



**Federal Government Business Guidelines**  
***A Supplement to the Kaléo Code of Business Conduct & Ethics***

**July 2020**

## 1. Purpose

Kaleo, Inc. (“Kaléo”) understands that our success depends on our reputation for ethical business performance. Every day, we are expected to perform our jobs honestly, diligently, and with integrity, and in compliance with all applicable laws and regulations. When Kaléo interacts with government agencies, entities, and individuals, or when we have access to government confidential information, we must exercise particular care to properly navigate the requirements in that environment. These Federal Government Business Guidelines (“Federal Supplement”), which is a supplement to Kaléo's Code of Business Conduct and Ethics, provide guidance for commonly encountered issues in the federal public sector. Your compliance with these guidelines is critical to Kaléo's success.

## 2. Scope

**2.1 Scope.** All Kaléo employees, agents, contractors, officers, and directors (collectively “Kaléo employees” or “individuals”) who market to, sell to, or work on projects with a federal government entity or interact with government officials and employees or parties acting on behalf of the government are expected to read and comply with this Federal Supplement. This Federal Supplement is intended to provide clear guidelines for Kaléo employees when selling to, performing work for, or interacting with U.S. government entities, agencies, officials, representatives, or employees. A copy of this Federal Supplement and our Code of Business Conduct & Ethics may be found at [www.kaleo.com/who-we-are/compliance/](http://www.kaleo.com/who-we-are/compliance/).

**2.1.1 Third Parties.** Although third parties are not directly bound by the policies in this Federal Supplement, Kaléo is committed to engaging only those vendors, business partners, and other third parties who embrace and exhibit standards of ethical behavior that are consistent with ours. When Kaléo requires a third party to adhere to these policies, that requirement will be included in a signed contract or other written agreement with the third party.

## 3. General Responsibilities

**3.1 Compliance.** All Individuals are required to comply with and abide by this Federal Supplement.

**3.2 Certification of Understanding and Training.** All Individuals must read and certify their understanding of this Federal Supplement before engaging in activities that are subject to the requirements outlined within. Individuals must certify their understanding of the Federal Supplement annually thereafter or when changes/updates are made.

**3.3 Management Oversight.** Each applicable Department Officer is responsible for ensuring that their respective functional Individuals adhere to this Federal Supplement. Likewise, each employee who oversees and manages another Individual, including any third-party vendors or business partners, is responsible for ensuring adherence to this Federal Supplement.

**3.4 Maintenance.** The Compliance & Business Ethics Department and Legal Department must review this Federal Supplement annually, or more frequently as required. As a result, modifications to this document may be needed to accommodate changes in business and legal requirements.

## 4. Policy Statement

**4.1** This Federal Supplement is incorporated into the Kaléo Code of Business Conduct and Ethics when Kaléo is engaged in business with any federal government entity or parties acting on behalf of a government entity. Kaléo will interact with government customers in an atmosphere of openness and under circumstances that could not be interpreted to imply unethical or improper behavior. It is essential that Kaléo employees who interact with

government entities understand that Government rules and ethical standards are often more stringent than those presented by or required in our relationship with our commercial customers.

- 4.2** The laws and regulations applicable to companies that do business with the Government are complex. This Federal Supplement is intended to provide guidance to Kaléo employees so they may comply with the rules and ethical standards unique to working with the Government. If you have any question or doubt concerning the applicable rules, or what may be considered ethical conduct under the circumstances, you must contact the Kaléo Compliance department for guidance. Contact information is provided at the end of this document.

## 5. Definitions

**Definition of Government.** For purposes of this Federal Supplement, the term “Government” or “government entity” means the U.S. Federal Government, and its associated agencies and departments, and where applicable, other parties acting on behalf of the U.S. Federal Government, which may include a private entity acting within the scope of its duties as a “Consortium Management Firm” pursuant to an existing Other Transaction Agreement. This could include current clients, potential clients, and other third parties with which you may interact. Government entities include traditional government agencies, departments, municipalities, and public enterprises (whether local, regional, or national), as well as entities that may be government owned or controlled, such as schools, utilities, hospitals, and other entities providing a government-funded service. The U.S. federal executive, legislative, and judicial branches, government-affiliated corporations, and quasi-government organizations are also government entities. Before engaging in any business activity, it is your responsibility to determine if a party you are dealing with is a government entity or employee (or a family member of one).

