

INTERNATIONAL STEM CELL CORPORATION Code of ETHICS AND WHISTLEBLOWER POLICY

EFFECTIVE: TUESDAY, JUNE 15, 2021

1. POLICY SCOPE

This policy applies to all International Stem Cell Corporation employees (and employees of subsidiary entities) worldwide, including part time, temporary and contract employees. (As used in this policy, the term "Company" means International Stem Cell Corporation and any subsidiary entities.)

2. POLICY PURPOSE

One of our Company's most valuable assets is its integrity. Protecting this asset is the job of everyone in the Company. We have established a Code of Business Conduct to help our employees comply with the law and regulations applicable to our business and to maintain the highest standards of ethical conduct. This policy is meant to supplement our Code of Business Conduct by encouraging employees to report any suspected violations or concerns as to compliance with laws, regulations, our Code of Business Conduct or other Company policies, or any complaints or concerns regarding the Company's accounting, internal accounting controls, or auditing matters, or any concerns regarding any questionable accounting or auditing matters.

In line with the Company's commitment to open communication, this policy aims to provide an avenue for employees to raise concerns and reassurance that employees will be protected from reprisals or victimization for concerns or complaints that are submitted in good faith.

If an employee feels that anonymity is not required, he or she should consider reporting through normal channels such as the supervisor, local HR representative, or the Principal Financial Officer or Delegate (760-940-6383).

When submitting a complaint, employees are asked to provide with as much detailed information as possible. Providing detailed, rather than general, information will greatly assist in effectively investigating complaints. This is particularly important where an employee submits a complaint on an anonymous basis, as the Audit Committee will be unable to contact the reporting employee with requests for additional information or clarification.

The Company is providing these anonymous reporting procedures so that the Company's employees may disclose genuine concerns without feeling threatened. As detailed below, the Company prohibits retaliation or retribution against any person who in good faith submits a report under this policy.

3. POLICY

It is every employee's obligation to report suspected or actual violations of laws, government rules

and regulations, or the Company's Code of Business Conduct or other Company policies. You must report any suspected violations of the laws and rules that govern the reporting of the Company's financial performance, and any complaint or concern regarding the Company's accounting, internal accounting controls, or auditing matters, or any concerns regarding any questionable accounting or auditing matters.

You can report any such matters directly to your supervisor or manager or by the procedures set forth below. As noted below, supervisors and managers are required to report to the Principal Financial Officer or Delegate or Audit Committee any time they receive a report of a concern about our compliance with laws, the Code of Business Conduct or other Company policy, any notice of any suspected wrong-doing by any Company employee, officer or director, any complaint or concern about the Company's accounting, internal accounting controls, or auditing matters, or any concerns regarding any questionable accounting or auditing matters.

This policy is intended to cover concerns or complaints that are submitted, such as actions that:

- May lead to incorrect financial reporting (potential misrepresentations or false statements) contained in financial reports;
- Are unlawful or relate to a fraudulent activity;
- Are not in line with Company policy, including the Code of Business Conduct; or
- Otherwise amount to serious improper conduct.
- Regular business matters or questions that that do not require anonymity or are outside of the scope of the issues addressed above should be directed to the employee's supervisor and are not addressed by this policy.

Employment-related concerns should continue to be reported through your normal channels such as your supervisor, Human Resources (760-940-6383) or to the VP of Legal Affairs and Operations who oversees all Corporate Affairs and Human Resources issues (760-651-1258).

4. SAFEGUARDS

4.1 Harassment or Victimization

Harassment or victimization of the person submitting the complaint or concern will not be tolerated. Under US laws, it is a crime for anyone to retaliate intentionally against any person who provides truthful information to a law enforcement official concerning a possible violation of any federal law.

