



Code of Conduct

Introduction

In conducting business on behalf of Osiris Therapeutics, Inc. (the "Company" or "Osiris"), there are certain general principles that each staff member should follow. Underlying all of these principles is the Company's basic policy of continually striving to do the right thing.

In addition, there are several areas that raise specific legal concerns. Scrupulous attention should be paid to compliance with all laws and policies in these areas, as well as any other applicable laws and policies that relate to how the Company conducts its business.

Together with the following provisions, other Company policies with which you should be familiar and abide include the Insider Trading Policy, the Corporate Communications Policy, the Social Media Policy, the Drug & Alcohol Testing Policy, and the Code of Ethics on Interactions with Healthcare Professionals. If you are a Company employee, you should also refer to the guidelines and requirements of the Company's Employee Handbook (the current version of which is available at any time from the Human Resources Department) and your "Employee Confidentiality, Non-Competition, and Invention Agreement" (or equivalent).

Reporting

Osiris aims to conduct business with the highest standards of ethics, honesty and integrity, and recognizes that you have an important role to play in maintaining this aim. Any employee or worker providing services to Osiris concerned about any form of malpractice, improper action, or wrongdoing by our Company, its employees or other stakeholders is strongly encouraged to report the matter. Osiris believes that any employee with knowledge of wrongdoing should not remain silent. We take all matters of malpractice, improper action or wrongdoing very seriously and you are strongly encouraged to raise incidents or behaviors that are not in accordance with this Code of Conduct, or the policies to which it refers.

If you have any reason to believe that *any of the following laws or policies* has been violated, *you should immediately report your concern or the violation* to your immediate manager. You may also report any concern or violation (depending on the nature of the concern or violation) to any member of the executive management team, to the Legal Department, or the Human Resources Department. In the event of any concerns or reports concerning the executive management team, you may report any such concern or violation to the Chief Executive Officer or the Chairman of the Board of Directors.



Making Good Decisions

In addition to complying with the requirements contained in the following Code of Conduct and other Osiris policies, in specific situations, before taking any action each employee should consider the following questions, and unless the answer to each question is “yes,” the action should not be taken:

- Is this action legal, ethical, and socially responsible?
- Does this action comply with both the spirit and the letter of our Code of Conduct?
- Will this action appear appropriate?
- Is it clear that our Company would not be embarrassed or compromised if this action were to become known within our Company or publicly?

Insider Trading

The insider trading laws of the United States prohibit buying or selling a company's securities (whether Osiris's securities or another company's securities) while aware of material, non-public information about that company. It may also violate U.S. securities laws to disclose material, non-public information (deliberately or inadvertently) to another person (including your spouse, parent, child or sibling) if, as a result of the disclosure, that person either buys or sells securities while aware of the information disclosed, or passes that information to a third party who does. Providing advice regarding a company's stock while aware of material nonpublic information regarding that company may also violate civil and criminal U. S. securities laws. If you make such a disclosure or provide such advice, you may be subject to damages, civil suits and criminal prosecution, regardless of whether you receive financial gain from the transaction.

Please refer to the Company's current Insider Trading Policy for additional details regarding the policy and the obligations of individuals subject to the policy. It is important to note that the restrictions in the Company's Insider Trading Policy apply to family members, consultants, contract workers and temporary staff, not just to staff members.

Fraud and Abuse - Medicare/Medicaid Anti-kickback Statute

In an effort to reduce fraud and abuse in federal and state healthcare programs, the U.S. federal government has enacted an anti-kickback statute that specifies prohibited activities and establishes criminal as well as civil penalties associated with fraud and abuse in federal and state healthcare programs. The statute states, in summary, that anyone who offers, pays, solicits, or accepts a kickback, bribe, rebate or any other form of remuneration for ordering or purchasing a drug or any service reimbursable by federal or state health care programs, including Medicare or Medicaid, is guilty of a felony. Because many of the Company's products are reimbursable by Medicare or Medicaid, the anti-kickback statute affects all of our sales and marketing practices.



Among other prohibitions, this law makes it illegal for the Company to pay, or otherwise remunerate, healthcare purchasers and providers to order, prescribe, or recommend our products. Further, in addition to corporate penalties, the anti-kickback statute provides that violators may be fined in their individual capacity and may receive jail terms if they are found guilty of any violations thereof. The standard of conduct applicable to Osiris sale of products and services is that employees must not give or accept business courtesies that are, or could be reasonably perceived as, unfair inducements to doing business or that would violate law, regulation or policies of Osiris or a customer.