## 6. Seeking Government Work

- 6.1 Government procurements.** Competitions for government business are subject to additional restrictions over and above commercial competitions.
- 6.1.1 While Kaléo is involved in a government competition for a contract or sale, Kaléo employees cannot offer or discuss future employment or business opportunities with any government procurement officials involved in those competitions or offer or give anything of value to those officials (as discussed in the section entitled “Restrictions on Bribes and Improper Gratuities” below). Additionally, in any pre-bid activities, Kaléo employees may not prepare a solicitation document on behalf of a government entity or employee, submit any documents to a government entity, or encourage a government entity to enter into an agreement with us before an award has been made to Kaléo. Kaléo employees also cannot ship, provide, or invoice products or services to a government entity until Kaléo enters into a written agreement and receives a valid order containing the terms and conditions acceptable to the company.
- 6.1.2 Before using any agents or consultants on government sector deals, Kaléo employees must consult with the Legal Department.
- 6.1.3 Kaléo avoids even the appearance of anti-competitive practices, such as price fixing and bid rigging. For example, Kaléo employees will not discuss our pricing approach for government procurements with competitors or agree to artificially increase or decrease our prices.

**6.2 Procurement Integrity.** Government procurements are subject to strict rules to protect the integrity of fair competition.

- 6.2.1 One of the focuses of those rules is to make sure that competitors do not obtain an unfair advantage through access to protected government information, such as source selection information, or proprietary nonpublic information of another competitor, such as a contractor’s bid or proposal information. Seeking or obtaining such information is illegal. Accordingly, Kaléo will not tolerate Kaléo employees who seek or possess unauthorized protected information. All Kaléo employees must ensure that Kaléo is legitimately entitled to any and all information gathered or received for use in a proposal or in how we interact with government entities. Unless you have obtained prior written approval from an authorized government official, you may not obtain oral or written information (including government planning or budgetary information) that has not been released to the general public or that is subject to restrictions regarding its use. Also, you may not obtain or seek non-public information about a competitor’s bid or the government’s decision-making process. These restrictions apply to information obtained from third parties, such as consultants, lobbyists, and others. Before interacting with lobbyists, you should contact the Government Affairs department to ensure your activities are in line with corporate strategy and that any applicable reporting, registration, or other requirements are met.
- 6.2.2 Examples of protected government source selection information include:
  - 6.2.2.1 Bid prices or proposed costs submitted by offerors in response to a government solicitation;
  - 6.2.2.2 Any documents reflecting the Government agency’s plans for the competition, including source selection and technical evaluation plans;
  - 6.2.2.3 Any documents reflecting the Government agency’s evaluations of offerors’ proposals, such as competitive range determinations, rankings of offerors, selection committee reports, and award recommendations; and
  - 6.2.2.4 Any documents marked “source selection information” or with a similar legend.
- 6.2.3 Examples of protected competitor bid or proposal information include:
  - 6.2.3.1 Any information related to cost or pricing, methods for developing cost or pricing, or indirect costs and labor rates that is not in the public domain;
  - 6.2.3.2 Any information about proprietary processes and business strategy that is not in the public domain; and
  - 6.2.3.3 Any documents marked as “contractor bid or proposal information.”
- 6.2.4 If such information inadvertently comes into the possession of a Kaléo employee, the employee must isolate and secure the information to prevent further distribution and must immediately contact the company’s Compliance Department to explain where, when, how, and from whom the information was received.

<b>Question &amp; Answer</b>
<p><b>Question:</b> A competitor inadvertently left its information at a public meeting. It is not obvious from the face of the information if it is public. Can I retain the copy?</p> <p><b>Answer:</b> No. You should not retain the document and should immediately stop reviewing any information contained in the document. You should immediately inform the meeting organizer that the information was left behind. You should report the incident to the company’s Compliance Department for proper handling.</p>

### Question & Answer

**Question:** I received an e-mail from a government employee and attached to the email is a document marked “source selection information,” and it appears to describe the agency’s needs for future bids. What should I do?

**Answer:** You should immediately stop reviewing any information contained in the document and promptly contact the company’s Compliance Department for direction on proper handling. Do not provide the e-mail or its attachment to any other Kaléo employees.

**6.3 Pricing and sales information.** In connection with contract awards and modifications, the Government may require Kaléo to provide historical pricing information (including commercial sales practices and commercial or Government sales history) to allow it to compare such information to the pricing offered by Kaléo and to negotiate a “fair and reasonable” price.

6.3.1 In some cases, Kaléo may be asked to certify that the information is “current, accurate, and complete.” Kaléo employees must understand that these requirements are to be taken very seriously, and only authorized Kaléo employees may provide the requested information after coordinating with the company’s Legal, Compliance, and Finance departments. Kaléo will ensure that the information provided is current, accurate, and complete. Even if Kaléo is not required to sign a certification, Kaléo will ensure that the information provided is accurate and not misleading.

