or Gifts

Carmat does not permit or condone bribes, kickbacks or other improper payments, transfers or receipts. Carmat People should not promise, offer, give, solicit or receive any money or other item of value for the purpose of obtaining, retaining or directing business or bestowing or receiving any kind of favoured treatment.

Like in any business, Carmat People sometimes give and accept modest gifts, hospitality and entertainment. In every case, they should consider whether this is appropriate and could be misunderstood or seen as a bribe. Before offering or accepting anything, Carmat People should make sure it is lawful, fits our Code, and is unlikely to influence the other person's or their own decision making.

Many countries have anti-bribery laws regulating the offering of business courtesies to government employees and representatives (collectively 'government officials'). Carmat prohibits offering, promising, paying or giving anything of value, directly or indirectly, to a government official for the purpose of unduly influencing their action. Prohibited items of value may include but are not limited to, cash payments, meals, personal gifts, travel and entertainment.

2.7 Political contributions and activity

Direct support (financial or otherwise) of political parties or individual candidates for public office by Carmat is prohibited. Carmat People, in their company capacity, cannot make any loan, donation, contribution or payment to a political party or candidate or political action committee, for or on behalf of Carmat.

It is however recognized that as a member of a highly regulated and publicly visible industry, certain political initiatives may affect Carmat's business. Carmat's political activities will only occur through participation in and membership of industry associations (e.g. Snitem in France), or consultation and hiring of political lobbyists. In this latter case, the Chief Executive Officer must approve the consultation/hiring of the lobbyists.

2.8 Work Environment

Interaction with Others:

Carmat is committed to providing equal opportunity and positive working environment in all aspects of employment. Carmat People must treat each-others and third parties with respect at all times.

Discrimination based on race, colour, religion, national origin, sexual orientation, gender, age, disability, or

any other legally prohibited basis, is prohibited. Similarly, Carmat does not permit any form of harassment. This includes any abusive conduct, including verbal, non-verbal or physical conduct that demeans or shows hostility towards an individual.

Health, Safety and Environment:

Carmat pursues high standards of Health & Safety, recognizing it is an integral part of an efficient and successful business.

All Carmat People must comply with the company's environmental, health and safety policies and procedures, as well as local laws and regulations. Employees must also attend required training and perform their jobs in a manner that promotes a safe and healthy workplace while also striving to preserve and protect the environment.

2.9 Accuracy of Records

Company records including (but not limited to) laboratory notebooks, product information, financial information, batch logs, regulatory filings, government filings, must be an accurate and verifiable record of applicable activities, results and transactions. All data must be recorded and maintained according to Carmat policies and procedures, and applicable laws and regulation.

Reports and interpretation of data and results (e.g. scientific data, financial results etc.) must be done in good faith and in such manner as to prevent misleading the reader or disguising or misrepresenting any aspect of a result or transaction.

The integrity, reliability and accuracy in all material respects of Carmat's books, records and financial statements is fundamental to Carmat's continued and future business success. No Carmat Person may enter into a transaction with the intent to document or record it in a deceptive or unlawful manner. In addition, Carmat People may not create any false or artificial documentation or book entry for any transaction entered into by Carmat. Similarly, officers and employees who have responsibility for accounting and financial reporting matters have a responsibility to accurately record all funds, assets and transactions on our books and records.

2.10 Quality of Public Disclosures

Carmat is committed to providing its shareholders and third parties with information about its financial situation and operations as required by applicable laws and regulation. It is Carmat's policy that the reports and documents it files with or submits to the Financial Services and Markets Authority, its earnings releases and similar public communications, include fair, timely and understandable disclosure. Officers and employees who are responsible for these filings and disclosures, including Carmat's CEO, and financial and accounting officers, must use reasonable judgment and perform their responsibilities honestly, ethically and objectively in order to ensure that this disclosure policy is fulfilled.