The anti-kickback statute provides several "safe harbors" or exemptions, which spell out certain payment arrangements that do not violate the law. However, because the terms of these "safe harbors" are very narrow, all arrangements involving any of the "safe harbors" should be evaluated by both the Legal and Marketing Departments. Please refer to the Company's current Code of Ethics on Interactions with Healthcare Professionals for additional details regarding this policy, the obligations of individuals subject to the policy, and the Company's standard practices regarding practices including providing charitable grants, sponsoring continuing medical education, and evaluation product.

In short, no employee should enter into any agreements or contracts with any healthcare purchasers or providers, whether in writing or oral, without the prior written approval of both the Legal and Marketing Departments.

Promotional Materials

Promotion of our products (including both pharmaceutical and human cells, tissues, and cellular and tissue-based products) is regulated in every country in which the Company operates. In the United States, promotion is regulated by the Food and Drug Administration ("FDA"). Promotional regulations are designed to safeguard public health by ensuring that healthcare professionals and consumers are provided with information that is truthful regarding the product's uses, risks, and benefits and the information is adequate, balanced, and based on valid scientific evidence and sound clinical medicine. In the United States, promotion and claims made about pharmaceutical products should be consistent with FDA-approved product labeling. No public communication should be made with the intent of promoting pharmaceutical products as safe and effective for any use before FDA approval of the product for such uses is obtained; provided, however, that the Company is permitted to make reasonable comments designed to further the development and FDA approval of its product candidates in strict compliance with applicable law. However, the FDA does not intend to restrict the full exchange of scientific information, so it distinguishes between a company's promotional activities (which should focus on approved uses) and company supported scientific and educational activities, which are independent of promotional influence. In order to ensure compliance with FDA regulations in this area, all promotional materials for the Company's products must be reviewed and approved by representatives of the Marketing, Medical Affairs, Clinical/Medical, Legal, and Regulatory Departments prior to distribution. Furthermore, departmental guidelines exist to ensure that scientific and



educational activities sponsored by the Company are independent and non-promotional. Similar controls are in effect in other countries in which the Company markets its products.

Antitrust and Unfair Competition

Overview

Antitrust and competition laws are generally designed to promote fair competition and to ensure that businesses compete on the basis of quality, price and service. The Company will not tolerate any business transaction or activity that violates the antitrust and competition laws of any country in which the Company conducts business.

Generally, United States and European Union ("EU") law prohibit agreements or actions that might unreasonably restrain competition or bring about a monopoly (in the United States) or abuse a strong market position (in the EU). Individual European countries, Japan, Canada, Australia, and a number of other countries have similar laws. These laws may be known as antitrust, monopoly, fair trade, cartel, or competition laws.

Listed below are several practices that in the past have been found to violate antitrust statutes. This is not an exhaustive list. Because of the complexity and changing interpretations of most antitrust statutes, as well as the complexity resulting from the interface of antitrust and patent laws, staff members at all Company sites should immediately seek the advice of the Legal Department if they are about to engage in or are confronted with a situation that they believe may violate the antitrust laws.

Antitrust -Dealing with Competitors

Competitors are not permitted to agree among themselves to fix or control prices. To avoid an appearance of collusion, you should never engage in communications with a competitor about price, pricing policies, bids, costs, discounts, promotions, terms of sale, credit terms, freight charges, or royalties. In addition, you should not agree with a competitor to divide up sales territories or to allocate customers. You should refrain from engaging in conversations or agreements that might give the impression that you are agreeing with a competitor to divide up customer lists, sales territories or a particular customer's business.

Discussions or agreements with competitors that would control the rate of production of a product are also prohibited. In addition, you should avoid agreements with a competitor's supplier not to sell to or to buy from particular individuals or firms.

If you are asked by a competitor to enter into an illegal or questionable agreement or to share information about the Company's practices, you should take the following actions:

1. Tell the competitor that such discussions may be illegal and that you both could be subject to criminal penalties, including jail and/or fines, for engaging in such conduct;



2. Tell him or her never to discuss the subject with you again; and
3. Immediately inform the Legal Department or the Human Resources Department about the incident (see the "Where to Turn for Help or Report Concerns" section for contact information).

Antitrust -Dealing with Customers

Agreements in which the Company limits the individuals or firms from whom it will purchase goods or services, or attempts to limit its customers' rights to purchase goods and services from others, may be illegal. In addition, attempts to tie the purchase of one product to an agreement to purchase another product may also be illegal. Moreover, it may also be improper to discriminate with respect to price, discounts, or allowances among competing customers.

