



INTERNATIONAL
PARTNERSHIP FOR
MICROBICIDES

Code of Ethics and Business Conduct Standards

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IPM Headquarters

8405 Colesville Road, Suite 600 Silver Spring, MD 20910 USA

Phone 1-301-608-2221 | Fax 1-301-608-2241

www.IPMglobal.org

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Statement of Principles

The International Partnership for Microbicides, Inc. (hereinafter referred to as “IPM” or the “Company”) is committed to quality, innovation and above all ethical professional conduct. Individual integrity supported by a dedicated organizational culture is the pledge that enforces the Company’s Code of Ethics and Business Conduct Standards (the “Code of Conduct”). This Code of Conduct applies to all IPM directors, employees, and others acting on behalf of the Company (each a “covered person”). Each covered person shall strive to protect the Company’s reputation for integrity and ethical conduct.

Compliance with Laws, Rules and Regulations

It is the policy of IPM to conduct its business in a manner that meets the highest ethical and moral standards and to comply strictly with all laws and regulations governing its operations. Covered persons are required to obey, and ensure that the Company obeys, all applicable laws, rules and regulations of the United States and other countries, and the states, counties, cities and other jurisdictions in which the Company conducts business. By way of introduction, this paragraph is included to remind you that compliance with the law means not only following the letter of the law, but also conducting business so that the Company will maintain its reputation for integrity and honesty in carrying out its business activities worldwide. Even where the law is not applicable, standards of ethics and morality apply and require the same diligent attention to good conduct and citizenship.

Responsibility and Accountability

Covered persons are responsible for ensuring that their own conduct, both at work and away from the office, as well as the conduct of those who report to them and whom they observe, is honest and ethical under all circumstances and fully complies not only with the law but also our policies and the Code of Conduct. Because our reputation for high ethical standards and quality work is so important, violations of the Code of Conduct or other IPM policies may result in disciplinary action (up to and including termination), and/or personal civil or criminal liability.

It is the responsibility of each covered person to read, understand, and comply with the Code of Conduct and to diligently comply with IPM’s policies and procedures. If you have any questions regarding specific policies, please discuss them promptly with the VP, HR and/or the President and COO and/or the Chief Financial Officer.

Conflict of Interest Policy

A “conflict of interest” arises when an employee’s or consultants personal, social, financial or political activities have the potential of interfering with their employment responsibilities and obligations to IPM and their objectivity while carrying on IPM business. Even the appearance of a conflict of interest may be damaging to IPM.

Employees and consultants must avoid:

- Having any material interest, direct or indirect, in or a financial relationship with an IPM supplier, contractor or other business partner (except for insignificant stock

interests in publicly-held companies). This includes accepting a position on the Board of Director of such legal entities.

- Taking part in any IPM decision involving a company or consultant that employs any family member.
- Having a personal romantic relationship with other employees where there is an immediate reporting relationship between the two employees involved or the romantic relationship could cause others to lose confidence in the judgment of either employee.
- Pursuing personal interests of their own that affect their ability to perform their IPM assignments.
- Accepting gifts that do not meet the standards of the IPM Business Gifts and Entertainment Policy.

It is the responsibility of the employee to disclose actual or potential conflicts of interest by submitting to Human Resources a Conflict of Interest Questionnaire at the time when a possible conflict of interest may arise. Significant Persons as defined by the IRS Form 990 must update their form on a yearly basis whereas all other employees are required to update their files as circumstances occur (See IPM's Significant Persons Conflict of Interest Policy). All staff will complete an annual acknowledgement of the IPM Conflict of Interest Policy and confirm they have no new conflicts as a part of IPM's annual compliance training process. Please contact the VP, HR and/or the President and COO and/or the Chief Financial Officer (CFO) if you have any questions or need assistance pertaining to the Conflict of Interest Policy.

For additional information and guidance, please refer to the Whistleblower Policy and/or the Foreign Corrupt Practices Act Policy.

Anti-Harassment

IPM is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive or disruptive, including sexual harassment.

