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KIADIS PHARMA N.V.

CODE OF CONDUCT

1 June 2016

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## **INTRODUCTION**

This Code of Conduct applies to all persons<sup>1</sup> employed by, or in any other relationship of authority to, Kiadis, irrespective of the length of the employment, including temporary employment agency workers, free lancers, and members of the Management Board and Supervisory Board (each an “**Employee**” and together the “**Employees**”). “**Kiadis**” as mentioned herein refers to Kiadis Pharma N.V. and its (directly or indirectly held) subsidiaries.

The Code of Conduct is designated to provide the Employees with guidelines for the behavior and activities of the Employees and for how to comply with laws, regulations and ethical standards that govern the business of Kiadis. It also offers guidelines on how to act in situations where prescriptive rules are neither sensible nor desirable. These guidelines are not intended to be a complete list of ethical and legal issues an Employee might face in the course of his or her business activities. It is intended that these principles be applied using common sense and good business judgment.

It is recognized that in certain areas, local guidelines and policies may be necessary given different regulatory environments, types of business or local customs. Local management has the freedom to specify such guidelines and policies provided that these will be consistent with this Code of Conduct and Kiadis’ business principles and that they will not affect Kiadis’ good reputation worldwide.

This Code of Conduct was adopted by the Management Board on 31 May 2016.

## **GUIDELINES**

### **Working Environment**

#### **1. Working conditions**

1.1 Kiadis is committed to ensuring the well-being of its Employees and the environment. Human, physical and financial resources will be provided to meet this commitment. These resources will be used to enable Employees to work within an environment that is safe and conducive to attaining high work standards.

#### **2. Equal employment opportunity**

2.1 Kiadis does not tolerate discrimination on the basis of race, color, religion, ethnic or national origin, political opinion, gender, sexual preference, age or disability. This applies to recruitment, hiring, training, promotion and other terms and conditions of

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<sup>1</sup> The Code of Conduct may also be applicable to persons who are not employed by Kiadis but are providing services on the basis of a consultancy agreement or the like. If so, this will be explicitly agreed in the respective agreement and “Employee”, as defined herein, shall be deemed to include such a third party.

employment. It is the responsibility of every supervisory Employee to ensure that discrimination does not occur.

- 2.2 Kiadis supports equal opportunities for its Employees and for qualified applicants to be employed and promoted.
- 2.3 Kiadis is committed to compliance with applicable employment laws everywhere it operates.

### **3. Threats of violence and harassment**

- 3.1 All verbal threats of violent behavior and any type of harassment (verbal, physical, visual or sexual) are unacceptable and prohibited. Kiadis will do its best to avoid any conduct that creates an intimidating, hostile or offensive work environment for its Employees.

## **Business Integrity and Legal Compliance**

### **4. General principle**

- 4.1 Kiadis operates across numerous international markets and diverse ranges of cultures with extensive regulations varying widely from country to country. Kiadis expects every Employee to operate in such a way that best respects local customs and to conduct business with integrity, honesty and fairness, complying in all circumstances with all laws and regulations applicable to Kiadis' business.
- 4.2 Employees who participate in or authorize a violation of the laws, regulations, the Code of Conduct or other policies that apply to or within Kiadis may be subject to sanctions.

### **5. Business integrity**

- 5.1 All Employees are expected to observe the highest standards of business and personal ethics in the discharge of their assigned responsibilities. This means behaving honestly and with integrity at all times, whether an Employee is dealing with other Employees, the public, the business community, shareholders, customers, suppliers or governmental and regulatory authorities. It also means avoiding any questionable relationship with persons or firms with whom Kiadis does or is likely to do business, avoiding disclosure to others of confidential information obtained in the course of Kiadis employment, and avoiding situations which may place Employees in a conflict of interest situation to the possible detriment of themselves and/or Kiadis.
- 5.2 Kiadis strives to deal with all of its customers, suppliers and government agencies in a straightforward and aboveboard manner and in strict compliance with any legal requirements. Employees are prohibited from paying any bribe, kick-back or other similar unlawful payment to any public official, or government or other individual, regardless of nationality, to secure any concession, contract or favorable treatment for Kiadis or the Employee. No undisclosed or unrecorded fund or asset of Kiadis may

be established. Payments on behalf of Kiadis can be made only on the basis of adequate supporting documentation, may be made only for the purpose described by the documents supporting the payment, and must be made in accordance with appropriate corporate accounting procedures.

