

## Policy on Private Investments of the Medicines Patent Pool Foundation

### 1 Purpose

1.1 The purpose of this Policy on Private Investments ("Private Investment Policy") is to avoid conflicts of interest and the misuse of material non-public information (misuse of information), as well as the appearance of any such conflict of interest or misuse of information. This Private Investment Policy thereby safeguards the Medicines Patent Pool Foundation's good reputation, its integrity and standing, as well as its ability to achieve the purpose for which it was established.

1.2 This Private Investment Policy establishes the conditions under which Covered Members (as such term is defined below) should deal with material non-public information and manage their private investments.

### 2 Scope

This Private Investment Policy applies to all Covered Members.

### 3 Definitions

3.1 "**Covered Member**" shall mean any member of the Board of the Foundation, member of the Expert Advisory Group and Employees of the Foundation (defined as a person working under an employment contract with the MPP).

3.2 "**Related Person**" shall mean

- a. Spouses, registered partners or domestic partners of a Covered Member;
- b. Children of minor age (under 18 years old) of a Covered Member;
- c. Any dependent adult family member living in the same household as a Covered Member.

3.3 "**Private Investments**" shall mean investments carried out directly or indirectly by a Covered Member in certificated and uncertificated securities, such as shares, participation certificates, dividend rights certificates, bonds issued by a company regardless whether they are listed or not on a stock exchange, partnership interests and derivative financial instruments. Investments in collective investment schemes, including mutual funds and exchange traded funds, as well as investments carried out by pension funds and other occupational benefits schemes available to Covered Members shall not constitute Private Investments.

3.4 "**Private Transactions**" shall mean transactions in Private Investments carried out directly or indirectly by a Covered Member, for their own account, or for the account of a third party based on a power of attorney, or by a third party, directly or indirectly on behalf of a Covered Member, transactions for an account or a securities account beneficially owned by a Covered Member (e.g., as part of a community of heirs or co-holders of a joint account).

3.5 "**Restricted Company**" shall mean a company with whom the Medicines Patent Pool Foundation has entered into a licence agreement or a sub-licence agreement or is in discussion

in view of entering any such agreement, from the moment the Medicines Patent Pool Foundation initiates such discussions until the moment such discussions are concluded. The term Restricted Companies shall include (i) current licensors and licensees of the MPP, (ii) companies with whom the MPP has publicly disclosed as being in negotiations, or (iii) companies that have an open application for an MPP sublicense through the MPP's Expression of Interest system.

3.6 The Medicines Patent Pool shall make available on request a list of Restricted Companies. This list will be sent to Covered Members and will be updated every quarter.

3.7 Private Investments and Private Transactions shall include, without limitation, investments and transactions which are, legally or economically, held and/or carried out by legal entities or partnerships controlled by a Covered Member.

3.8 Private Investments and Transactions shall also include any investments or transactions undertaken with the purpose of avoiding the application of this Private Investment Policy, in particular by the engagement of a third party or use of a third-party account or securities account.

#### **4 Confidentiality and Prohibition on Abuse of Information**

4.1 Covered Members are required to treat material non-public information they may have access to in the course of their activities with utmost confidentiality. Covered Members shall, at all times, observe strict confidentiality on information which is not accessible to the public, with respect to both Related Persons and third parties.

4.2 They are not allowed to use material non-public information in order to pursue their own private interests, those of Related Persons, or those of third parties. In particular, they are not allowed to trade on the basis of such information for their private financial benefit or to recommend, advise against or otherwise comment on financial transactions, based on such information.

#### **5 Management of Private Investments**

Covered members shall manage their Private Investments or have them managed in such a way that any appearance of a conflict of interest or misuse of information can be excluded from the outset.

##### **5.1 Employees**

5.1.1 Employees shall avoid engaging in any Private Transaction related to Restricted Companies. Further, Employees are encouraged to avoid ownership of any Private Investment in any pharmaceutical company, as new business situations or evolution of MPP's portfolio may evolve into any pharmaceutical company becoming a Restricted Company.

5.1.2 In the event that an Employee comes to acquire any Private Investment in a Restricted Company (for example arising out of a company becoming a Restricted Company, inheritance, gifts, matrimonial law, or regarding debt and enforcement proceedings) the Employee shall

immediately report such acquisition to the Compliance Officer, for referral to the Ethics and Compliance Committee (“E&C Committee”).

## 5.2 Board Members and Members of the EAG

5.2.1 Members of the Board and Expert Advisory Group (EAG) of the MPP shall avoid engaging in any Private Transaction related to Restricted Companies.

5.2.2 Members of the Board and EAG shall report any pre-existing Private Investments they may have prior to joining the MPP Board or EAG, and immediately report if s/he come to acquire any Private Investment in a Restricted Company (for example arising out of a company becoming a Restricted Company, inheritance, gifts, matrimonial law, or regarding debt and enforcement proceedings) to the Compliance Officer, for referral to the E&C Committee.

5.2.3 In the event that a Board or EAG Member wishes to liquidate part or all of his/her Private Investment in a Restricted Company, s/he shall immediately report such intention to the Compliance Officer, for referral to the E&C Committee.