### Question & Answer

**Question:** We are negotiating a sale with a government customer. The customer representative requested that we provide her with samples of commercial transactions and applicable pricing at which the product was previously sold. I know of several transactions; may I simply provide this information to her?

**Answer:** No. Please contact Kaléo's Legal Department. Legal will help ensure that the information provided is current, accurate, and complete, and that it is provided in a manner consistent with Kaléo's responses to similar customer requests.

## 7. Performing Government Work

**7.1 Government contracts and subcontracts.** Once awarded, Kaléo will perform all contracts in compliance with their specifications, requirements, terms, and conditions. Kaléo will not substitute a different product or service for that promised to the Government or higher-tier contractor without appropriate approvals. Kaléo will not mischarge or overcharge the Government.

**7.2 Recordkeeping.** When performing on government projects, Kaléo is at a minimum required to maintain records of the activities performed and funding expended under the projects and the results of any studies analyses, tests, and other investigations conducted. Kaléo employees will record and report all information accurately and honestly. No employee will sign or submit, or permit others to sign or submit on behalf of Kaléo, any document or statement that he or she knows or has reason to believe is false. Kaléo employees must retain books and records in accordance with Kaléo's record retention policies. Books and records include invoices, timecards, expense reports, internal or external memoranda, correspondence, and other communications, including telephone, e-mail, or wire

communications. When performing government work, Kaléo's recordkeeping is subject to heightened scrutiny and additional retention requirements. Specifically, Kaléo is required to retain financial records for a period of five (5) years after final payment of the applicable project.

**7.3 Invoicing.** Kaléo shall maintain an acceptable accounting system, including related controls, that allows it to comply with Generally Accepted Accounting Principles (GAAP) and to ensure that all cash receipts and disbursements are controlled and documented properly. For government contracts, Kaléo shall segregate and track all individual project costs separately and shall document the accomplishments of each Payable Milestone under each Project Agreement. When submitting invoices for reimbursement under government contracts, Kaléo will comply with all government requirements including if applicable the truthful and accurate submission of any required certifications. Kaléo will follow federal and state guidelines limiting reimbursement for travel. As a result of these policies and requirements, Kaléo employees must accurately track payments made by the Government and report any identified overpayments to the Kaléo Compliance Department.

**7.4 Government audits.** By contracting with the Government, Kaléo has agreed that the Government may examine certain Kaléo financial records and cost data, and, in some cases, may interview Kaléo employees. Some Kaléo information, such as information prepared for internal decision-making purposes, may not be subject to the Government's record examination rights. When the Government audits Kaléo's contracts and associated records, Kaléo employees should confer with Kaléo's Legal and Finance departments. Should questions about procedures or requirements arise in the course of the audit, contact the Compliance Department for assistance.

## 8. Restrictions on Bribes and Improper Gratuities

**8.1** Kaléo employees will conduct its business with government customers with integrity, fairness, and openness. All Kaléo business transactions with the Government must be free from even the perception that favorable treatment was sought or received in exchange for any bribes or gifts. Kaléo employees, and the company itself, may face serious penalties or sanctions if we fail to conduct our business with the highest possible degree of integrity. Individuals must comply with the following rules:

**8.1.1 Bribes.** Kaléo employees must never offer, promise, or give, either directly or indirectly (through an intermediary such as an agent), anything of value to government employees in order to influence the employee or an official act or in exchange for favorable treatment. This rule prohibits Kaléo employees from bribing, improperly influencing, or otherwise offering illegal gratuities to government employees. In this context, a bribe is offering, promising, or giving something of value to a government employee with the intent to influence that individual or an official act. Kaléo is committed to marketing our products and services solely on their merits and will avoid even the appearance of bribery or the improper influence of Government entities, agencies, officials, representatives, or employees.

**8.1.2 Improper gifts.** When dealing with government employees, practices that may be acceptable in a commercial setting may be unacceptable, or even against the law. Consistent with our Code of Business Conduct & Ethics, you are prohibited from offering any gifts, entertainment, or anything else of value, directly or indirectly, to government employees or their families, as well as any private individual or entity acting on behalf of the government. Many jurisdictions limit or restrict what a government employee can accept in terms of meals. Therefore, you must contact the

Compliance Department before offering or providing any meal to a government employee or person working on behalf of the government.