As a general practice you should avoid disparaging competitors to customers. Statements concerning competitors that cannot be substantiated may violate unfair competition statutes. While you may urge a customer to exercise its rights under a contract, you should never urge a customer to violate a contract with a competitor. There are also a number of situations in which you may inadvertently violate antitrust laws in your dealings with customers or suppliers. Because of the complexity of the antitrust laws, whenever you are engaged in pricing negotiations or bid situations you should consult existing pricing policy guidelines and, when in doubt, contact the Legal Department for additional guidance.

Conflicts of Interest

It is the responsibility of every staff member and temporary staff member to avoid conflicts between his or her personal interests and the interests of the Company. A conflict of interest exists any time an individual permits the prospect of personal gain to improperly influence the manner in which he or she conducts the Company's business.

The Company prohibits conduct that actually constitutes a conflict of interest, as well as conduct that could be perceived as creating a conflict of interest with the Company's interests.

Examples of conflicts include misuse of an individual's position within the Company for his or her personal gain; outside employment with a competitor of the Company; referral of Company business to a firm controlled by the individual or the individual's family or a person with whom that individual has a close, personal relationship; and soliciting any gratuities, or receiving greater than nominal gratuities, from customers or suppliers of the Company.

These examples are by no means exhaustive.

Anti-corruption / Anti-bribery

The United States and many other countries have laws that prohibit bribery, kickbacks, and other improper payments. No Osiris employee, officer, agent, or independent contractor acting on our behalf may offer or provide bribes or other improper benefits in order to obtain business or an unfair



advantage. A bribe is defined as directly or indirectly offering anything of value (e.g., gifts, money, or promises) to influence or induce action, or to secure an improper advantage. The Foreign Corrupt Practices Act and other U.S. laws prohibit payment of any money or anything of value to a foreign official, foreign political party (or official thereof), or any candidate for foreign political office for the purposes of obtaining, retaining or directing of business. We expect all employees, officers, agents, and independent contractors acting on behalf of Osiris to strictly abide by these laws.

Managing Osiris's Information

Use of Company Systems

All Company computers, electronic mail, voice mail, networks, Internet access, and other Company systems, including the Company Web (collectively "Osiris Systems"), are provided for business use by authorized staff only.

Authorized individuals may access the Internet through Osiris Systems for limited personal use provided that such use: (i) does not violate any Osiris policy or constitute unlawful conduct; (ii) does not interfere with job duties, responsibilities or performance; (iii) is done before or after work or during unpaid meal breaks and does not result in Company regular, overtime or premium pay to the staff member due to such use of the Internet; (iv) does not interfere with other staff members or individuals who are using, or attempting to use, Osiris Systems for appropriate business reasons; and (v) does not constitute any form of employment or business activity other than for the Company.

All Osiris Systems and the data stored on them, including, but not limited to, electronic messages and telephone records, are and remain at all times the property of the Company. All messages created, sent, received and stored over Osiris Systems are and remain the property of the Company. The Company may inspect files and messages, including, but not limited to, electronic and voice mail messages, monitor Internet usage (including specific sites), and otherwise access and monitor Osiris Systems, at any time with or without advance notice or consent by the user, as the Company deems appropriate in its sole discretion. Therefore, confidentiality or privacy should not be expected when using Osiris Systems. Please note that even when a record is erased, it may be possible to reconstruct the message and the Company reserves the right to do so. As a result, individuals should not expect confidentiality or privacy for messages that have been erased or deleted.

Some individuals covered by this policy may be provided with cell phones, pagers, and/or calling cards that are paid for by the Company. The invoices that the Company receives for such services include details such as numbers called/paged, the geographic origin and destination of calls/pages, and the duration of calls/pages. Accordingly, individuals should not expect confidentiality or privacy in such information. Further, if the Company provides a staff member with an electronic device (e.g., laptop, smart phone, tablet), that equipment constitutes part of the "Osiris Systems" and the foregoing policies, concerning ownership of data and monitoring, apply to those devices.



In certain situations, staff members are required to use passwords. Passwords are designed to maintain the confidentiality of the Company's business-related information and to give (and to limit) access to Osiris Systems. Passwords will not, however, prevent the Company from accessing any information or data on Osiris Systems. Therefore, individuals should not expect confidentiality or privacy with respect to data created, stored, sent or accessed on an Osiris System requiring a password. In addition, in order to adequately safeguard the Company's information, staff members should not reveal to anyone any password used in connection with Osiris Systems. A simple rule for individuals to follow is this: If you don't want the Company to see or know about something, do not communicate it, store it, or access it using Osiris Systems.

