

**STATEMENT OF POLICIES AND PROCEDURES OF
RETROPHIN, INC
GOVERNING MATERIAL, NON-PUBLIC INFORMATION AND THE PREVENTION
OF INSIDER TRADING
As amended September 30, 2014**

I. SUMMARY

Preventing insider trading is necessary to comply with securities law and to preserve the reputation and integrity of Retrophin, Inc. (the "Company") as well as that of all persons affiliated with it. "Insider trading" occurs when any person purchases or sells a security while in possession of inside information relating to the security. As explained in Section III below, "inside information" is information considered to be both "material" and "non-public." Insider trading is a crime and the penalties for violating the law include imprisonment, disgorgement of profits, civil fines of up to three times the profit gained or loss avoided, and criminal fines of up to \$1,000,000 for individuals and \$2,500,000 for entities. Insider trading is also prohibited by this Statement and could result in serious sanctions, including dismissal.

This Statement applies to all officers, vice presidents, Directors and employees of the Company and its subsidiaries and extends to all activities within and outside an individual's duties at the Company. Every officer, vice president, Director and employee must review this Statement. Questions regarding the Statement should be directed to the General Counsel of the Company.

II. STATEMENT OF POLICIES PROHIBITING INSIDER TRADING

No Director, officer, vice president or employee shall purchase or sell any type of security while in possession of material, non-public information relating to the security, whether the issuer of such security is the Company or any other company.

No Director, officer, vice president or employee shall while in possession of material, non-public information relating to a security, directly or indirectly tip such information to anyone or recommend to anyone that they purchase or sell the securities.

Material, non-public information should not be communicated to anyone outside the Company under any circumstances, or to anyone within the Company other than on a need-to-know basis.

III. SCOPE OF POLICY

- A. Persons Covered. This policy applies to all Directors, officers, vice presidents and employees of the Company, its subsidiaries and affiliates. It also applies to family members who reside with such individuals as well as any family members whose securities transactions are under the control of influence of such individuals.

- B. Companies Covered. The prohibition on insider trading in this policy is not limited to trading in the Company's securities. It includes trading in securities of other companies, such as corporate partners, collaborators, companies in negotiation with the Company, customers and suppliers. Information that is not material to the Company may be material to one of those other parties and trading in their securities while in possession of that information is prohibited by this policy,
- C. Transactions Covered. This policy covers purchases and sales of stock and derivative securities such as puts and call options.
- D. Prohibited Transactions. This policy prohibits direct or indirect participation by employees of the Company in transactions involving trading activities which by their aggressive or speculative nature may give rise to an appearance of impropriety. Such activities would include the purchase of put or call options, or the writing of such options as well as short sales, hedging transactions such as "cashless" collars, forward sales, equity swaps and other related arrangements may indirectly involve a short-sale and any other transactions designed for profit from short-term movement in stock price.
- E. Transactions Requiring Pre-Approval. Pre-approval by the Chief Executive Officer or General Counsel is required for any transactions in which stock is margined or pledged to secure a loan as well as any purchase on margin. Approval of these transactions will be on the basis of guidelines to be adopted from time to time by the Nominating/ Corporate Governance Committee of the Board of Directors of the Company and on a case by case consideration of facts and circumstances. All requests for pre-approval and all pre-approvals must be in writing.
- F. Certain Exceptions. This policy's trading restrictions do not generally apply to the exercise of a stock option of the Company for cash. The restrictions do apply to the sale of the underlying stock of an option or to 'cashless; exercises of options in which the underlying stock is sold to cover the exercise price and/or taxes or for the purposes of covering the taxes relating to restricted stock that vests during a blackout period.
- G. Exceptions for Emergency, Hardship or other Special Circumstances. In order to respond to emergency, hardship or other special circumstances, exceptions to the prohibition on trading during black-out periods will be considered on a case by case basis and be subject to pre-approval of the Chief Executive Officer and General Counsel.

