

INSYS THERAPEUTICS, INC.
CORPORATE GOVERNANCE
PRINCIPLES
(last amended February 21, 2017)

ROLE AND COMPOSITION OF THE BOARD OF DIRECTORS

1. General. The Board of Directors (“Board”) of Insys Therapeutics, Inc. (“Company”) has been elected by the stockholders of the Company and, unless such matter is reserved for stockholder approval, is the ultimate decision-making body of the Company. The Board selects and appoints the Company’s President and Chief Executive Officer (“CEO”) and oversees and monitors the CEO and other members of the senior management team in the operating of the business of the Company and reviews on an at least an annual basis the acceptability and appropriateness of senior management’s performance.

Given these responsibilities of the Board, it is imperative that the duties and functions of the full Board and each Board committee be set forth in these Corporate Governance Principles and adhered to, taking into account important corporate governance concepts such as independence, expertise, specialized knowledge, non-employee directorship status and regulatory and legal compliance concerns.

2. Director Independence. It is the policy of the Company that the Board consist of a majority of members of the Board who are “independent” (as defined under applicable NASDAQ and SEC rules and regulations) (“Independent Directors”). Independent Directors determinations should occur annually by the full Board.

3. Chairman and Lead Independent Director. The Independent Directors will annually elect a Chairman of the Board (“Chairman”), based on the recommendation of the Nominating and Corporate Governance Committee (“N&CG Committee”) as a result of its annual review of the Board leadership structure. If the individual elected as Chairman is the CEO, the Independent Directors shall also elect a Lead Independent Director. The Board shall from time to time determine the responsibilities of the Chairman and the Lead Independent Director, if any; provided, that if a Lead Independent Director has been elected, such Board member shall preside over executive sessions of the Independent Directors and shall facilitate information flow and communication among the members of the Board.

4. Board Size. It is the policy of the Company that the number of members of the Board not exceed a number that can function efficiently as a body. The N&CG Committee shall periodically consider and make recommendations to the Board concerning the appropriate size and needs of the Board. The N&CG Committee considers candidates to fill new positions created by increases in the size of the Board and vacancies that occur by resignation, by retirement or for any other reason.

5. Selection Criteria. To be considered for membership on the Board, candidates should be individuals of proven integrity with a record of substantial achievement in an area of relevance to the Company. In selecting members of the Board, the Board will generally seek leaders of major complex organizations, including within the scientific, government service, educational, finance, marketing, technology and the not-for-profit sectors. In addition, the Board also will take into account individuals who are widely recognized as leaders in the fields of medicine or the biological

sciences. Candidates must have demonstrated ability and sound judgment. A candidate must also possess a judicious and critical temperament that will enable objective appraisal of management's plans and programs. Each member of the Board is expected to serve the best interests of all stockholders and must be committed to enhancing long-term Company growth. The N&CG Committee and the Board may consider any factors it deems relevant to enhance the mix of the Board including but not limited to considering diversity issues such as ethnic background, gender and professional experience. Board candidates shall be first considered and then recommended by the N&CG Committee to the full Board for consideration and nomination (i.e., final approval of a Board candidate shall be determined by the full Board). Recommendations for Board members received from stockholders will be evaluated in accordance with the criteria set forth above consistent with the Company's Bylaws and applicable SEC and NASDAQ rules and regulations.

6. Service on Other Public Boards. Ordinarily, members of the Board should not serve on more than three (3) other boards of public companies, in addition to the Company's Board. Senior members of management should not serve on more than one (1) other board of a public company, in addition to the Company's Board. Members of the Board and senior members of management should seek permission from the Board prior to agreeing to serve on a public company board.

7. Stock Ownership Requirement. Each non-employee member of the Board is required to hold shares of the Company's common stock having a value of at least two (2) times the Director's annual base cash compensation while serving as a Director of the Company. For purposes of satisfying these requirements, (a) a Director's holdings of the Company's common stock shall include, in addition to shares held outright, units granted to the Director as compensation for Board service and shares or units held under a deferral or similar plan and (b) each such unit shall have the same value as a share of the Company's common stock. A member of the Board serving at the time of adoption of this policy will have two years from the date of the implementation of this policy to satisfy this ownership requirement. If a member of the Board is appointed or elected after the date of the implementation of this policy, such member shall have three (3) years from the date of his first appointment or election to the Board to satisfy this ownership requirement. If the Board amends this policy to increase the amount of the Company's common stock required to be held, each director shall have two (2) years to satisfy the new (increased) ownership requirement, unless otherwise resolved by the Board.

8. Annual Board and Committee Self-Evaluation. The Board (under the supervision of the N&CG Committee) and each Committee will conduct a self-evaluation of their performance at least annually.

9. Term Limits. The Board does not endorse arbitrary term limits on Board member service, nor does it believe in automatic annual re-nomination until members of Board reach the mandatory retirement age. The Board self-evaluation process is an important determinant for continuing service.

10. Director Orientation and Continuing Education. In furtherance of its policy of having major decisions made by the Board as a whole, the Company has a full orientation and continuing education process for Board members that includes extensive materials, meetings with key management and visits to Company facilities.

11. Communication with Stakeholders. It is the policy of the Company that management speaks for the Company and within management only those authorized by the CEO may speak on behalf of the Company. This policy does not preclude non-employee Directors from meeting with

stockholders, but it is suggested that in most circumstances any such meetings be held with authorized management present.

12. Annual Meeting Attendance. All Board members are expected to attend our Annual Meeting of Stockholders unless an emergency or extremely exigent circumstances prevents them from doing so.