It is against Company policy to create, send, display or receive offensive or disruptive material on any Osiris Systems. Offensive or disruptive material includes, but is not limited to, indecent, offensive, harassing, or sexually oriented materials, regardless of whether anyone is offended by, or even sees or knows about, the material.

At all times (whether using Osiris Systems or otherwise), staff members and former staff members are prohibited from publicly disclosing, including, but not limited to, by way of Osiris Systems and the Internet, any Confidential, Proprietary or Restricted Information obtained during the course of their employment at the Company.

Upon termination of employment, individuals must return all Company property and equipment, including items used in connection with Osiris Systems, and shall disclose to their supervisors or a manager in Corporate Security all passwords used in connection with such systems.

Confidential and Proprietary Information

The Company's most valuable asset, after its staff members, is its Proprietary and Confidential Information. If this information is improperly disclosed to competitors or others, such a disclosure may severely impede the Company's ability to conduct its business.

As a staff member, you probably have access to Proprietary or Confidential Information. Given the widespread interest in the Company in the business and financial communities, you probably also know someone who is interested in acquiring information in your possession. Consequently, as discussed below, you should exercise extreme caution in discussing the Company, its products, data, or plans with anyone outside the Company.

The release of Confidential, Proprietary or Restricted Information or related data, including speeches or papers or any other written or oral disclosure, which pertains to these subjects, to anyone, including individuals, companies, or the public at large, requires the prior approval of an Executive Officer of the Company.



Written confidentiality agreements must be negotiated and concluded with all outside companies and individuals before any Proprietary, Confidential or Restricted Information is received, discussed, or revealed, or before any non-Company personnel are allowed access to areas or materials from which knowledge could be obtained. Agreements of this nature require the prior approval of the Chief Financial Officer or General Counsel. For additional guidance, refer to the Corporate Communications Policy (section entitled “Confidentiality Procedures”).

In addition, some staff members may possess, come to possess, or be presented with the opportunity to obtain information that is proprietary and/or confidential to third parties, such as competitors of the Company, former employers, or the Company's suppliers, customers and partners. It is important that such third-party information be treated in accordance with the law and consistent with any contractual obligations that exist between any or all of the staff members, the third party and the Company. Staff members may not use, or ask any third party to use, unlawful means and may not use, or ask any third party to use, misrepresentation, deception, theft, spying, or bribery to obtain any third party's proprietary or confidential information.

Upon joining the Company, each staff member executed an agreement regarding proprietary information and inventions (entitled “Employee Confidentiality, Non-Competition, and Inventions Agreement” or equivalent). You should carefully review the terms of that agreement to understand your rights and obligations with regard to the Company's Proprietary, Confidential and/or Restricted Information developed by you or others.

HIPAA

Every individual who conducts business for or on behalf of the Company, is required to follow all laws and Company policies applicable to him or her, and should exert due diligence in preventing and detecting violations of such laws and policies. For example, the Health Insurance Portability and Accountability Act (HIPAA) establishes guidelines and rules to protect the privacy and security of patient information. Patients have the right to expect that their medical information will remain confidential. Under HIPAA regulations and Osiris operating policies, if you have access to patient information, you need to be thoroughly familiar with HIPAA regulations and the Company's policies and procedures. You must not have access to or, if you have legitimate business grounds for having access to such information, reveal any personal or confidential patient information unless you have a legitimate business or patient care purpose. If you have any questions concerning HIPAA or wish to obtain further training or information, please contact your supervisor or the Legal Department.

Requests for Information Made by Third Parties

As a publicly traded company, the Company has a responsibility to maintain an orderly flow of information to the general public and to its investors. All of the Company's dealings with media (reporters) and the investment community must be properly managed to make certain that the



Company complies fully with all regulations governing public companies. Media representatives, investors, and investment analysts may try to solicit information directly from the Company's staff or other individuals with access to Company information. Employees or independent contractors who receive an investor or media inquiry asking for any financial or other information about the Company should not respond directly to the request. Rather, such inquiries should be referred as follows:

- All outside inquiries for information concerning the Company (including, for example, media and investor inquiries) should be referred to Corporate Affairs at 443-545-1824.
- All information requests will be reviewed, approved, and coordinated by the CEO or CFO.