IPM prohibits conduct that constitutes or could lead or contribute to harassment based on race, color, sex (whether or not of a sexual nature), religion, national origin, age, sexual orientation, disability, veteran status, genetic information, familial status, marital status or any other characteristic protected by law. Examples of such conduct are:

- Ethnic slurs
- Use of electronic communication systems such as computers (including via the Internet) or the e-mail system to view, store or distribute material that may be considered offensive, derogatory, defamatory, harassing, racially or sexually offensive, obscene or otherwise vulgar
- Engaging in communications that may be considered offensive, derogatory, defamatory, harassing, racially or sexually offensive, obscene or otherwise vulgar

- Threatening, intimidating or hostile acts directed at a particular sex or religious group or directed at an individual because of his or her sexual orientation, color or ethnicity
- Display of personal items that are racially, sexually or religiously offensive

Harassment does not require intent to offend. Thus, inappropriate conduct meant as a joke, a prank or even a compliment can lead to or constitute harassment.

The following is a partial list of examples of prohibited conduct:

- Unwanted sexual advances
- Offering employment benefits or other favorable treatment in exchange for sexual favors
- Making or threatening reprisals after a negative response to sexual advances
- Visual conduct that includes leering, making sexual gestures or displaying sexually suggestive objects or pictures, cartoons or posters
- Verbal conduct that includes making or using derogatory comments, epithets, slurs or jokes
- Verbal sexual advances or propositions
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes or invitations
- Physical conduct that includes inappropriate touching, assaulting or impeding or blocking movements

It is the responsibility of every individual to communicate discomfort with behavior or conversations related to harassment. If an employee witnesses or has been subjected to any conduct of the type described in the above policies, he/she is urged and expected to report the relevant facts promptly to the appropriate HR Representative. Conduct should be reported regardless of the offender's position at IPM and should also be reported even if the offender is not employed at IPM (for example, a vendor, client or "temp").

Any manager who becomes aware of possible sexual or other unlawful harassment must immediately advise the appropriate HR Representative so that such behavior may be investigated in a timely and discreet manner.

All allegations of harassment will be investigated quickly and discreetly. To the extent possible, employee, witness and alleged harasser confidentiality will be protected against unnecessary disclosure.

Threats or acts of retaliation against individuals who report inappropriate conduct pursuant to these policies or who provide information in connection with a report by another individual will not be tolerated. If an employee believes that he/she has been retaliated against for

such action, he/she should contact the appropriate HR Representative immediately. IPM will investigate and take appropriate action.

Confidentiality, Intellectual Property and Related Rights

All IPM employees are required to sign a Confidential Information and Inventions Agreement. This signed agreement must be returned to Human Resources by the first day of employment. Compliance with the terms of this agreement is essential to preserve the integrity of IPM's intellectual property rights and its relationships with third parties. Failure to comply with the terms of the Confidential Information and Inventions Agreement may result in disciplinary action, up to and including suspension without pay and/or termination of employment. Failure to comply with the terms of the Confidential Information and Inventions Agreement after the end of the employment with IPM may result in civil and/or criminal charges in accordance with applicable laws.

Confidential Information and Inventions Agreement

- A. International Partnership for Microbicides, Inc. (the "Company") is engaged in a continuous program of research, development and production respecting its microbicide development program.
- B. As part of my employment (including part-time employment) by the Company or consulting work for the Company or any other involvement I have with the Company, I may make new contributions and inventions of value to the Company.
- C. My employment by or consulting for or involvement with the Company creates a relationship of confidence and trust between me and the Company with respect to any information:
 - (1) applicable to the development program and the business of the Company; or
 - (2) applicable to the activities of any third party that has a relationship with the Company.
- D. The Company possesses confidential information that has been created, discovered or developed by, or has otherwise become known to, the Company (including without limitation information created, discovered, developed or made known by me during the period of or arising out of my employment by or consulting for or involvement with the Company), or in which property rights have been assigned or otherwise conveyed to the Company, which information has commercial value in the activities of the Company or third parties with whom the Company has relationships. All present and future information described in the preceding sentence is referred to in this Agreement as the "Confidential Information". Confidential Information includes, without limitation, trade secrets, manufacturing and other methods and processes, formulas, data and know-how, discoveries, developments, designs, improvements, inventions, techniques, marketing plans, strategies, forecasts, new products, software, software documentation, unpublished financial statements, budgets, projections, licenses, prices, costs, patent applications and customer and supplier lists.

