

Aquestive Therapeutics, Inc.
Corporate Governance Guidelines

1. General.

The Board of Directors (the “Board”) of Aquestive Therapeutics, Inc. (the “Company”) has the responsibility to organize its functions and conduct its business in the manner it deems most effective and efficient, consistent with its duties of good faith, due care and loyalty. In that regard, the Board has adopted a set of policies to guide its governance practices in the future. These practices, set forth below, will be regularly re-evaluated by the Board’s Nominating and Corporate Governance Committee in light of changing circumstances in order to continue serving the best interests of the Company and its stockholders. Accordingly, this summary of current corporate governance principles is not a fixed policy or resolution by the Board, but merely a statement of current principles that are subject to continuing assessment and change.

2. Role of Board.

The Board serves as the representative and acts on behalf of all of the Company’s stockholders. In representing the Company’s stockholders, the basic responsibility of each director on the Board is to exercise his or her business judgment in good faith to act in what he or she reasonably believes to be the best interests of the Company and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of fellow directors and of the Company’s senior executives, employees, outside advisors, legal counsel and independent auditors. The Board’s primary functions are to:

- a. Oversee management in the conduct of the Company’s businesses;
- b. Oversee management’s efforts to establish and maintain the highest standards of legal and ethical conduct in all of the Company’s businesses, including conformity with all applicable laws and regulations;
- c. Review, evaluate and, where appropriate, approve, the Company’s major strategies and long-term plans and its performance against these objectives;
- d. Select, evaluate and compensate the Company’s Chief Executive Officer (“CEO”) and other senior officers and review management succession planning;
- e. Oversee management’s efforts to protect the Company’s assets through the maintenance of appropriate accounting, financial reporting and financial and other controls;
- f. Review the Company’s policies and practices with respect to risk assessment and risk management;
- g. Review and approve material transactions and commitments not entered into in the ordinary course of business;
- h. Provide advice and counsel to senior management;
- i. Evaluate the overall effectiveness of the Board and its committees;
- j. Evaluate, select and recommend appropriate candidates for election as directors; and
- k. Ensure that effective systems are in place for periodic and timely reporting to the Board on important matters concerning the Company, including the following:
 - i. Current business and financial performance, the degree of achievement of approved objectives and the need to address forward-planning issues;

- ii. Future business prospects and forecasts, including actions, facilities, personnel and financial resources required to achieve forecasted results;
- iii. Financial statements prepared in accordance with U.S. generally accepted accounting principles, with appropriate segment or divisional breakdowns;
- iv. Compliance programs to assure the Company's compliance with law and corporate policies;
- v. Material litigation and governmental and regulatory matters; and
- vi. Monitoring and, where appropriate, responding to communications from stockholders.

3. Board Selection and Composition.

- a. Board Selection. The Board is responsible for selecting candidates for election as directors based on the recommendation of the Nominating and Corporate Governance Committee.
- b. Board Membership Criteria. The responsibilities of the Nominating and Corporate Governance Committee include reviewing with the Board from time to time the appropriate skills and characteristics required of Board members in the context of the make-up of the Board and developing criteria for identifying and evaluating candidates for the Board. These criteria include, among other things, an individual's business experience and skills (including skills in core areas such as operations, management, technology, drug commercialization, drug development industry knowledge, accounting and finance, leadership, strategic planning and international markets), independence, judgment, integrity and ability to commit sufficient time and attention to the activities of the Board, as well as the absence of any potential or existing conflicts with the Company's interests. The Nominating and Corporate Governance Committee considers these criteria in the context of an assessment of the perceived needs of the Board as a whole and seeks to achieve diversity, including with respect to occupational and personal backgrounds, on the Board. It is expected that the Nominating and Corporate Governance Committee will have direct input from the Chairman of the Board and the CEO. The Nominating and Corporate Governance Committee may also consider candidates proposed by stockholders.
- c. Extending the Invitation to a New Director Candidate to Join the Board. The invitation to join the Board can only be extended by either the Chairman of the Board, on behalf of the Board, or the Chairman of the Nominating and Corporate Governance Committee, on behalf of such Committee.
- d. Board Independence. A majority of the Board must be comprised of directors who meet the Nasdaq Stock Market definition of "independence," as determined by the Board. Except as otherwise approved by the Board, all of the Company's non-management directors shall meet the Nasdaq Stock Market definition of "independence". The Board will assess on a regular basis, and at least annually, the independence of each director and, based on the recommendation of the Nominating and Corporate Governance Committee, make a determination as to which members are independent. As discussed below in Section 4(a), in addition to the independence standards applicable to directors generally, the members of the Audit and the Compensation Committees are subject to additional requirements to qualify for service on these committees.
- e. Board and Company Leadership.
 - i. The Board is responsible for the selection of the Chairman of the Board and the CEO.
 - ii. The Chairman of the Board will be an independent director.

