



## **CODE OF CONDUCT AND ETHICS**

### **ARTICLE I**

#### **I. Introduction**

This **Code of Conduct and Ethics** (the “Code”) applies to the Hudson-Alpha Institute for Biotechnology (the “Institute”) and the Institute’s directors, officers and employees. Compliance with the Code is required of all Institute personnel at all times. Because any illegal or unethical action is unacceptable, including the appearance of misconduct or impropriety by anyone acting on the Institute’s behalf, the Institute’s agents, representatives and consultants should also follow the Code.

#### **II. Enforcement**

The Board of Directors has charged the Institute’s senior management with ensuring that this Code and the Institute’s policies will govern, without exception, all activities of the Institute.

##### **A. Receipt and Acknowledgement**

The attached Receipt and Acknowledgement is required to be completed by all Institute personnel acknowledging your understanding and compliance with the Code.

##### **B. Waivers of the Code**

In certain extraordinary situations, a waiver of a provision of the Code may be granted. Contact the Chairman of the Conflict of Interest Committee of the Board of Directors if you believe special circumstances warrant a waiver of any of the Code’s provisions. Only the Institute’s Board of Directors or the Conflict of Interest Committee of the Board of Directors may issue a waiver of the Code for employees, officers or directors.

### **III. Conflict of Interest**

All directors, officers and employees of the Institute are required to comply with the Hudson-Alpha Institute for Biotechnology Policy on Conflicts of Interest.

### **IV. Taking Institute's Opportunities**

Institute personnel may not take for themselves opportunities that rightfully belong to the Institute. These opportunities rightfully belong to the Institute when, for example, the Institute has pursued the opportunity, when it has been offered to the Institute, when it is the kind of activity the Institute engages in, when the Institute has funded it, when the Institute has devoted facilities or personnel to develop it, or when it is in the same line of activities as the Institute's activities.

### **V. Protection of Institute Property and Assets**

All employees have a responsibility to protect the Institute's assets from loss, damage, misuse or theft. The Institute's assets, such as funds, equipment, products or computers, may only be used for institutional purposes and other purposes approved by management. The Institute's assets may never be used for illegal purposes. The Institute's property should not be taken out of Institute facilities unless necessary and authorized in connection with Institute work.

### **VI. Proprietary Information**

All confidential information of the Institute must be protected. No employee should disclose the Institute's confidential or proprietary information to anyone within or outside of the Institute unless the recipient will generally need this information to carry out his or her assigned responsibilities as an employee of the Institute, or as an outsider who has been

properly authorized by management to receive such information. Inquiries from the press, media, investors or the public regarding the Institute should only be answered by the officers or employees designated to respond to such inquiries. The obligation not to disclose the Institute's confidential or proprietary information continues after employment with the Institute terminates.

## **VII. Compliance with the Law**

It is the policy of the Institute that its activities shall be conducted in accordance with all applicable laws of the United States and foreign jurisdictions, and in a manner that will always reflect a high standard of ethics. Compliance with the law does not comprise our entire ethical responsibility; rather, it is a minimum, absolutely essential condition for performance of our duties.

## **VIII. Fair Competition**

No employee should ever use any illegal or unethical method to gather competitive information. Stealing proprietary information, possessing trade secret information that was obtained without consent or inducing such disclosures by past or present employees of other companies or institutions is prohibited. Additionally, the Institute and its employees are required to comply with the antitrust and unfair competition laws of the United States and the other countries in which the Institute conducts its activities.

## **IX. Responsibility to the Institute's Employees**

The Institute is committed to treating all employees with honesty, fairness and respect, and providing a safe and healthy work environment. Abusive, harassing or offensive conduct is unacceptable, whether verbal or physical. Examples include derogatory comments based on racial or ethnic characteristics and sexual advances. Employees are directed to report harassment when it occurs. Additionally, the Institute is committed to providing all employees and others who are on Institute property with a safe and secure environment. Accordingly, all personnel will comply with all health and safety laws and regulations as well as Institute policies

governing health and safety. All personnel are responsible for immediately reporting accidents, injuries and unsafe equipment, practices or conditions to a supervisor or other designated person.

## **X. Accuracy and Retention of Records**

### **A. General**

All financial personnel shall make and retain books, records and accounts that, in reasonable detail, accurately, completely and objectively reflect transactions and events, and conform both to required accounting principles and to the Institute's systems of internal controls. No false or artificial entries may be made. No entry may be made or recorded in the Institute's books and records or reported in any disclosure document that misrepresents, hides or disguises the true nature of the event or transaction, and all entries and reports must be made in a timely manner.

### **B. Additional Requirements for Senior Financial Officers**

In addition to the requirements specified in the Code, the Institute's senior financial officers, including, but not limited to, the Chief Financial Officer or persons performing similar functions, must:

- conduct themselves in an honest and ethical manner;
- compile full, fair, accurate, timely and understandable disclosure in the periodic reports of the Institute; and
- comply with applicable governmental rules and regulations.

## **XI. Document Retention**

Employees should consult the Institute's various work instructions for questions related to the Institute's document retention guidelines or the propriety of disposing of an Institute document or record.

## **XII. Where to Go With a Question, Concern or to Report a Violation**

If you need an explanation or you want to know if a provision of the Code applies to a particular situation, the best place to start is with your supervisor or manager. If you believe a fellow employee is violating the Code or otherwise acting in an illegal or unethical manner, you must report it. Doing so will not be considered an act of disloyalty; rather, such action demonstrates your sense of commitment, responsibility and fairness to the Institute. Such action also helps safeguard the reputation and the assets of the Institute.

Reporting violations of the Code is also necessary because in some cases failure to report an illegal act by another person is itself a criminal act for which you could be prosecuted.

Violations of the Code may cause an employee, officer or director to be subject to disciplinary action up to and including termination of employment.

Violations may be reported to the Human Resources Manager. If you do not believe that the violation has been adequately addressed, report the violation to the President. Your report will be investigated with confidentiality and you will be protected from retaliation. It is unacceptable to file a report knowing it to be false. False reports may result in disciplinary action up to and including termination of employment. Treatment of and Response to Submissions.

**1. Review and Response.** The Human Resources Manager shall promptly review all submissions and report in writing all complaints or concerns contained in them to the Conflict of Interest Committee in executive session, with independent and objective assessment of the complaint or concern and, to the extent relevant, recommended course of action. In appropriate circumstances, the Human Resources Manager shall have the authority, in his or her discretion, to bring any submission immediately to the attention of the Conflict of Interest Committee or to the Chairman of the Conflict of Interest Committee. All submissions being reviewed at the Conflict of Interest Committee meeting will be physically present at the meeting and available for Conflict of Interest Committee inspection. The Conflict of Interest

Committee shall determine the appropriate means of addressing the concerns or complaints and delegate that task to the appropriate member of senior management, or take such other action as it deems necessary or appropriate to address the concern or complaint, including obtaining outside counsel or other advisors to assist the Committee.

**2. Follow-up.** The Human Resources Manager is the designated contact person for employees who wish to follow up on their submission. If, after discussion with the contact person, an employee concludes that appropriate action has not taken place, he or she may report the matter directly to a member of the Conflict of Interest Committee.

**3. Documentation of Response.** Receipt of all submissions that are not anonymous must be acknowledged either orally or in writing, unless the employee submitting the complaint or concern indicates otherwise. The Human Resources Manager shall maintain a record of his or her response to each submission, including the date of the acknowledgement and any other actions taken. Such records shall be maintained in the confidential file with the submissions.