In consideration of my employment or continued employment (or my engagement or continued engagement as a consultant) by the Company, my continued involvement with the Company and, if applicable, the compensation received by me from the Company from time to time, I hereby agree as follows:

1. NON-DISCLOSURE

- 1.1 All Confidential Information and rights relating thereto shall be the sole property of the Company or third parties with whom it has relationships. I will not disclose to anyone outside of the Company or use for my own benefit or for the benefit of others any Confidential Information either during or after my employment or consulting or involvement of any kind without the Company's prior written permission except as may be necessary in the ordinary course of performing my duties as an employee of, consultant or volunteer to the Company. I also understand that information and materials received in confidence from third parties by the Company, if any, are included within the scope of the preceding sentence.
- 1.2 Upon the termination of my employment or consulting relationship with the Company for any reason, I will deliver to the Company all documents or other materials relating to my work with the Company and will not take with me any of the foregoing or any reproduction thereof or anything containing any, or relating to any, Confidential Information.

2. INVENTIONS

- 2.1 I hereby agree that all copyrightable Material generated or developed by me under this agreement shall be considered works made for hire and that such material shall, upon creation, be owned exclusively by the Company. To the extent that any such Material, under applicable law, may not be considered a work made for hire, I hereby irrevocably assign to the company, on an exclusive and worldwide basis, the ownership of all copyright and other intellectual property rights in such materials, without the necessity of any further consideration, and the Company shall be entitled to obtain and hold in its own name all copyrights in respect of such Materials. "Material" is meant to include for purpose of this Agreement all documents, data, information, software, processes, specifications, inventions, developments, designs, algorithms and improvements to such, whether or not such Material is a Confidential Information under this Agreement.
- 2.2 I hereby assign to the Company my entire right, title and interest in any invention, data (whether in written, schematic or any other form) or idea, patentable or not, including without limitation any software and software documentation, made or conceived or reduced to practice or learned by me either alone or jointly with others during the period of, or arising out of, my employment or consulting relationship:

- a. while working for, or arising out of my work with, the Company in any capacity; or
- b. which relates in any manner to, or is useful in, the actual or anticipated activities or products of the Company or correlates in any manner to, or is useful in, the actual or anticipated research and development of the Company or third parties that have licensed intellectual property to the Company, or is suggested by or results from any task assigned to me or others by the Company or work performed by me or others for or on behalf of the Company, or which is discovered or developed using any of the Company's resources or on Company time.

2.3 I agree that in connection with any invention, data or idea covered by this Section:

- a. I will disclose it promptly to the Company;
- b. I will, at its request, promptly execute a specific assignment of title to the Company or to such third parties as the Company may direct and do anything else reasonably necessary to enable the Company or such third parties as the Company may direct to secure a patent for or acquire or enforce any rights, including without limitation any copyrights, in the invention, data or idea in the United States or in foreign countries provided that the Company shall reimburse me for any expenses in connection therewith.

2.4 If for any reason, including incapacity, the Company is unable, after reasonable effort, to secure my signature on any document or documents needed to apply for, perfect or otherwise acquire a patent or any other rights in the invention, data or idea, or to enforce such rights, I hereby irrevocably designate the Company as my agent and attorney-in-fact, to act for and in my behalf to execute and file such documents with the same legal force and effect as if executed by me.