- iii. The Chairman of the Board will coordinate the activities of the independent directors and perform such other duties and responsibilities as the Board may determine. The specific responsibilities of the Chairman of the Board are as follows:
 - A. preside at all meetings of the Board;
 - B. call meetings of the independent directors;
 - D. approve with the CEO the scheduling of Board meetings as well as the agenda for Board and Board committee meetings and the need for special meetings of the Board;
 - E. develop the agenda for and preside at executive sessions of the Board's independent directors;
 - F. serve as a liaison for consultation and communication with stockholders;
 - G. advise the CEO as to the quality, quantity and timeliness of the information submitted by the Company's management that is necessary or appropriate for the directors to effectively and responsibly perform his or her duties; and
 - H. authorize the retention of outside advisors and consultants who report directly to the Board.
- f. Size of the Board. The Board, with the recommendation of the Nominating and Corporate Governance Committee, will regularly evaluate the size of the Board.
- g. Board Orientation and Continuing Education. A thorough understanding of the Company's business is required to enable a director to make a substantial contribution to the Board. Accordingly, all new directors will have the opportunity, at his or her request, to meet senior management, and obtain information from senior management, in order to familiarize new directors with the Company's strategic plans, its significant business, financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics (known as the Code of Conduct), its principal officers, and its internal and independent auditors. Directors are encouraged to participate in continuing education. Directors should endeavor to meet at key Company locations from time to time to conduct in-depth reviews of particular segments of the Company's operations.
- h. Continuation of Service.
 - i. Re-Nomination. The Nominating and Corporate Governance Committee assesses the contributions and independence of directors on an annual basis in accordance with the criteria set forth in each committee's charter to determine whether the directors up for re-nomination should be requested to stand for reelection and continue service on the Board. It shall be the obligation of the Chairman to meet with any director who is not adequately performing his or her duties as a member of the Board or any committee.
 - ii. Term Limits or Retirement Age. The Board does not believe it should establish formal term limits or a mandatory retirement age. While term limits and mandatory retirement can make fresh ideas and viewpoints available to the Board, these limitations can also result in the loss of directors who have been able to develop, over a period of time, important insight into the Company and its operations. As an alternative to term limits and mandatory retirement, the Nominating and Corporate Governance Committee will review each director's continuation on the Board when he or she is considered for re-nomination. This will also allow each Director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.
 - iii. Former Management Directors. If and when the CEO (or any other member of management who also serves as a director) resigns or retires from his or her management

position, such person shall tender his or her resignation from the Board to the Nominating and Corporate Governance Committee for its consideration at that time. Whether the individual continues to serve on the Board is a matter for consideration of the Board.

- iv. Number of Other Directorships. Carrying out the duties and fulfilling the responsibilities of a director requires a significant commitment of an individual's time and attention. The Board does not believe, however, that explicit limits on the number of other boards of directors on which the directors may serve, or on other activities the directors may pursue, are appropriate. The Board, however, recognizes that excessive time commitments can interfere with an individual's ability to perform his or her duties effectively. In connection with its assessment of director candidates for nomination, the Board will assess whether the performance of any director has been or is likely to be adversely impacted by excessive time commitments, including service on other boards of directors. Directors must notify the Chair of the Nominating and Corporate Governance Committee and the Corporate Secretary in advance of accepting a seat on the board of directors of another business corporation so that the potential for conflicts or other factors compromising the director's ability to perform her or his duties may be fully assessed. Each director is also asked to promptly notify the Nominating and Corporate Governance Committee in the event that he or she retires, materially changes his or her professional responsibilities, principal occupation or business association, or assumes a material role in a not-for-profit-entity. The Board, through the Nominating and Corporate Governance Committee, will thereafter review the continued appropriateness of the director's membership on the Board under the new circumstances.