IV. EXPLANATION OF INSIDER TRADING

"Insider trading" refers to the purchase or sale of a security while in possession of "material" "non-public" information relating to the security. "Securities" include not only stocks, bonds, notes and debentures, but also options, warrants and similar instruments. "Purchase" and "sale" are defined broadly under the federal securities law. "Purchase" includes not only the actual purchase of a security, but any contract to purchase or otherwise acquire a security. "Sale" includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions including conventional cash-for-stock transactions, conversions, the grant and exercise of stock options and acquisitions and exercises of warrants or puts, calls or other options related to a security. It is generally understood that insider trading includes the following:

- Trading by insiders while in possession of material, non-public information;
- Trading by persons other than insiders while in possession of material, non-public information where the information either was given in breach of an insider's fiduciary duty to keep it confidential or was misappropriated; or
- Communicating or tipping material, non-public information to others, including recommending the purchase or sale of a security while in possession of such information.

A. What Facts are Material?

The materiality of a fact depends upon the circumstances. A fact is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of a company's business or to any type of security, debt or equity.

Examples of material information include (but are not limited to) facts concerning: dividends; corporate earnings or earnings forecasts; mergers or acquisitions; major litigation; significant borrowings or financings; defaults on borrowings; bankruptcies; and significant business transactions.

A good general rule: **when in doubt, do not trade.**

B. What is Non-public?

Information is "non-public" if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through such media as Dow Jones, Reuters Economic Services, The Wall Street Journal, Associated Press, or United Press International. The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination.

In addition, even after a public announcement, a reasonable period of time must lapse in order for the market to react to the information. Generally, one should allow at least 48 hours following publication as a reasonable waiting period before such information is deemed to be public.

C. Who is an Insider?

"Insiders" include officers/vice presidents, directors, and employees of a company and anyone else who has material inside information about a company. Insiders have independent fiduciary duties to their company and its stockholders not to trade on material, non-public information relating to the company's securities. All officers/vice presidents, directors and employees of the Company should consider themselves insiders with respect to material, non-public information about business, activities and securities.

Officers/vice presidents, directors and employees may not trade the Company's securities while in possession of material, non-public information relating to the Company nor tip (or communicate except on a need-to-know basis) such information to others.

It should be noted that trading by members of an officer's/vice president's, director's or employee's household can be the responsibility of such officer/vice president, director or employee under certain circumstances and could give rise to legal and Company-imposed sanctions.

D. Trading by Persons Other than Insiders

Insiders may be liable for communicating or tipping material, non-public information to a third party ("tippee"), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material, non-public information tipped to them or individuals who trade on material, non-public information which has been misappropriated.

Tippees inherit an insider's duties and are liable for trading on material, non-public information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee's liability for insider trading is no different from that of an insider. Tippees can obtain material, non-public information by receiving overt tips from others or through, among other things, conversations at social, business, or other gatherings.

E. Penalties for Engaging in Insider Trading

Penalties for trading on or tipping material, non-public information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in such unlawful conduct and their employers. The Securities and Exchange Commission ("SEC") and Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the federal securities laws include:

- SEC administrative sanctions;
- Securities industry self-regulatory organization sanctions;
- Civil injunctions;
- Damage awards to private plaintiffs;
- Disgorgement of all profits;
- Civil fines for the violator of up to three times the amount of profit gained or loss avoided;
- Civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of \$1,000,000 or three times the amount of profit gained or loss avoided by the violator;

- Criminal fines for individual violators of up to \$1,000,000 (\$2,500,000 for an entity); and
- Jail sentences of up to 10 years.

In addition, insider trading could result in serious sanctions by the Company, including dismissal. Insider trading violations are not limited to violations of the federal securities laws: other federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act (RICO), also may be violated upon the occurrence of insider trading.

F. Prohibition of Records Falsifications and False Statements

Section 13(b)(2) of the 1934 Act requires companies subject to the Act to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. The SEC has supplemented the statutory requirements by adopting rules that prohibit (1) any person from falsifying records or accounts subject to the above requirements and (2) officers or directors from making any materially false, misleading, or incomplete statement to any accountant in connection with any audit or filing with the SEC. These provisions reflect the SEC's intent to discourage officers/vice presidents, directors and other persons with access to the Company's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

IV. STATEMENT OF PROCEDURES PREVENTING INSIDER TRADING

The following procedures have been established, and will be maintained and enforced, by the Company to prevent insider trading. Every officer/vice president, director and employee is required to follow these procedures.