3. MISCELLANEOUS

- 3.1 I represent that my performance of all the terms of this Agreement and my performance of my duties as an employee or consultant of the Company does not and will not breach any agreement or obligation to keep in confidence proprietary information acquired by me in confidence or in trust. I have not entered into, and I agree I will not enter into, any agreement either written or oral in conflict herewith.
- 3.2 I agree that any breach of this Agreement by me could cause irreparable damage and that in the event of such breach, the Company shall have, in addition to any and all remedies at law, the right to an injunction, specific

performance or other equitable relief to prevent the violation of my obligations hereunder.

- 3.3 I understand that this Agreement does not create an obligation on the Company, or any other person to continue my employment or consulting relationship.
- 3.4 Any waiver by the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach hereof.
- 3.5 I hereby agree that each provision contained in this Agreement shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses herein. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity or subject so as to be unenforceable at all, such provision or provisions shall be construed by the appropriate judicial body by limiting and/or reducing it or them, so as to be enforceable to the extent compatible with the then applicable law.
- 3.6 This agreement shall be governed by the laws of the State of Maryland, USA, without regard to its conflicts of law provisions and I consent to the exclusive jurisdiction of the courts of the State of Maryland.
- 3.7 My obligations under this Agreement shall survive the termination of my employment or consulting relationships regardless of the manner of such termination, shall be binding upon my heirs, executors and administrators and shall inure to the benefit of the Company's successors and assigns.

Frequently Asked Questions

Confidentiality at IPM

1. Why Do We Care About Confidentiality?

- We have made promises to others. Other organizations, including pharma companies from whom we license compounds, research and development firms we work with, and our peers in the microbicide field, have given IPM valuable information on the understanding that IPM will keep it confidential. IPM has relationships of trust with these organizations that will be weakened if we do not keep our word.
- People outside of IPM may use information about IPM for their own purposes. Information about IPM's finances, plans, and relationships with other organizations may be used by others outside of IPM to advance their own goals. These can include anything from influencing global HIV policy to getting a job. We should take care to remember that anyone we give information to may repeat it, and may use it in ways that we did not expect.

- Some confidential information has value that will be lost if the information becomes public. For example, an invention created by or for IPM (or anyone else) cannot be patented if the invention has become public knowledge before a patent application is filed. Being careful about confidentiality will preserve the value of IPM's assets.

2. What Kinds of Information Should be Kept Confidential?

- In general, any materials that bear "Confidential" or similar markings should be treated as such. However, confidential information is not always marked, and may be communicated in oral conversations in which confidentiality is not mentioned. Below are some examples of information that you should generally keep confidential whether or not anyone has actually told you to do so.
- Technical or scientific information. This includes information received from other organizations, as well as the results of IPM studies or research that have not yet been published.
- Financial information. This includes IPM's internal reporting and budgets, as well as information about payments that IPM has made to other people or organizations, or the amounts of funding received by IPM from various sources.
- Information about plans and agreements that have not yet been completed or announced. This includes contracts or other agreements that are under negotiation, as well as plans for projects or initiatives that have not yet received final approval at IPM.
- Information about IPM personnel. This includes discussion of the reasons for planned or completed personnel changes, as well as salary and similar information.

3. What Should We Do to Maintain Confidentiality?

- Be organized. It may not be practical to keep all of the confidential information you receive in one place, but all of us should make an effort to remember where we put things. Bear in mind that confidential materials are valuable and important, and should be kept where they can be easily retrieved and not lost. Try not to make more copies of confidential materials than you really need.
- Be careful about email. Sending an e-mail, with or without attachments, is very different from communicating by telephone. E-mail is often forwarded to persons other than the original addressee, and its contents are usually saved to one or more hard drives. Because e-mail may be read by persons other than the addressee, and because an e-mail message is more permanent than a telephone conversation, it is helpful to think twice about the contents of an e-mail message.
- Seek guidance. Are you in doubt about whether a document is confidential or not? As noted above, not all confidential documents are marked. Has someone outside of IPM asked you for information that you are not sure you are comfortable giving them? Ask your supervisor, and if your supervisor is in doubt one of you should ask for more senior guidance. Asking for advice can't hurt and can avoid trouble.