4. Committee Matters.

- a. Number, Structure and Independence of Committees. The three standing committees of the Board are the Audit, Compensation and Nominating and Corporate Governance Committees. From time to time, the Board may form a new committee or disband a current committee, depending upon the circumstances. The Audit, Compensation and Nominating and Corporate Governance Committees will be comprised of only directors who meet the Nasdaq Stock Market definition of "independence," as determined by the Board. In addition, the charters of the Audit and Compensation Committee will set forth additional criteria, including any additional requirements under the rules and regulations of the Nasdaq Stock Market and the Securities and Exchange Commission ("SEC"), for directors to serve as members on such committees.
- b. Assignment of Committee Members. The Nominating and Corporate Governance Committee is responsible for recommending to the Board the assignment of Board members to various committees and the selection of committee Chairs. Consideration should be given to periodically rotating committee members. However, the Board does not have a firm policy mandating rotation of committee assignments since special knowledge or experience may warrant a particular director serving for an extended period on one committee.
- c. Frequency of Committee Meetings. Each standing committee shall meet at least twice per year, with the Audit Committee meeting at least quarterly. Committees shall report regularly to the full Board with respect to their activities. Special meetings may be called from time to time as determined by the needs of the business and the responsibilities of the committees.
- d. Committee Agenda. The Chair of each committee, in consultation with the CEO and, if deemed advisable by the Chair of the committee, with other members of senior management and legal

counsel or other advisors, shall establish the committee's agenda for its meetings. Committee members are free to suggest the inclusion of items on the agenda.

5. Meetings of the Board.

- a. Agenda. The Chairman of the Board, in consultation with the CEO, and if applicable, other members of management, will establish the agenda for each Board meeting. Each director is free to suggest the inclusion of items on the agenda.
- b. Advance Distribution of Board Materials. Information and material that are important to the Board's understanding of the business to be conducted at each Board meeting should be distributed to the Board in advance of each Board meeting. Highly confidential or sensitive matters, and matters that arise immediately prior to Board meetings, may be presented and discussed without prior distribution of background material.
- c. Executive Session of Independent Directors. The independent directors of the Board will meet in regularly scheduled executive sessions to occur at least twice a year. The Chairman of the Board will chair these meetings, or if the Chairman is not present or has recused himself or herself, then at the beginning of the executive session, the independent directors will choose one director from amongst them to preside over the meeting.
- d. Director Attendance. Absent unusual circumstances, each director is expected to attend all Board meetings and all meetings of the committee(s) of which the director is a member, and to spend the time needed and meet as frequently as necessary to properly discharge his or her responsibilities. Absent unusual circumstances, each director is expected to attend the annual meeting of stockholders. In the event any director is unable to make at least 75% of the regular or special Board meetings (together with the meetings of committees on which such director serves), the Company will be required to disclose that fact on its annual proxy statement. In addition, attendance and participation at meetings is an important component of the directors' duties and as such, attendance rates will be taken into account by the Nominating and Corporate Governance Committee and Board in connection with assessments of director candidates for re-nomination as directors.
- e. Board Access to Senior Management. At all times, directors shall have regular access to the Company's senior management. Members of the Company's senior management may be invited to attend and participate in Board meetings from time to time to brief the Board and the committees on particular topics. The Board encourages senior management to bring into Board or committee meetings and other scheduled events managers who can provide additional insight into matters being considered and/or whom senior management believes have future growth potential with the Company and should be given exposure to the members of the Board.
- f. Board Access to Independent Advisors. The Board and its committees, consistent with their respective charters, have the authority to retain such outside counsel, experts and other advisors as they determine appropriate to assist them in the full performance of their functions.

6. Assessment and Leadership Development.

- a. Evaluation and Compensation of the CEO. The Board, through the Compensation Committee, will conduct an annual evaluation of the performance of the CEO against criteria established by the Board. This evaluation will be shared with the CEO and will be used by the Compensation Committee in recommending to the Board the CEO's compensation.
- b. Assessing Board and Committee Performance. The Nominating and Corporate Governance Committee will oversee an annual evaluation of the Board's effectiveness and performance, the

results of which will be discussed with the full Board. Each of the standing committees of the Board will conduct an annual self-assessment and a review of the adequacy of its charter.