A. Restricted Employees. Except for the exercise of options that does not involve the sale of Company securities (e.g., the cashless exercise of a Company stock option does involve the sale of Company securities and therefore would not qualify under this exception), **no restricted employee shall purchase or sell any security of the Company during the period beginning seven days before the end of any fiscal quarter of the Company and ending two days after the public release of earnings data for such fiscal quarter.**

For the purposes of the foregoing, 'restricted employee' shall include all employees who, in the reasonable opinion of the Chief Financial Officer, have access to earnings data for a fiscal quarter prior to public release. Each Quarter all restricted employees will receive email notification that they must suspend all activities in the Company's securities and the applicable dates.

B. Pre-clearance Employees. From time to time, the Company may also require that Directors, officers, vice presidents and select employees suspend trading because of developments known by them and not yet disclosed to the public. To provide assistance

in preventing inadvertent violations of applicable securities laws and to avoid the appearance of impropriety in connection with the purchase and sale of the Company securities, **all transactions in Company securities (including without limitation, acquisitions and dispositions of Company Stock, the exercise of stock options and the sale of Company Stock issued upon exercise of stock options, or acquired in any other manner) by preclearance employees of the Company must be precleared by the Chief Executive Officer or General Counsel of the Company.**

In addition, the Company may require that certain employees who have access to confidential information of the Company's current or potential future licensors, licensees, collaborators, vendors or customers. To provide assistance in preventing inadvertent violations of applicable securities laws and avoid the appearance of impropriety, **all transactions in securities of biotechnology or pharmaceutical companies by preclearance employees of the Company must be precleared by the Chief Executive Officer or General Counsel of the Company.**

For the purposes of the foregoing, 'pre-clearance employee' shall include each employee of the Company who, in the reasonable opinion of the Chief Executive Officer or General Counsel, are, by the nature of their position with the Company, regularly in possession of material non-public information.

All requests for pre-clearance must be submitted in writing.

C. **Blind Trusts and Pre-Arranged Trading Programs.** Section 10b5-1(c) of the Securities Exchange Act of 1934 provides an affirmative defense against insider trading liability for a transaction done through a blind trust in which investment control has been delegated to the third party or pursuant to a written plan entered into at a time when the insider was not aware of material non-public information. **All plans to sell securities pursuant to a 10b5-1(c) plan (a "Plan") must be pre-approved by the Chief Executive Officer or General Counsel and a complete copy of all Plans must be delivered to the Law Department.**

D. **Identifying Material, Non-public Information**

Prior to directly or indirectly trading any security of the Company or any other company, every Director, officer, vice president and restricted employee is required to contact the General Counsel or Chief Executive Officer of the Company (as part of the pre-clearance procedures discussed above) and make an initial determination whether the Company and/or such Director, officer, vice president or restricted employee is in possession of material, non-public information relating to such security. In making such assessment, the explanations of "material" and "non-public" information set forth above should be of assistance. If after consulting with the General Counsel or Chief Executive Officer of the Company, it is determined that the Company and/or such officer/vice president, director or restricted employee is in possession of material, non-public information, there may be no trading in such security.

E. Information Relating to the Company

1. Access to Information. Access to material, non-public information about the Company, including the Company's business, earnings or prospects, should be limited to officers/vice presidents, directors and employees of the Company on a need-to-know basis. In addition, such information should not be communicated to anyone outside the Company under any circumstances or to anyone within the Company on other than a need to know basis.

In communicating material, non-public information to employees of the Company, all Directors, officers, vice presidents and employees must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information.

2. Inquiries From Third Parties. Inquiries from third parties, such as industry analysts or members of the media about the Company should be directed to the Chief Executive Officer or Chief Financial Officer of the Company.

F. Limitations on Access to the Company Information. The following procedures are designed to maintain confidentiality with respect to the Company's business operations and activities.

1. All Directors, officers, vice presidents and employees should take all steps and precautions necessary to restrict access to, and secure, material, non-public information by, among other things:

- Maintaining the confidentiality of Company related transactions;
 - Conducting their business and social activities so as not to risk inadvertent disclosure of confidential information. Review of confidential documents in public places should be conducted so as to prevent access by unauthorized persons;
 - Restricting access to documents and files (including computer files) containing material, non-public information to individuals on a need-to-know basis (including maintaining control over the distribution of documents and drafts of documents);
 - Promptly removing and cleaning up all confidential documents and other materials from conference rooms following the conclusion of any meetings;
 - Disposing of all confidential documents and other papers, after there is no longer any business or other legally required need, through shredders when appropriate;
 - Restricting access to areas likely to contain confidential documents or material, non-public information; and
 - Avoiding the discussion of material, non-public information in places where the information could be overheard by others such as in elevators, restrooms, hallways, restaurants, airplanes or taxicabs.
2. Personnel involved with material, non-public information, to the extent feasible, should conduct their business and activities in areas separate from other Company activities.