The Chief Executive Officer and Chief Financial Officer of the Company are the designated spokespersons authorized to speak to the news media. When speaking with the news media, the Chief Executive Officer or Chief Financial Officer will involve at least one other Executive Officer of the Company in the conference/meeting. Investor and other inquiries will be handled in a similar manner by Corporate Affairs. Except through this specific process, no Company employee or independent contractor, including Executive Officers, are authorized to or should respond to any request for information from the media or investors.

The Company's information control policies are in place to preserve and enhance the Company's reputation and competitiveness, as well as to ensure compliance with applicable laws. Policies and practices for working with the media, investors, and the investment community are designed to promote an appropriate and productive relationship with these communities. By properly managing the distribution of Company information, we can best ensure that accurate and consistent information is provided to the public, while valuable business information is protected.

In addition, the Company operates in a highly regulated industry. Government investigators have the right to access the Company's premises under certain conditions. If a staff member receives a request for information or for an interview from an attorney, an investigator, or from any law enforcement officer, and it concerns the business of the Company, the staff member should immediately contact Human Resources.

For additional detail concerning the Company's policies concerning public disclosure of information, press releases, financial disclosures, and similar topics, please refer to the Company's Corporate Communications Policy.

Records and Information Management

Records and information are corporate assets and are to be valued and managed accordingly and in compliance with all applicable laws and regulations. It is important that all reports, records, or other information compiled in the performance of your duties be completed fully and accurately, and, if applicable, timely filed with or submitted to the relevant external source. This includes, but is not



limited to, external documents, such as financial statements, reports, and other documents filed with, or submitted to the Securities and Exchange Commission.

Inaccurate reporting of information to federal or state governments or organizations or persons outside the Company may lead to criminal or civil liability for both you and the Company. This is the case regardless of whether such statements are made directly or indirectly, orally or in writing, informally or under oath, voluntarily or as a result of a legal requirement. It is considered a crime, even if the Government was not actually misled by the false statement.

Inaccurate reporting includes both the failure to provide information needed to make a document complete and not misleading, as well as presenting information in such a manner as to distort its meaning or significance. False statements cover a wide range of activities, such as making a false or fraudulent representation, concealing a material fact, speaking a half-truth, and promising to do something in the future without any present intention to perform. It is also unlawful when working with any employee of the Federal Government to make or use a document that contains a false statement. Please remember that "knowingly" making a false statement is based not only on willfully intending to defraud, but also includes having a reckless disregard for whether a statement is true or a conscious effort to avoid learning the truth.

Staff members who are responsible for reporting, filing and/or submitting reports, records, documents or other information with an external source shall ensure that such reports, records, documents, or other information is accurately and timely reported, filed and/or submitted. Staff members should not sign any document unless they have first determined that the document is accurate and complete. A staff member who believes that inaccurate or dishonest recording or reporting of information has occurred or is occurring should immediately report such activities as provided by this Code of Conduct.

All records, documents, and information shall be created, retained, and managed in a manner that protects the integrity of the information and at the same time ensures appropriate access. Records, documents, and information shall be retained in accordance with each department's Retention Schedule and the general Retention Schedule subject to any hold order, laws or regulations. When a record completes its retention period, it shall be destroyed in compliance with written procedures, subject to any other provisions of this policy, hold order, laws or regulations. If you have any questions concerning the application or current terms of the Company's document retention policy as it applies to your work or Department, you should contact the Director of Information Technology.

Where to Turn for Help or Report Concerns

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If you have any reason to believe that *any of the foregoing laws or policies* has been violated, *you should immediately report your concern or the violation* to your immediate manager. You may also report any concern or violation (depending on the nature of the concern or violation) to any member of the executive management team, to the Legal Department, or the Human Resources Department. In the event of any concerns or reports concerning the executive management team, you may report any such concern or violation to the Chief Executive Officer or the Chairman of the Board of Directors. In addition, for any concerns related to accounting or auditing matters, you may also report those matters by calling 866-427-1542 or logging into <https://www.openboard.info/osir/index.cfm> to leave a confidential and anonymous message with the Company's audit committee.

Persons who raise good-faith concerns will not be subjected to retaliation. Retaliation against anyone who provides information or otherwise assists in an investigation or proceeding regarding any conduct that the employee believes in good faith constitutes a violation of applicable laws or regulations, our Code of Conduct, or Osiris's related policies is prohibited and will, in itself, be treated as a violation of our Code of Conduct. If you have any questions concerning this Code of Conduct or would like further information, please contact the Human Resources Department.