- c. Management Development and Succession Planning. The Board is responsible for planning for the succession of the position of CEO and other senior management positions. To assist the Board, the CEO annually will provide the Nominating and Corporate Governance Committee with an assessment of senior managers and their potential to succeed him or her. The CEO also will make available to the Board (or at the direction of the Board, the Nominating and Corporate Governance Committee), on a continuing basis, recommendations regarding an emergency succession plan which will address who should assume the role of CEO in the event that the CEO becomes unwilling or unable to perform his or her duties. The CEO also will provide the Nominating and Corporate Governance Committee with an assessment of persons considered potential successors to other senior management positions, including a review of any development plans recommended for such individuals. The results of these reviews will be reported to and discussed with the Board on at least an annual basis. The Nominating and Corporate Governance Committee shall be responsible for assisting in the development of succession plans for review by the Board as appropriate in light of the relevant facts and circumstances.

7. Other Matters.

- a. Ethics and Compliance. The Company will maintain, and the Audit Committee will oversee compliance with, the Code of Conduct for its employees, including its executive officers and its directors. The full text of the code and any amendments will be posted on the Company's website. Any required disclosure of amendments to or waivers from the Company's Code of Conduct for its executive officers and directors will be made promptly in a Form 8-K or on the Company's website, as applicable, in accordance with U.S. securities laws and/or the rules and regulations of the SEC and the Nasdaq Stock Market. Any waiver from its code for directors or executive officers must be granted by the Board of Directors.
- b. Related Party Transactions. The Company will maintain a policy governing the evaluation, consideration and approval of related party transactions (known as the Related Party Transaction Policy). The Audit Committee will be responsible for reviewing and approving the Company's Related Party Transaction Policy.
- c. Review of Strategic Plans. The Board will review and evaluate at least annually the long-term strategic and business plans of the Company.
- d. Director Compensation. The form and amount of director compensation will be recommended by the Compensation Committee in accordance with the policies and principles set forth in its charter and any Nasdaq Stock Market or other applicable rules, and the Compensation Committee will conduct an annual review of director compensation. Changes in director compensation, if any, shall be recommended by the Compensation Committee, and approved by the full Board. The Compensation Committee shall consider that questions as to directors' independence may be raised if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated or if the Company enters into consulting contracts or business arrangements with (or provide other indirect forms of compensation to) a director or an organization with which the director is affiliated. To more closely align the interest of the directors with those of the Company's stockholders, typically, a material portion of directors' compensation will be granted in the form of Company equity. No additional compensation is paid to members of the Company's management for serving on the Board.

Independent directors may not receive consulting, advisory or other compensatory fees from the Company if receipt of such fees would result in disqualifying the director as an “independent” director in accordance with the application of the provisions of the Securities Exchange Act of 1934, the rules promulgated thereunder or the applicable rules of the Nasdaq Stock Market as well as any other independence standards adopted by the Company. To the extent practicable or required by applicable rule or regulation, independent directors who are affiliated with the Company’s service providers or business partners or collaborators will undertake to ensure that his or her compensation from such business providers, partners or collaborators does not include amounts connected to payments by the Company.

- e. Indemnification. The directors are entitled to indemnification and advancement of expenses in accordance with the Company’s charter, bylaws, any separate indemnification agreements and directors’ and officers’ liability insurance.
- f. Communications from Stockholders and other Interested Parties. The Board, any committee of the Board, any individual Board member or the non-management Board members as a group will give appropriate attention to written communications on issues submitted by stockholders or other interested parties, and will respond if appropriate. Communications to directors must be in writing and sent in care of the Company’s Corporate Secretary to the Company’s headquarters address or delivered via e-mail to an e-mail address established by the Corporate Secretary’s office for this purpose. The name(s) of any specific intended Board recipient(s) should be noted in the communication. The Company shall disclose the Company mailing address and e-mail address for such communications in its proxy statement for each annual meeting and on its website. A copy of each communication received since the date of the last quarterly Board meeting shall be distributed to each director in advance of each regularly scheduled Board meeting, except items that are unrelated to the duties and responsibilities of the Board, such as: spam, junk mail and mass mailings, business solicitations and advertisements, and communications that advocate the Company’s engaging in illegal activities or that, under community standards, contain offensive, scurrilous, abusive content or other inappropriate content.

The Company’s Corporate Secretary shall be responsible for and oversee the receipt and processing of stockholder communications to Board members. The Corporate Secretary will endeavor to send an acknowledgement of receipt to each stockholder submitting a communication. The Company’s Corporate Secretary shall retain a copy of each communication for one year from the date of its receipt by the Company.

- g. Prohibition on Personal Loans. The Company does not extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any Board member or executive officer.

8. Annual Review.

The Nominating and Corporate Governance Committee is responsible for reviewing these principles at least annually and making recommendations for appropriate changes to the Board.