## 5.3 Transaction by Related Persons

5.3.1 Covered Members shall ensure that:

- a) Related Persons are informed of this Private Investment Policy;
- b) to his/her best knowledge, a Related Person does not make Private Investments or Private Transactions for its own benefit that might conflict or even appear to conflict with MPP in the sense of the present Policy, the Conflict of Interest Policy, or any MPP policies.

5.3.2 Any Private Investment or Private Transaction of a Related Person brought to the attention of the Covered Member that might conflict or even appear to conflict with MPP’s interests in the sense of the present Policy, or the Conflict of Interest Policy, or any other MPP policy shall be reported without delay to the Compliance Officer by the Covered Member, for referral to the E&C Committee.

## 6 E&C Committee Consideration of Private Investments and Transactions

6.1 Employees: Upon receipt of notice from the Compliance Officer of an Employee’s Private Investment in a Restricted Company, the E&C committee shall promptly convene to decide upon a reasonable timeframe by which the Employee must liquidate the Private Investment. In making this determination, the E&C Committee may take into consideration, *inter alia*, any forthcoming transactions between the MPP and the Restricted Company or any undue loss that may accrue to the Employee from immediate liquidation that may reasonably be avoided. In no event will any compensation be paid to the Employee in case of loss of value of such Private Investment as a result of liquidation within the timeframe determined by the E&C Committee. During the E&C Committee deliberations, the affected Employee will have the opportunity to be heard, and to appeal to the full Board of any decision by the E&C Committee.

6.2 Board Members and Members of the EAG:

6.2.1 Upon receipt of notice from the Compliance Officer of a Board or EAG Member's Private Investment in a Restricted Company the E&C Committee shall promptly convene. The E&C Committee may allow Board Members and Members of the EAG to retain Private Investments in Restricted Companies in individual cases, where it considers that the nature and value of the Private Investment is such that the individual can continue to act in the best interest of the Medicines Patent Pool Foundation. Such determination may be unconditional or subject to additional terms and conditions (e.g., with a requirement to such individual to recuse himself/herself from any transaction or discussion regarding the Restricted Company).

6.2.2 Upon receipt of notice from the Compliance Officer of a Board or EAG Member's intention to liquidate part or all of his/her Private Investment in a Restricted Company, the E&C Committee shall promptly convene to determine upon a reasonable timeframe by which the Board or EAG Member may liquidate the Private Investment. In making this determination, the E&C Committee should take into consideration, *inter alia*, any forthcoming transactions between the MPP and the Restricted Company.

6.3 Related Persons: Upon receipt of notice from the Compliance Officer of a Related Person of a Covered Member holding a Private Investment in a Restricted Company, the E&C Committee shall promptly convene to determine whether, and to what extent, the concerned Covered Member should be recused from discussions and decisions regarding the Restricted Company in which the concerned Covered Member's Related Person holds a Private Investment.

## **7 Declaration**

Covered Members shall annually report on any Private Investments and Transactions covered under this Policy on the Conflict of Interest Declaration Form. Should circumstances change throughout the year, Covered Members shall promptly update the Declaration Form and notify the Compliance Officer.

## **8 Review**

The E&C Committee shall monitor and enforce compliance with this Private Investment Policy by reviewing the Conflict of Interest Declaration Form and taking such other actions as are necessary for effective oversight.

## **9 Violations of the Private Investment Policy**

1 Should there be justified grounds for believing that a Covered Member has acted in breach of this Private Investment Policy, the matter shall be referred to the E&C Committee, which shall instruct the Compliance Officer or a third party to investigate the matter. The Covered Member shall provide requisite information and documents to the Compliance Officer or such third party appointed to investigate the matter.

2 If the E&C Committee has reasonable cause to believe a Covered Member has failed to comply with this Private Investment Policy, it shall inform the Covered Member of the basis for such belief and afford the Covered Member an opportunity to explain the alleged issue.

3 If, after hearing the Covered Member's response and after making further investigation as warranted by the circumstances, the E&C Committee determines the Covered Member has failed to comply with his or her duties, it shall take appropriate disciplinary and corrective action, including if proportionate termination of his or her mandate or employment agreement.

## **10 Implementation**

### **10.1 Awareness and Training**

Covered Members must familiarize themselves with this Policy. Medicines Patent Pool Foundation will regularly organize training sessions. Covered Members are required to participate in training sessions.

### **10.2 Reporting Potential Misconduct and Non-Retaliation**

If a Covered Member suspects that a Covered Member failed to comply with this Private Investment Policy, he or she may report the matter to the Compliance Officer.

Covered Members who, in good faith, report potential misconduct or otherwise collaborate in any inquiry or investigation of potential misconduct will be protected against retaliation.

## **11 Interpretation**

In cases where Covered Members are uncertain or have questions on the interpretation of their rights and obligations under this Private Investment Policy, they shall consult the Compliance Officer, who may refer the matter to the Ethics & Compliance Committee.

## **12 Entry into force and Relation with Other Instruments**

This Private Investment Policy enters into force as of 15 February 2017. It applies in addition to the Conflict of Interest Policy, which establishes the general principles and rules on conflicts of interest.

[Adopted by the Medicines Patent Pool Foundation Board on 15 February 2017, as amended on 20 September 2017 and 15 October 2019]