## **6. Conflict of interest**

- 6.1 Employees are not allowed to use their position to engage in any activity that might create a conflict of interest between Kiadis' and their own personal interests, as such conflict – even incurred unintentionally – could, potentially, damage Kiadis' reputation and financial performance.
- 6.2 "Conflict of interest" generally describes a situation where an Employee's own interest may influence the way he or she handles Kiadis' business. It usually involves a situation where an Employee or Employee's family members can benefit personally from transactions involving Kiadis. While a possible conflict between personal interests and company interests does not always result in damage to Kiadis, its very existence creates an inappropriate condition. Therefore, even the appearance of a conflict of interest should be avoided.

## **7. Securities law and inside information**

- 7.1 Kiadis respects each Employee's right to engage in investment activities and encourages ownership of Kiadis shares, provided that the Employees act in accordance with the following principles and the Insider Trading Policy of Kiadis.
- 7.2 Because Kiadis shares and other securities are owned and traded by the public, Kiadis is obligated by various laws to make prompt, full and fair public disclosure of information that may materially affect the market for its share price. For these reasons, any information that reasonably could be expected to affect the market for Kiadis' share price must be kept strictly confidential until public disclosure is made. Employees who possess material, non-public information and who take advantage of their position to profit (or minimize losses) at the expense of less informed investors may be held civilly or criminally liable. Information is "material" if there is a substantial likelihood that a reasonable investor would consider it important in arriving at a decision to buy, sell or hold shares or other securities. Disclosure of material, non-public information to others who buy or sell securities using that information can result in civil and criminal penalties.
- 7.3 Any person having inside information is prohibited by law from buying or selling Kiadis shares or other securities when that information has not been made public. Trading under such circumstances is illegal whether Employees trade for their own benefit or for the benefit of others. It is also illegal if an Employee does not engage in any securities trading but another person to whom the Employee has disclosed the inside information does such trading. These prohibitions apply to any Employee who has material inside information, not just officers or managers. Although usually considered in the securities law context, the prohibition against using inside

information also includes other transactions where that inside information provides an unfair advantage.

## **8. Gifts**

- 8.1 In general, an Employee is not allowed, in connection with the performance of his or her function, to directly or indirectly accept or stipulate any commission, compensation or reimbursement in any form, or to accept or stipulate any gifts from customers, suppliers or other third parties without prior written permission from his or her supervisor. The stipulation in the first sentence does not apply in as far as it concerns the usual business gifts of value less than EUR 100 (or the equivalent thereof). An exception may be made by the supervisor of the Employee if the gift or other favor is not going beyond common courtesies usually accepted within normal business practice.

## **9. Dishonest and fraudulent activities**

- 9.1 Employees are expected to observe high standards of ethical, personal and professional conduct in the performance of their job responsibilities. Kiadis expects Employees not to engage in dishonest or fraudulent activities. Examples include, but are not limited to, theft of property, falsification of expenses or other records, misrepresentation of an illness or injury. This includes any activity that would aid any person or entity seeking to engage in dishonest or fraudulent behavior.

## **10. Antitrust compliance**

- 10.1 Kiadis is legally required to make its own decisions on the basis of the best interests of the company, completely independent and free from any understanding or agreements with any competitor. This standard requires the absolute avoidance of any conduct that violates, or that might appear to violate, the antitrust laws that forbid any kind of understanding or agreement between competitors regarding prices, terms of sale, division of markets, allocation of customers or any other activity that restrains competition, whether by sellers or purchasers.
- 10.2 In general, joint activity can easily raise antitrust questions and should only be undertaken after confirming with the legal department that the action being considered is lawful. However, actions taken jointly with competitors in furtherance of common legitimate business goals are lawful. Examples of such legitimate business goals include joint ventures and lobbying through trade associations.