- 8.1.2.1 For purposes of this restriction, a “gift” is defined very broadly and includes anything of value, including any gratuity, favor, discount, entertainment, hospitality, transportation, travel, loan, forbearance, training, or other item of monetary value, whether provided in-kind or through reimbursement. The restriction on providing gifts to government employees extends to circumstances that one might not normally consider involving a “gift” or might otherwise consider to be a business courtesy. Because of this, kaléo employees should operate under the assumption that any gift to a government employee is improper.
- 8.1.2.2 The restriction on accepting or soliciting gifts applies to all employees of the Government, including employees who only work part-time for the Government, and regardless of pay or leave status. It might not always be apparent who is a Government employee, and thus, it is important to err on the side of caution and to consult the company Compliance Department for advice.
- 8.1.2.3 Kaléo employees should operate under the assumption that any gift to a government employee is improper. However, there are certain limited exceptions and exclusions to the gift restriction. Examples of acceptable gifts include:
  - 8.1.2.3.1 Unsolicited gifts with an aggregate market value of \$20.00 or less, provided that the aggregate market value of individual gifts received from does not exceed \$50.00 in a calendar year;
  - 8.1.2.3.2 Modest items of food or refreshment, such as coffee, soft drinks, or donuts offered in connection with a business meeting and other than as part of a meal;
  - 8.1.2.3.3 Items with little intrinsic value, such as greeting cards, certificates of appreciation, trophies, and plaques;
  - 8.1.2.3.4 Opportunities and benefits, such as favorable rates and commercial discounts, that Kaléo offers to the public; or
  - 8.1.2.3.5 Gifts based on personal or family relationships with the government employee that exist outside of the Kaléo contractor relationship and that are motivated by the personal relationship, not the employee’s government position.
- 8.1.2.4 There are important limitations on even these nominal exceptions to the prohibition on offering gifts to government employees. Kaléo employees must never provide gifts of cash, cash equivalents (*e.g.*, gift cards issued by a credit card company), or investment instruments (*e.g.*, stocks, bonds) of any value. Kaléo will not provide multiple gifts that, when aggregated, would total more than \$50 to a single government employee in one year. Kaléo will not provide nominal gifts on a regular basis. For instance, employees may not deliver low-value items to our government clients on a recurring basis that could create the appearance that Kaléo is trying to improperly curry favor or create a conflict for the government employees. Additionally, even low value items provided at certain times, such as after a presentation related to a prospective contract award, may

lead a reasonable person to question whether Kaléo was seeking to influence an official action (e.g., contract award); therefore, gifts or perceived gifts should not be provided during or around these circumstances.

8.1.2.5 The safe harbor for acceptable gifts is very limited, and it is often difficult to determine if a gift is permissible. Therefore, you must consult the company's Legal and Compliance departments for approval before providing a gift or anything of value (no matter the amount) to a government employee, unless it fits squarely within one of the exceptions. If there is any doubt as to whether a gift might fall under an exception, you should refrain from offering even a nominal gift or else seek advance approval from the company's Legal and Compliance departments. For additional information, please see the Kaléo Code of Business Conduct & Ethics, which can be found at [www.kaleo.com/who-we-are/compliance/](http://www.kaleo.com/who-we-are/compliance/).

8.1.3 **Kickbacks.** In addition to rules prohibiting bribes and improper gratuities to Government employees, Kaléo employees are also prohibited from giving or receiving kickbacks. Kickbacks are defined as any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime contractor, prime contractor employee, subcontractor, or subcontractor employee *for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract, or in connection with a subcontract relating to a prime contract*. Kickbacks are prohibited whether given or received directly or included as part of a contract price. While the specific rules regulating bribes and improper gifts to Government employees do not apply in the same way to non-Government employees, Kaléo employees should generally refrain from the giving or receiving of gifts or any other item of value to or from employees of Kaléo's existing or potential subcontractors and suppliers on government contracts that would in any way be construed as being for the purpose of improperly influencing Kaléo in connection with its work on a government contract, and regardless, must contact the [Compliance Department] before offering or accepting any such items of value to Kaléo's existing or potential subcontractors.

## 9. Other Principles and Rules

9.1 **Conflicts of Interest.** Government employees are prohibited from engaging in any activity that constitutes a personal conflict of interest and are restricted from participating in matters that could undermine their impartiality. Kaléo employees must avoid any circumstances that could create the appearance that a government employee is violating the conflict of interest rules. Kaléo employees will not put government employees in a situation in which their responsibilities to the Government (including their objectivity and judgment) are compromised by an outside transaction or relationship. Determining what circumstances constitute a prohibited conflict requires case-specific consideration and often can prove difficult. If a Kaléo employee is not sure whether a situation poses a potential conflict of interest, he or she must seek guidance from Kaléo's Compliance Department. Kaléo employees must complete Kaléo's annual Conflict of Interest disclosure process and provide updates to the requested information if and when changes to an employee's disclosures occur.