2.11 Clinical and Scientific Integrity and Interactions with Healthcare Professionals

Carmat is committed to put the patient and the safety first by conducting its research and development, engaging with healthcare professionals (HCPs), promoting its products, producing and managing the quality of its products, with the highest level of integrity.

Scientific Integrity

Carmat People are expected to protect the integrity of the research and development process by ensuring that all research, including but not limited to non-clinical and clinical development, is conducted according to all applicable laws and regulation and to the generally accepted standards of the scientific community.

The safety of patients who volunteer in clinical trials is essential. Scientific misconduct (such as falsification or misuse of information) is not tolerated.

Interactions with healthcare professionals (HCPs) and promotional activities

Carmat is committed to the appropriate use of its products and recognizes the importance of providing HCPs with the complete evidenced-based information they need to make fully informed decisions. Carmat is committed not to disguise or misuse information to influence HCPs and others inappropriately.

All interactions with HCPs and promotional activities must be conducted in a manner that is ethical, balanced, scientifically rigorous and fully compliant with applicable laws and regulations.

In particular, it is Carmat's policy to comply with all applicable laws, and regulations prohibiting any kickbacks, bribes or other improper inducements to HCPs; and to comply with applicable industry codes regulating financial and other interactions with HCPs. All Carmat People in contact with customers, patients or HCPs must receive training about appropriate interactions with HCPs.

Managing the safety and quality of our products

Patient safety through the optimal quality of products is essential to Carmat. The company strives to assure the safety, quality and efficacy of its products by performing robust non-clinical and clinical testing. Carmat uses a range of good practice quality guidelines and standards throughout its business (on manufacturing sites, in the labs, in the clinic or in office) to achieve this objective.

Once approved for use, the products are monitored through extensive post-marketing surveillance and reports from HCPs and patients. It is the responsibility of all Carmat People to promptly report any adverse event that they become aware of and that could be associated with a Carmat product.

Animal Welfare

It those circumstances when it is absolutely necessary for Carmat to use animals to conduct research or for legitimate purposes, Carmat acknowledges its responsibility to ensure that animals used are treated with respect and a high level of ethical concern, and in full compliance with all applicable laws and regulation. Similarly, Carmat is committed to choose and work with partners who meet these same standards.

3 COMPLIANCE PROCEDURES

3.1 Communication of the Code

All Carmat People are supplied with a copy of the Code upon beginning service at Carmat and are asked to review and sign an acknowledgment regarding the Code at beginning of service and on a periodic basis. Updates of the Code will be provided from time to time and will be deemed acknowledged by Carmat People. A copy of the Code is also available to all Carmat People by requesting one from the Compliance Office.

3.2 Personal Responsibility and non-retaliation principle

Each Carmat Person should strive to comply with this Code and work to prevent violations of this Code.

What should a Carmat Person do when faced with a choice or dilemma?

It is recognized that in some instances it may be difficult to determine the correct answer to a situation. So, when faced with a choice of dilemma:

- Ask yourself:

Does it meet regulations and laws? Is it aligned with this Code? Is it consistent with our policies and procedures? Does it seem or could it be perceived as unethical or improper? Would I feel comfortable if my decision was made public?

- Ask first, act later:

If the answer to any of those questions is 'no', or 'I don't know', then talk to your manager or seek assistance from the Compliance Office.

What should a Carmat Person do if she/he believes a violation of the Code might / has happened?

If a Carmat Person believes that actions have taken place, may be taking place, or may be about to take place that violate or would violate the Code or any law, rule or regulation applicable to Carmat, he or she must bring the matter to the attention of the Compliance Office as soon as possible

The Compliance Office will investigate the reported matter in a fair and prompt manner. Any piece of information will be disclosed or shared with people outside the Compliance Office, *only on strict 'need-to-know' basis*. If asked, Carmat People are expected to cooperate in good faith with Carmat in any investigation of a potential violation of the Code (or any other company policy or procedure, or any applicable law, rule of regulation). They should never conduct an investigation by themselves.