Moreover, the Company will not permit any form of intimidation or retaliation by any director, officer, employee, contractor, subcontractor or agent of the Company against any employee because of any lawful act done by that employee to:

- provide information or assist in an investigation regarding any conduct which the employee reasonably believes constitutes a violation of laws, rules, regulations, the Company's Code of Business Conduct, or any Company policies; or
- file, testify, participate in, or otherwise assist in a proceeding relating to a violation of any law, rule or regulation.

Any such action is a violation of Company policy and should be reported immediately under this policy.

4.2 Confidentiality

To the extent reasonably possible, the Company will make every effort to protect the confidentiality of the identity of the person submitting the concern. Please note that the information provided by you may be the basis of an internal and/or external investigation into the issue you are reporting and your anonymity will be protected to the extent possible. However, your identity may become known during the course of the investigation. In the course of any investigation, the Company may find it necessary to share information with others on a "need to know" basis.

4.3 Anonymous Allegations

The policy allows employees to remain anonymous at their option. Concerns expressed anonymously will be investigated, but consideration will be given to:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

4.4 Malicious Allegations

Malicious allegations may result in disciplinary action. Employees who file reports or provide evidence that they know to be false or without a reasonable belief in the truth and accuracy of such information will not be protected by this policy and may be subject to corrective action up to and including immediate termination.

5. PROCEDURE

5.1 Reporting

The whistleblowing procedure is intended to be used for serious and sensitive issues. You may report a concern or complaint under this policy in any of the following ways:

Toll Free Hotline: 877-472-2110

E-mail: reports@lighthouse-services.com (must include your company name in report).

Fax: alternative for written documents: 215-689-3885 (must include your company name in report)

Web: www.lighthouse-services.com/intlstemcell. To report an incident, click the Submit button and answer all relevant questions.

Callers to the Hotline will have the ability to remain anonymous if they choose. Complaints are submitted by Lighthouse to International Stem Cell Corporation or its designee, and may or may not be investigated at the sole discretion of International Stem Cell Corporation.

5.2 Timing

The earlier a concern is expressed, the easier it is to take action.

5.3 Evidence

Although the employee is not expected to prove the truth of an allegation, the employee needs to demonstrate to the person contacted that there are sufficient grounds for concern.

5.4 How the Complaint Will be Handled

The action taken will depend on the nature of the concern. The Audit Committee of the International Stem Cell Corporation Board of Directors receives a report on each complaint and will be involved in determining any follow-up actions taken.

Each supervisor and manager shall report any suspected violation, concern or complaint reported to such person by employees or other sources to the Principal Financial Officer or Delegate or Audit Committee to assure proper treatment and retention of complaints, concerns or notices of potential violations.

Supervisors and managers as well as the Principal Financial Officer or Delegate or Audit Committee shall promptly consider the information, reports or notices received by them under this policy or otherwise. Each person shall take appropriate action, including investigation as appropriate, in accordance with the law, governmental rules and regulations, the Company's Code of Business Conduct and otherwise consistent with good business practice.

All notices or reports of suspected violations, complaints or concerns received by the Principal Financial Officer or Delegate or Audit Committee, pursuant to this policy shall be recorded in a log, indicating the description of the matter reported, the date of the report and the disposition thereof. The log shall be retained for five years. This log shall be maintained by the Principal Financial Officer or Delegate.

5.5 Initial Inquiries

Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation.

5.6 Report to Person Submitting Complaint

Whether reported to Company personnel or through the hotline, the person submitting the complaint or concern will be given the opportunity to receive appropriate follow-up information relating to their concern, including, for example:

- Acknowledging that the concern was received;
- Indicating how the matter will be dealt with;
- Giving an estimate of the time that it will take for a final response;
- Telling them whether further investigations will follow, and if not, why not; and
- Subject to legal constraints, and if appropriate, information about the outcome of any investigations.

5.7 Further Information

The amount of contact between the complainant and the body investigating the concern will depend on the nature of the issue, the clarity of information provided, and whether the complainant remains accessible for follow-up. Further information may be sought from the complainant.

International Stem Cell Corporation reserves the right to modify or amend this policy at any time as it may deem necessary.