9.2 **Current and Former Government Employees.** Kaléo respects the obligations of current and former government employees. Kaléo understands that individuals often move in and out of



government service and that individuals with prior government experience can bring great value to Kaléo. However, Kaléo also recognizes that restrictions limit our ability to conduct employment discussions with current government employees and that other restrictions limit the ability of former government employees to perform certain functions after leaving the Government.

9.2.1 **Employment discussions with current government employees.** Employment discussions between Kaléo employees and current government employees are subject to certain strict limitations. The general focus of these restrictions is to avoid the appearance of a “conflict of interest.” Kaléo employees must not negotiate employment with a government employee while that employee is participating in a matter involving Kaléo. Given the complexities and risks in this area, you must consult with Kaléo’s Compliance Department and Human Resources Department prior to negotiating or entering into an employment relationship with current and former government employees.

#### Question & Answer

**Question:** A government employee with whom I worked on a government project some time ago is planning to retire. She would fit perfectly with our Kaléo team. Can I ask her to work for Kaléo when she retires?

**Answer:** No. Before you propose or offer anything to the Government employee, you must obtain approval from Kaléo’s Compliance Department and Human Resources Department. Additionally, Kaléo will not be allowed to discuss potential employment with her until after she retires or until she disqualifies herself from further participation on matters involving Kaléo.

9.2.2 **Government employees as consultants.** Current government employees may be allowed to enter into consulting arrangements with Kaléo. However, such relationships are subject to strict limitations and government pre-approval requirements. Before discussing a potential consulting relationship with a government employee, you should seek prior approval from Kaléo's Compliance department.

9.2.3 **“Revolving door” restriction.** Potential concerns do not end once Kaléo hires a former government employee. Former government employees are subject to complex “revolving door” and other restrictions that place limits on their post-government activities. Kaléo employees, including former government personnel and those with whom they work, must coordinate with Kaléo’s Compliance and Human Resources Departments to determine which activities former government personnel are restricted from supporting. Further, Kaléo employees involved in employment discussions with current and former government employees are expected to know that certain limitations may apply to the activities the employee would be able to perform if he or she joined the company.

### 9.3 Proprietary and Sensitive Information.

9.3.1 **Sensitive Government information.** Through our relationship with the Government, Kaléo is entrusted with access to non-public government information. Kaléo employees will not discuss, disclose, access, copy, or use sensitive government information without advance, proper authorization or clearance. Kaléo employees are responsible for taking appropriate precautions to make sure unauthorized personnel do not have access to sensitive government information. Kaléo will comply

with any and all Government restrictions on allowing foreign nationals to access sensitive, controlled information. You should contact the [Government Contracts Department] or other appropriate department for help in obtaining the necessary authorizations, or if you have any questions about applicable restrictions. Additionally, Kaléo's contracts with the Government may require Kaléo to handle Federal contract information or Covered Defense Information including but not limited to any Controlled Unclassified Information, which may further require adherence to specific cybersecurity standards, procedures, and practices. Such requirements may also be flowed down to Kaléo's subcontractors and suppliers. Kaléo's employees are committed to proper cyber hygiene and are generally prohibited from misusing Kaléo's information technology systems. If required, Kaléo employees will coordinate with the Legal Department and IT personnel regarding the implementation of any additional cybersecurity standards and procedures necessary to meet the Government's requirements.

9.3.2 **Kaléo proprietary and confidential information.** Protecting Kaléo confidential information is of the highest importance. Kaléo employees are prohibited from using, for their own personal gain, or disclosing to any third party, any confidential or proprietary information that was obtained as a result of their employment or relationship with Kaléo. In addition, Kaléo employees shall take appropriate measures to protect Kaléo confidential information. When Kaléo submits confidential information to the Government, we must observe additional protections beyond those we take with commercial customers. When applicable under a government project, Kaléo employees must mark all data or other materials submitted to the Government using a legend approved by the Legal Department.

9.4 **Combating Trafficking in Persons.** Kaléo supports fundamental human rights and refuses to participate knowingly in business activities that abuse human rights. Kaléo expects its employees to comply with efforts to employ sound business and employment practices that foster human rights.