## **Use of Information, Communications, Technology Resources, Records**

### **11. General principle**

- 11.1 Kiadis provides Employees with access to technological resources, including the internet, in order to facilitate communication among Employees, services providers,

clients and other parties in connection with its business and to assist Employees in the performance of their duties.

## **12. E-mail & internet compliance**

- 12.1 Kiadis encourages use of email and the internet for business purposes, but all Employees need to be aware of the potential dangers inherent in his or her use both personally and to Kiadis as a whole. This is why this guideline has been developed. It is not intended to be exhaustive.
- 12.2 All computer networks' use by Employees and those connected via the Kiadis computer network shall in principle be for business use only, unless stipulated otherwise in the employment agreement. If an Employee has private matters to conduct, he or she should use a private account. Incidental use of the Kiadis account for private purposes is allowed. Employees are not allowed to visit websites which Employees are deemed to realize may be harmful to Kiadis in general or the computer systems in particular. It is especially not allowed to visit websites of the following categories:
- Sexually explicit
  - Gambling
  - Criminal
  - Violence
  - Drugs/alcohol
  - Hate speech
  - Hacking
  - Weapons
- 12.3 Employees are not allowed to keep files of any type stated in the below list on Kiadis' servers or computers. These files will be deleted upon discovery without prior notice.
- Music files of any format
  - Video files of any format
  - Personal digital pictures
- 12.4 Employees are not allowed to install any additional software on Kiadis' computers without the prior approval of the IT department. Any unapproved software found on Kiadis computers will be removed without prior notice during maintenance intervals.
- 12.5 Employees must conduct business on electronic services as if they are appearing at a public meeting representing Kiadis, or writing a letter on company letterhead. All email systems and communications made on the system remain the sole property of Kiadis. Email use is not private. No one at Kiadis is constantly monitoring what Employees do online, but the nature of the electronic services is to log almost all activity. Kiadis reserves the right to log, archive and inspect the contents of any emails and/or data (transfers) the Employee sends, receives and stores.
- 12.6 IT systems are checked with regular intervals and Kiadis' management will be immediately informed of any discovery of non-compliance with the prohibitions stated above.

- 12.7 Employees are not allowed to use any form of social media to express negative statements, whatsoever, with regard to Kiadis and/or their colleagues.

### **13. Copyright**

- 13.1 While performing their duties, Employees may access and use materials of which the copyright is owned by third parties. Although single copies may be permitted for your own use, further unauthorized copying may violate the owner's copyright and potentially expose Employees and Kiadis to a lawsuit. Therefore, such unauthorized copying is prohibited. Copyright law also protects computer programs. As a general rule, Employees should not copy software except for backup purposes. Any work of authorship, including computer programs created by Employees as part of their job are, subject to local legislation and regulations, the exclusive property of Kiadis.

### **14. Kiadis' records**

- 14.1 Accuracy and reliability of Kiadis' business records are not only mandated by law but are of critical importance to Kiadis' decision-making process and to the proper discharge of Kiadis' financial and legal reporting obligations. All business records, accounts and reports to government agencies and others must be prepared with care and honesty. False or misleading entries in Kiadis' records are unlawful and are not permitted. No officer or Employee, regardless of position, is authorized to depart from this requirement or to condone a departure by anyone else. All company funds, assets and liabilities must be recorded in accordance with appropriate company accounting procedures.
- 14.2 All Employees must ensure that accounting and internal control procedures are strictly adhered to at all times. Employees should advise the responsible person in their department or other appropriate management of any deviations they observe in such procedures. Kiadis' records of its transactions are important corporate assets. The management of each group company must make its own initial determination of how long its records need to be retained, to meet the legal and company reporting requirements.