Non-retaliation principle

Carmat expressly forbids any retaliation against any Carmat Person who, *acting in good faith*, on the basis of a reasonable belief, reports suspected misconduct. Specifically, Carmat will not discharge, demote, threaten, harass or in any other manner discriminate against any Carmat Person who reports suspected misconduct. Any person who participates in any such retaliation is subject to disciplinary action, including termination.

3.3 Violations of the Code

Should there be a finding that a Carmat Person has violated the Code, Carmat will provide them with a written notice of its determination, as well as the nature of the disciplinary action (if any).

Disciplinary measures for violations of the Code will be determined in Carmat's sole discretion, by the Compliance Office and the Human Resources Director, and may include but are not limited to, counselling, oral or written warning, probation or suspension with or without pay, demotions, termination of employment or

service.

Carmat's management shall at least annually report to the Board of Directors (or a Committee designated by the Board) the violations of the Code and the actions taken with respect to any such violation.

3.4 Governance

Board of Directors

The Board of Directors owns and administers the Code. The Board of Directors reviews and approves the Code on an annual basis (and more frequently if required).

Compliance Office

In absence of Compliance Officer, the Board of Directors has delegated day-to-day responsibility for administering and interpreting the Code, and managing violations to the Code, to the Compliance Office.

The Compliance Office consists of the following people:

- Quality and Regulatory Affairs Director
- Human Resources Director
- Chief Financial Officer

The Compliance Office coordinates the business conduct and compliance programs, is a resource to assist Carmat People with answers to questions or interpretations of the Code. It conducts investigations relating to alleged violations to the Code and reports all violations (and actions taken in relation to such violations) to the Board, on an annual basis.

If and when a Compliance Officer is designated by Carmat, it is stated that the role and responsibilities of the Compliance Office will be fully handed-over to this Compliance Officer.

How to contact the Compliance Office?

You can make contact with the Compliance Office, either by contacting one of its members (by phone, email or face-to-face) or by sending an email to the following address:

compliance-office@carmatsas.com

Supervisors, Managers and Department Heads

Each Carmat Person should strive to comply with this Code and work to prevent violations of this Code.

Supervisors, Managers and Department Heads are accountable for Ethics and Business Conduct in the group they manage. They lead by example and help shape and maintain the Ethics and Business Conduct standards at Carmat.

**Reviewed and approved by the Board of Directors
on September 7, 2020**

Document History and Version Control

Document Reference:	0012054/01	Primary Contact for this Policy: CFO
----------------------------	-------------------	---

Version	Approval Date	Approved by	Implementation Date
01	September 7, 2020	Board of Directors	December 1, 2020

Appendix 1

Conflict of interest situations may include:

Financial Interests

Holding, by a Carmat Person or family member, a direct or indirect financial interest in a vendor or customer.

Employment

Being employed by, providing consulting services for, or serving as an officer or director of another company, including but not limited to competitors, customers, suppliers or vendors to Carmat SA

Business & Financial Transactions

Conducting Carmat business transactions with a company that employs a family member of a Carmat employee.

Entering into personal financial transactions with an employee or representative of a customer, competitor, or vendor; or with this customer, competitor or vendor.

Corporate Opportunities

Using non-public information acquired as a result of employment with Carmat.

Taking advantage of business opportunities that rightfully belong to Carmat.

Selling services or products that compete with Carmat.

Non-Business Activities

Participating in trade association, non-profit or other non-business activities to the detriment of performing Carmat job duties.

Personal use of company property and information

Using or diverting Company property for non-business activities.

The above examples are provided for illustration and do not represent a comprehensive list of all potential conflict of interest situations



ACKNOWLEDGMENT FORM

I acknowledge that I have reviewed and understand Carmat's Code of Ethics and Business Conduct (the 'Code') and agree to abide by the provisions of the Code (and its amendments, as might be in effect from time to time).

Signature

Name (Printed or typed)

Date