9.4.1 Accordingly, Kaléo is committed to full compliance with Government laws and regulations that strictly prohibit human trafficking. In accordance with those rules, Kaléo employees, agents, and subcontractors shall not do any of the following:

- 9.4.1.1 Engage in severe forms of trafficking in persons during the period of performance of a Government contract;
- 9.4.1.2 Procure commercial sex acts during the period of performance of a Government contract;
- 9.4.1.3 Use forced labor in the performance of a Government contract;
- 9.4.1.4 Destroy, conceal, confiscate, or otherwise deny access by an employee to the employee's identification or immigration documents;
- 9.4.1.5 Use misleading or fraudulent practices during the recruitment of employees or offering of employment;
- 9.4.1.6 Use recruiters that do not comply with local labor laws of the country in which the recruiting takes place;
- 9.4.1.7 Charge employees' or potential employees' recruitment fees;
- 9.4.1.8 Fail to provide return transportation or pay for the cost of return transportation upon the end of employment for (i) employees who are not nationals of the country in which the work is taking place and who were brought into that country for the purpose of working on a Government contract or subcontract, or (ii) employees who are not United States nationals and who were brought into the United States for

the purpose of working on a Government contract or subcontract, if the payment of such costs is required under existing temporary worker programs or pursuant to a written agreement with the employee (for portions of contracts performed inside the United States);<sup>1</sup>

9.4.1.9 Provide or arrange housing that fails to meet the host country housing and safety standards; or

9.4.1.10 If required by law or contract, fail to provide an employment contract, recruitment agreement, or other required work document in writing in a language the employee understands.<sup>2</sup>

9.4.2 Violations of these requirements have severe consequences and may result in actions against Kaléo employees and agents. Violations can also have significant adverse consequences for the company, including contract termination and debarment from government contracting. It is therefore mandatory that all Kaléo employees adhere strictly to these requirements without exception.

9.4.3 If a Kaléo employee has questions about this policy or has reason to believe there has been a violation, that employee must report the violation to the Compliance Department.

## 9.5 Socio-Economic Requirements.

9.5.1 **Diversity and equal opportunity.** Kaléo places a high value on diversity. All Kaléo employees have the right to work in an environment free from all forms of discrimination and conduct that is harassing, coercive, or disruptive. Kaléo employees must understand that, as a government contractor, Kaléo is subject to a higher standard when it comes to maintaining a positive workplace. Kaléo has in place affirmative action plans. Kaléo will provide equal employment opportunity and will not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin. Neither will Kaléo discriminate against employees on the basis of veteran status, disability, age, or any other characteristic protected by law. Kaléo also prohibits harassment in employment on the basis of any of these factors. This policy applies to all terms and conditions of employment, including recruiting, hiring, transfers, promotions, terminations, compensation, and benefits. Please see our Code of Business Conduct & Ethics for more information or contact the Human Resources Department.

9.5.1.1 Kaléo employees are expected to file an internal or external complaint if they believe that they or someone else has been subjected to work-related discrimination or harassment. To file an internal complaint, promptly notify Kaléo's Human Resources Department. You may also

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<sup>1</sup> These requirements do not apply to an employee who is (a) legally permitted to remain in the country of employment and who chooses to do so; or (b) exempted by an authorized official of the contracting agency from the requirement to provide return transportation or pay for the cost of return transportation. See 48 C.F.R. § 52.222-50(b)(7)(ii). The requirements are modified for a victim of trafficking in persons who is seeking victim services or legal redress in the country of employment, or for a witness in an enforcement action related to trafficking in persons. The contractor shall provide the return transportation or pay the cost of return transportation in a way that does not obstruct the victim services, legal redress, or witness activity. For example, the contractor shall not only offer return transportation to a witness at a time when the witness is still needed to testify. See *id.* § (b)(7)(iii). Note that this paragraph does not apply when the exemptions at paragraph (b)(7)(ii) of the clause apply.

<sup>2</sup> If the employee must relocate to perform the work, the work document shall be provided to the employee at least five days prior to the employee relocating. The employee's work document shall include, but is not limited to, details about work description, wages, prohibition on charging recruitment fees, work location(s), living accommodations and associated costs, time off, roundtrip transportation arrangements, grievance process, and the content of applicable laws and regulations that prohibit trafficking in persons. See *id.* § (b)(9).

contact the company's Compliance Hotline by calling (877) 338-3039 or visiting [lighthouse-services.com/kaleopharma](http://lighthouse-services.com/kaleopharma). All complaints will be thoroughly investigated, and corrective action will be taken where appropriate. Retaliation for filing a complaint will not be tolerated.

- 9.5.2 **Drug-free workplace.** All Kaléo employees are responsible for ensuring a healthy, drug-free work environment. Kaléo will not tolerate controlled substances, illegal drugs, or unauthorized alcohol in the workplace. As a government contractor, Kaléo is under additional scrutiny. Kaléo employees will not unlawfully manufacture, distribute, dispense, possess, or use controlled substances in the workplace. Employees who do not comply with this standard are subject to disciplinary action, including mandatory counseling programs and termination. Pursuant to Kaléo's Code of Conduct, employees are required to "disclose if [they] are under investigation for any criminal offense for which [one] may become excluded, disbarred, suspended, or otherwise ineligible, or which relates to your company business activities." Such disclosure obligations shall apply to criminal drug statutes.