### **15. Confidential information**

- 15.1 Kiadis is committed to maintaining the confidentiality of confidential information and preventing inappropriate disclosure thereof. Confidential information may include various kinds of information, but certainly includes internal, confidential, proprietary or secret information related to Kiadis' business. Most of Kiadis' know-how and experience are valuable assets. Other examples of confidential information include processes, computer passwords and software, product formulations, business forecasts, plans, strategies and information (including but not limited to financial information) concerning Kiadis' operations, partners, customers and vendors. Confidential information may also be received from other companies or individuals in the course of Kiadis' business.

- 15.2 Employees are not allowed to disclose confidential information to anyone outside of Kiadis without specific authorization, unless an appropriate confidentiality undertaking (the wording of which has been reviewed and approved by the legal department of Kiadis) has been signed by such person outside of Kiadis. This applies both during employment and afterwards.

## **Political and Environmental Considerations, Ethics and Values**

### **16. Politics**

- 16.1 Kiadis believes that it is not advisable to become involved in the internal political affairs of any country. Accordingly, neither Kiadis nor any Employee may make a foreign political contribution on behalf of Kiadis. However, Kiadis has the right and the responsibility to make its position known on any matter which affects itself, its Employees and its clients.
- 16.2 It should be clearly understood that any political activity by Employees must be performed strictly in their individual and private capacities as responsible citizens and not on behalf of Kiadis. No Employee may receive any direct or indirect reimbursement or offsetting refund of any nature whatsoever with respect to political contributions made by them in any form.

### **17. Environmental**

- 17.1 Kiadis is committed acting as responsible citizen, observing environmental standards in all countries in which Kiadis operates. Kiadis strives to minimize the negative impact of its business on the environment and attaches importance to durable innovative measures which lower total costs and raise flexibility, whilst simultaneously relieving the pressure on the environment.

### **18. Ethics and values**

- 18.1 Kiadis will do everything possible to serve the interests of all its stakeholders, to ensure optimal provision of services and, in the event of conflicts, to make sound choices.
- 18.2 Kiadis has a responsibility to govern its assets and to create profitable growth. Kiadis endeavors to pursue an open dialogue with investors/shareholders while at the same time observing its legal obligations relating to confidentiality. Through active engagement with current and prospective investors/shareholders, Kiadis believes it is best able to achieve more accurate valuation for the Kiadis shares and other securities and ensure that investors' risk perception is realistic thereby reducing the scope for surprises.
- 18.3 Kiadis undertakes to act with propriety in its associations with third parties, such as (sub)contractors, suppliers and other firms and organizations with which Kiadis has a business relationship. As far as possible, Employees must ascertain that the (executive) firms they have engaged are bona fide and competent. Kiadis is

committed to comply with the laws, rules and regulations applicable to the conduct of Kiadis' business wherever Kiadis operates. Employees must avoid activities that could involve or lead to involvement of Kiadis or its personnel in any unlawful practice. The employment of Kiadis personnel or the use of Kiadis assets for any unlawful purpose is strictly forbidden. Employees are to be aware of the consequences of their actions for the image of Kiadis.

## **FINAL PROVISIONS**

The responsibility for observing this Code of Conduct, including the duty to seek interpretation when in doubt, rests with each Employee. No Employee in any position is authorized to depart from Kiadis' standards and practices or to condone a departure by anyone else. In summary, Kiadis expects every Employee to use his or her best efforts to meet Kiadis' high ethical and compliance standards.

This Code of Conduct will be reviewed yearly. The Employee can access the most current version via Kiadis' website and is as such deemed to have knowledge of the most current version of the Code of Conduct. Finally, please remember that compliance is an ongoing activity to adhere to the highest standards of honesty and integrity.

Compliance with Kiadis' Code of Conduct is a condition of employment. Failure to comply may result in a range of disciplinary actions including but not limited to termination of the employment agreement.

Employees should report any violation of any of the standards and practices as laid down in this Code of Conduct to their direct supervisor or a senior executive. Such report may be made anonymously via Kiadis' Whistleblower Policy, as posted on [www.kiadis.com](http://www.kiadis.com).