

NovaBay Pharmaceuticals, Inc.

Whistleblower Policy Regarding Accounting and Auditing Matters

NovaBay Pharmaceuticals, Inc. is committed to the honest and accurate reporting of its financial results and related information in compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. In furtherance of this commitment, we have adopted this policy (i) to encourage the confidential and, if desired, anonymous submission by our employees of any concerns they may have regarding accounting, auditing or internal controls matters, (ii) to facilitate the receipt, investigation, retention and treatment of complaints received from our employees regarding such matters and (iii) to make clear that we intend to protect employees from unlawful retaliation for their having properly reported illegal or unethical conduct pursuant to this policy. The Audit Committee of our Board of Directors oversees the treatment of employee concerns regarding such matters.

Complaint Procedures

If an employee has a good faith concern regarding accounting, auditing or internal controls matters, he or she should report such concerns to the Chairman of our Audit Committee. Information may be submitted to Charles J. Cashion, our Audit Committee Chairman, e-mail or mail at: e-mail ccashion@novabaypharma.com or via US mail via 5980 Horton Street, Suite 550, Emeryville, CA 94608, Attn: Charles J. Cashion. Also, the identity and contact information for the Chairman of our Audit Committee is available on the Investor Relations section of our website, www.novabaypharma.com.

An employee may also submit any concerns or complaints anonymously through our confidential, third-party reporting system, by calling the anonymous telephone hotline at **1-877-874-8416** or by using the confidential web submission system at <http://http://novabaypharma.silentwhistle.com>. A transcribed copy of all information submitted to our confidential, third-party reporting system will be delivered to the Chairman of our Audit Committee.

Investigation and Treatment of Complaints

All concerns and complaints received pursuant to this policy will be reviewed and investigated, as appropriate, by the Audit Committee or by another person designated by our Audit Committee, which may include persons outside our company. The report and investigation will be kept confidential to the extent consistent with the need for a thorough investigation and taking into consideration our disclosure obligations and requirements under law. Employees who choose to identify themselves in submitting a complaint under this policy will receive an acknowledgment of receipt or a response to the complaint by the Chairman of the Audit Committee or another person designated by our Audit Committee.

Retention of Complaints

The Chairman of our Audit Committee or another person designated by the Audit Committee will retain a log of all complaints, tracking their receipt, investigation and resolution. A copy of each complaint and its log will be maintained for a period of seven (7) years, or such longer period as may be required by law, in a file in a secure location to protect the confidentiality of the complaints.

Non-Retaliation

We will not allow reprisal or retaliation of any kind against any person who acts in good faith in reporting any concerns or complaints pursuant to this policy, or against any person who in good faith assists, provides information or participates in an investigation, proceeding, or hearing relating to a complaint about our accounting, auditing or internal controls matters. Any employee who feels that he or she has been subjected to any reprisal or retaliation should immediately report such behavior to his or her supervisor or to the head of Human Resources.