## 10. Frequently Asked Questions

**10.1 Q: Whom should I contact with a question or concern related to this Government Supplement?**

A: You should contact the company's Compliance Department for guidance. Relevant contact information is provided at the end of this document.

**10.2 Q: Are the rules, regulations, and restrictions the same for all Government customers?**

A: Not necessarily. The regulations and the severity of the restrictions may vary depending on the government agency. If you are dealing with a new government customer, seek advice from the company's Compliance Department regarding any potential unique rules.

**10.3 Q: We would like to compete for government business and have not been involved with that sector in the past. What should we do?**

A: Competing for government business and, if successful, performing government work brings with it many unique responsibilities and obligations as highlighted in this Government Supplement. All sales and contracting activity involving government entities must first be coordinated with the company's Compliance Department.

**10.4 Q: An acquaintance works as a part-time technical specialist for the Army. He only spends about 30 percent of his time working for the Government. He spends the remainder of his time doing consulting work. On a day when he is working for the consulting firm rather than the Army, can I take him along to a baseball game at my expense with the intention of discussing his technical background?**

A: No. The acquaintance is a government employee. Even though he did not do any work for the Government on that day and even though he only works part-time for the government, he is still subject to the gift restrictions.

**10.5 Q: We are planning a meeting with program personnel from one of our government customers. Can we provide a catered lunch for the meeting to allow us to work through the lunch hour?**

A: Generally, no. Many jurisdictions limit or restrict what a government employee can accept in terms of meals. Therefore, you must contact the Compliance Department before offering or providing any meal to a government employee or person working on behalf of the government.

**10.6 Q: My friend works for a government agency with which Kaléo does not do any business. Can I give a birthday present to my friend?**

- A: Generally, yes. You would be able to provide this gift because it would be seen as a gift provided based on your friendship rather than based on the friend's government employment. Additionally, your friend's agency does not do any business with Kaléo nor does there appear to be an intent to do business in the future with Kaléo. However, in the absence of a personal or family relationship, you must avoid offering gifts or other business courtesies that are not in accordance with this Government Supplement.
- 10.7 Q: I would like to plan a golf outing with a group of officers from a government purchasing organization that occasionally purchases Kaléo products and services. The greens fees at the golf club are \$75. Can we cover \$20 of the cost for each of the government employees?**
- A: No. A government employee cannot pay the difference to bring an otherwise improper gift within the \$20 exception. Further, given the relationship between Kaléo and the government organization in question, the Kaléo employee should not plan such a golf outing.
- 10.8 Q: I would like to invite a business colleague from the Department of Defense whom I know through a prior Kaléo contract to a charity event that consists of a cocktail reception and a formal presentation. The tickets to the event are being sold for \$300 each. The food, refreshment, and entertainment that will be provided are likely worth no more than \$15 to \$20. Can I provide a ticket to my colleague?**
- A: No. For a charitable event such as this, the market value is based on the value of the ticket, and thus it would be improper.
- 10.9 Q: A high-level group of officials from the Navy is visiting a Kaléo facility. May we give the visitors a Kaléo memento?**
- A: Maybe. Kaléo employees generally may not provide anything of value to government employees. However, there is an exception for items of minimal value under \$20, as long as the aggregate value of gifts from all Kaléo personnel to this person does not exceed \$50 in one calendar year. Thus, you might be able provide a pen, coffee mug, or other low-cost item, so long as the circumstances do not otherwise raise any other concerns. Before providing the Kaléo memento or other item, you should confer with the company's Compliance Department.
- 10.10 Q: Is it permissible for Kaléo or a Kaléo employee to obtain information concerning what a competitor has bid or plans to bid on a government procurement?**
- A: No. It is not permissible for Kaléo or its employees (through a competitor's employee or any other means) to obtain a competitor's proprietary and confidential information related to a government procurement, including information related to pricing. This restriction does not apply to information obtained from publicly available sources.
- 10.11 Q: An employee of one of Kaléo's government customers has asked for help in developing specifications to be incorporated into a future Request for Proposals. May we help develop the specifications?**
- A: You may educate government employees about our products and upon request, Kaléo employees may provide factual information concerning Kaléo products and services. However, in any pre-bid activities, a Kaléo employee may not prepare a specification or solicitation document on behalf of a government entity or employee, submit any documents to a government entity, or encourage a government entity to enter into an agreement with us before an award has been made to Kaléo.
- 10.12 Q: I received an e-mail sent to a number of government procurement officials, and I appear to be the only nongovernment recipient. The title of the e-mail is "DRAFT Technical Report" and it includes a Microsoft Word document of the same title. Should I open the e-mail and attachment to determine whether I was an intended recipient?**
- A: No. The e-mail provides indicators that it contains source selection information. Improper handling could subject you and Kaléo to significant civil and criminal liability. You should not

open the e-mail or the attachment. You should notify the company's Compliance Department immediately. You should not share the e-mail, the attachment, or any information you gleaned from either with any Kaléo employee, except for the individual to whom you reported the e-mail.