13. Executive Sessions. Executive sessions or meetings of Independent Directors, without management present, should be held regularly (at least four times a year) as determined by the Independent Directors.

Committee Responsibility and Functions

14. Committees Generally. The standing committees of the Board are:

- Audit Committee
- Compensation Committee
- Compliance Committee
- Nominating and Corporate Governance Committee
- Science and Research and Development Committee

Each committee shall meet separately from the Board at least quarterly. At the invitation of any of the committees, the CEO, members of senior management and other employees recommended by the CEO shall attend Committee meetings or portions thereof for the purpose of participating in discussions. Generally, presentations of matters to be considered by the Committee are made by the manager responsible for that area of the Company's operations.

The committee structure of the Board is intended to delegate limited but defined responsibilities to those committees considered to be basic to, or required or appropriate for, the operation of the Company. The Board believes it is important that in order for each committee member to discharge his duties the structure and integrity of Board committee and its meetings must be strictly observed and adhered to.

The purpose and responsibilities for each of these committees shall be outlined in committee charters approved by the Board. Each committee assesses the adequacy of its charter annually and recommends changes to the Board as appropriate. All committees report regularly to the full Board with respect to their activities.

15. Audit Committee. The duties as set forth in the Audit Committee Charter shall be the sole and exclusive responsibility of the Audit Committee, with such charter being posted on the Company's website. As set forth in its charter, the primary purpose of the Audit Committee is to act on behalf of the Board of Directors in fulfilling the Board's oversight responsibilities with respect to the Company's corporate accounting and financial reporting processes, the systems of internal control over financial reporting, and audits of financial statements, as well as the quality and integrity of the Company's financial statements and reports and the qualifications, independence and performance of the firm or firms of certified public accountants engaged as the Company's independent outside auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services. The foregoing is qualified in its entirety to the Audit Committee Charter.

16. Compensation Committee. The duties as set forth in the Compensation Committee Charter shall be the sole and exclusive responsibility of the Compensation Committee, with such charter being posted on the Company's website. As set forth in its charter, the primary purpose of the Compensation Committee shall be to act on behalf of the Board in fulfilling the Board's responsibilities to oversee the Company's compensation policies, plans and programs, and to review and determine, as appropriate, the compensation to be paid to the Company's executive officers and directors, which includes setting annual and long-term performance goals for the CEO and executive officers and evaluating performance against such goals. The foregoing is qualified in its entirety to the Compensation Committee Charter.

17. Compliance Committee. The duties as set forth in the Compliance Committee Charter shall be the sole and exclusive responsibility of the Compliance Committee, with such charter being posted on the Company's website. As set forth in its charter, the primary purpose of the Compliance Committee is to assist the Board in fulfilling the Board's responsibilities to oversee the Company's compliance policies, plans and programs and issues and to facilitate effective and regular communications between the Board and the Company's compliance department and commercial department. From time to time the Board has and may also delegate oversight over management's handling of ongoing governmental investigations or proceedings to the Compliance Committee. The foregoing is qualified in its entirety to the Compliance Committee Charter.

18. Nominating and Corporate Governance Committee. The duties as set forth in the N&CG Committee Charter shall be the sole and exclusive responsibility of the N&CG Committee, with such charter being posted on the Company's website. As set forth in its charter, the primary purpose of the N&CG Committee is to (i) oversee all aspects of the Company's corporate governance functions on behalf of the Board; (ii) make recommendations to the Board regarding corporate governance issues; (iii) identify, review and evaluate candidates to serve as directors of the Company consistent with criteria approved by the Board and review and evaluate incumbent directors; (iv) serve as a focal point for communication between such candidates, noncommittee directors and the Company's management; (v) select or recommend to the Board for selection candidates to the Board to serve as nominees for director for the annual meeting of stockholders; and (vi) make other recommendations to the Board regarding affairs relating to the directors of the Company, including director compensation. The foregoing is qualified in its entirety to the N&CG Committee Charter.

19. Science and Research and Development Committee. The duties as set forth in the Science and Research and Development Committee Charter shall be the sole and exclusive responsibility of the Science and Research and Development Committee, with such charter being posted on the Company's website. As set forth in its charter, the primary purpose of the Science and Research and Development Committee is to monitor and review the overall strategy, direction and effectiveness of the Company's research and development efforts. The foregoing is qualified in its entirety to the Science and Research and Development Committee Charter.

Policy on Poison Pills

20. Statement of Policy on Poison Pill. The term Poison Pill refers to a type of stockholder rights plan that some companies adopt to provide an opportunity for negotiation during a hostile takeover attempt. As of the date of the implementation of these Principles, the Company currently has a poison pill in effect. The Board has adopted a statement of policy that it shall seek and obtain

stockholder approval before altering or further adopting a Poison Pill upon the expiration of its current Poison Pill; provided, however, that the Board may determine to act on its own to adopt a Poison Pill, if, under the circumstances, the Board, including the majority of the independent members of the Board, in its exercise of its fiduciary responsibilities, deems it to be in the best interest of the Company's stockholders to adopt a Poison Pill without the delay in adoption that would come from the time reasonably anticipated to seek stockholder approval. If the Board were ever to adopt a future Poison Pill without prior stockholder approval, the Board would either submit such future Poison Pill to stockholders for ratification, or would cause the Poison Pill to expire within one year.

The Nominating and Corporate Governance Committee will review this Poison Pill policy statement on an annual basis, including the stipulation which addresses the Board's fiduciary responsibility to act in the best interest of the stockholders without prior stockholder approval, and report to the Board any recommendations it may have concerning the policy.

Periodic Review of Corporate Governance Principles

21. These principles are reviewed by the Board at least annually.