ACKNOWLEDGEMENT FORM

To Statement of Policies and Procedures of Retrophin, Inc. Governing Material, Non-Public Information and the Prevention of Insider Trading

I have received, reviewed, and understand the above-referenced Statement of Policies and Procedures and hereby undertake, as a condition to my present and continued employment at Retrophin, Inc., to comply fully with the policies and procedures contained therein.

SIGNATURE

DATE

ATTACHMENT A

INSIDER TRADING REMINDERS FOR RESTRICTED EMPLOYEES, OFFICERS/VICE PRESIDENTS AND DIRECTORS OF RETROPHIN, INC.

This Attachment applies to:

All Members of the Board of Directors
All Officers/Vice Presidents
Such other employees as the Company may designate
Such consultants as the Company may designate

Before engaging in any transaction in Retrophin, Inc. (the "Company") securities, please read the following:

Both the federal securities laws and the Company's policy prohibit transactions in the Company's securities at a time when you may be in possession of material information about the Company which has not been publicly disclosed. This also applies to members of your household as well as all others whose transactions may be attributable to you.

Material information, in short, is any information which could affect the price of the securities. Either positive or negative information may be material. Once a public announcement has been made, you should wait until the information has been made available to the public for at least forty-eight hours before engaging in any transaction.

Except for the exercise of options that does not involve the sale of Company securities (e.g., the cashless exercise of a Company stock option does involve the sale of Company securities and therefore would not qualify under this exception), **neither the Company nor any of its officers/vice presidents or directors may trade in any securities of the Company during the period beginning seven days before the end of any fiscal quarter of the Company and ending two days after the public release of earnings data for such fiscal quarter.**

For further information and guidance, please refer to our Statement Governing the Prevention of Insider Trading and do not hesitate to contact the General Counsel.

**ALL TRANSACTIONS IN RETROPHIN, INC. SECURITIES MUST BE PRECLEARED
BY CONTACTING THE CHIEF EXECUTIVE OFFICER OR GENERAL COUNSEL.**

ATTACHMENT B

REPORTING BY DIRECTORS AND EXECUTIVE OFFICERS

A. Pre-Approval of Transactions.

No Section 16(a) officer/vice president or Director may approve any securities transaction covered by this policy in which they are participating. All securities transactions covered by this policy by the Chief Executive Officer or Chief Financial Officer must be approved by at least two of the following: Chairman of the Board of Directors, Chairman of the Nominating/Corporate Governance Committee and/or Chairman of the Compensation Committee.

B. Reporting Obligations Under Section 16(a)-SEC Forms 3, 4 and 5

Section 16(a) of the 1934 Act generally requires all officers/vice presidents, Directors and 10% stockholders ("insiders") within 10 days after the insider becomes an officer/vice president, director, or 10% stockholder, to file with the SEC an "Initial Statement of Beneficial Ownership of Securities" on SEC Form 3 listing the amount of the Company's Common Stock ("Stock"), options and warrants which the insider beneficially owns. Following the initial filing on SEC Form 3, every change in the beneficial ownership of the Company's Stock, options and warrants must be reported on SEC Form 4 within 2 business days after such change occurs or in certain cases on Form 5 within 45 days after fiscal year end. Form 4 must be filed even if, as a result of balancing transactions, there has been no net change in holdings. In deciding the month during which a purchase or sale on the open market occurs for purposes of filing Form 4, the trade date rather than the settlement date is ordinarily determinative.

Special rules apply in certain situations. If any officer/vice president or director purchases or sells any Company Stock within six months after the event which required him or her to file Form 3, the Form 4 filed with respect to that purchase or sale must also report any other purchases or sales he or she made within the preceding six months which were not previously reported. Similarly, if an officer/vice president or director purchases or sells any Company Stock within six months after his or her termination from such position, the transaction must be reported on Form 4 if he made any purchase or sale within the preceding six months and prior to termination.