**10.13 Q: I have recommended to my supervisor that Kaléo hire a former government technical specialist with whom I have worked in the past. May I discuss potential employment with the specialist?**

A: Kaléo's ability to hire current and former government employees is subject to numerous complex restrictions that limit not only Kaléo's ability to enter into employment discussions, but also limit the scope of the work the former government employee can perform after joining Kaléo. Before discussing the topic of potential employment with a current or former government employee, Kaléo employees must consult with the company's Compliance Department or Human Resources Department to understand the applicable restrictions that apply to the employment discussions and, if hired, would apply to the former government employee after joining Kaléo.

**10.14 Q: One of our employees formerly worked for a government agency that is not a current Kaléo customer. While at that facility, the employee had access to pricing information of one of our competitors. May that Kaléo employee share the information he learned about our competitor with Kaléo employees responsible for pricing government work?**

A: No. That employee has a responsibility to protect confidential information, including a competitor's pricing information that he obtained while working for the Government. The employee may not share the information with any other Kaléo employee. In addition, the company's compliance officer and Human Resources Department should be notified of the employee's prior access to sensitive information and the individual should be "firewalled" from any involvement in procurements for which his prior access to competitor's information could raise even the appearance of impropriety or unfair competitive advantage.

## 11. Document Retention

- 11.1** Individuals must retain all records created relating to this policy to permit adequate monitoring and auditing by the company. Individuals should consult any applicable company document retention policies, procedures, standards, work instructions, training, and document hold orders to determine the duration of retention required.

## 12. Reporting and Discipline

- 12.1 Questions/Assistance.** If you have any questions about how to comply with company policies or SOPs, applicable industry standards, laws or regulations, or training, please speak with your manager or contact the Compliance & Business Ethics Department at [compliance@kaleo.com](mailto:compliance@kaleo.com) or (804) 998-1513.

- 12.2 Reporting.** Kaléo employees are responsible for adherence to the standards set forth in this Government Supplement. If you are ever unsure about what action to take in any situation, including interactions with the Government and Government employees, you should seek guidance. Further, if you have concerns about any aspects of your compliance obligations or those of Kaléo, you should talk to your supervisor or the company's Compliance Department. Employees have a duty not only to comply with applicable law and Kaléo policies, but to report any information that suggests that a violation may or has occurred. Further, any Kaléo employee who is contacted by another employee expressing concerns about questionable practices must immediately report those concerns.

12.2.1 In addition, Kaléo employees must report to the Compliance Department whenever there is credible evidence, in connection with a government contract or subcontract,

that Kaléo has (1) received one or more significant government overpayments; (2) violated a Federal or State criminal law involving fraud, conflict of interest, bribery, or gratuities in relation to a government contract or subcontract; or (3) violated the civil False Claims Act or equivalent State statute.

12.2.2 As outlined in our Code of Business Conduct & Ethics, Kaléo employees who report violations and potential violations will be treated with respect. Kaléo employees will never be penalized for reporting in good faith. If you suspect you are being retaliated against, you should contact one of the resources above. Kaléo will seriously address all reports. Reports made to Kaléo may be disclosed to the Government. Kaléo employees are required to cooperate in any investigations related to potential violations of the Kaléo Code of Business Conduct & Ethics and this Federal Supplement.

12.2.3 If you are aware of a situation that you believe may represent a violation of company policies or SOPs, applicable industry standards, laws or regulations, or training or is otherwise unethical, you should immediately contact Kaléo's Compliance Department by calling the Compliance Hotline at (877) 338-3039 at any time. Calls to the Compliance Hotline may be made anonymously, except where prohibited by

**12.3 Discipline** If the company determines that an Individual has violated company policies or SOPs, applicable industry standards, laws or regulations, or training, appropriate disciplinary measures and remedial action will be taken up to and including termination.

12.3.1 The company reserves the right to take whatever disciplinary measures it determines in its sole discretion to be appropriate in any particular situation, including disclosure of the wrongdoing to governmental authorities.

12.3.2 Nothing in this document changes the at-will nature of employment at the company, where applicable.