C. Recovery of Profits Under Section 16(b)

For the purpose of preventing the unfair use of information which may have been obtained by an insider, any profits realized by any officer/vice president, director or 10% stockholder from any "purchase" and "sale" of Company Stock during a six-month period, so called "short-swing profits," may be recovered by the Company. When such a purchase and sale occurs, good faith is no defense. The insider is liable even if compelled to sell for personal reasons, and even if the sale takes place after full disclosure and without the use of any inside information.

The liability of an insider under Section 16(b) of the 1934 Act is only to the Company itself. The Company, however, cannot waive its right to short swing profits, and any Company stockholder can bring suit in the name of the Company. In this connection it must be remembered that reports of ownership filed with the SEC on Form 3, Form 4 or Form 5 pursuant to Section 16(a) (discussed above) are readily available to the public, and certain attorneys carefully monitor these reports for potential Section 16(b) violations. In addition, liabilities under Section 16(b) may require separate disclosure in the Company's annual report to the SEC on Form 10-K or its proxy statement for its annual meeting of stockholders. No suit may be brought more than two years after the date the profit was realized. However, if the insider fails to file a report of the transaction under Section 16(a), as required, the two-year limitation period does not begin to run until after the transactions giving rise to the profit have been disclosed. Failure to report transactions and late filing of reports require separate disclosure in the Company's proxy statements.

Officers/vice presidents and directors should consult the attached "Short-Swing Profit Rule 16(b) Checklist" in addition to consulting the General Counsel of the Company prior to engaging in any transactions involving the Company's securities, including without limitation, the Company's Stock, options or warrants.

D. Short Sales Prohibited Under Section 16(c)

Section 16(c) of the 1934 Act prohibits insiders absolutely from making short sales of the Company's Stock, *i.e.*, sales of shares which the insider does not own at the time of sale, or sales of Stock against which the insider does not deliver the shares within 20 days after the sale. Under certain circumstances, the purchase or sale of put or call options, or the writing of such options, can result in a violation of Section 16(c). Insiders violating Section 16(c) face criminal liability.

THE GENERAL COUNSEL FOR THE COMPANY SHOULD BE CONSULTED IF YOU HAVE ANY QUESTIONS REGARDING REPORTING OBLIGATIONS, SHORT SWING PROFITS OR SHORT SALES UNDER SECTION 16.

ATTACHMENT C

SHORT-SWING PROFIT RULE SECTION 16(b) CHECKLIST

ANY combination of PURCHASE AND SALE or SALE AND PURCHASE within six months of each other results in a violation of Section 16(b), and the "profit" must be recovered by Retrophin, Inc. (the "Company"). It makes no difference how long the shares being sold have been held or that you are an insider for only one of the two matching transactions. The highest priced sale will be matched with the lowest priced purchase.

SALES

If a sale is to be made by an officer/vice president, director or 10% stockholder (or any family member living in the same household):

1. Have there been any purchases by the insider (or family members) within the past six months?
2. Have there been any option exercises within the past six months?
3. Are any purchases (or option exercises) anticipated or required within the next six months?
4. Has a Form 4 been prepared?

Note: If a sale is to be made by an affiliate of the Company and unregistered stock is to be sold, has a Form 144 been prepared and has the broker been reminded to sell pursuant to Rule 144?

PURCHASES AND OPTIONS EXERCISES

If a purchase or option exercise for Stock is to be made:

1. Have there been any sales by the insider (or family members) within the past six months?
2. Are any sales anticipated or required within the next six months (such as tax-related or year-end transactions)?
3. Has a Form 4 been prepared?

BEFORE PROCEEDING WITH A PURCHASE OR SALE, CONSIDER WHETHER YOU ARE AWARE OF MATERIAL INSIDE INFORMATION WHICH COULD AFFECT THE PRICE OF THE STOCK.

**Nominating/ Corporate Governance Committee
Pre-approval Guidelines**

- **no trading activities which by their aggressive or speculative nature may give rise to an appearance of impropriety will be approved**
- **in determining whether a transaction is aggressive or speculative**
 - **terms of the transaction**
 - **scope and duration of the transaction**
 - **risk of foreclosure including consideration individual's ability to repay the loan to avoid a foreclosure**
 - **risk of short-sale**
 - **justification for the transaction**
 - **volatility of the stock, blackout periods and timing of disclosure of material information**