

MMV FRAUD DETECTION, PREVENTION AND WHISTLEBLOWER POLICY

1. Purpose

MMV, a not-for-profit product development partnership, was established as a foundation in Switzerland in 1999. MMV's mission is to reduce the burden of malaria in disease-endemic countries by discovering, developing and facilitating delivery of new, effective and affordable antimalarial drugs.

The purpose of this policy is to develop controls that will facilitate the detection and prevention of fraud against MMV. It also provides a framework for protecting the confidentiality of Staff Members reporting a fraudulent or potentially fraudulent activity.

2. Definitions

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| a. ELT | Shall mean the Executive Leadership Team of MMV. |
| b. MMV Foundation Board | Shall mean the highest policy and decision-making body of MMV which ensures that MMV's objectives are efficiently executed by the Executive Leadership Team of MMV. |
| c. Staff Member | Shall mean a person working under an employment contract with MMV. |
| d. Fraud | Shall mean a false representation of a matter of fact - whether by words or by conduct, by false or misleading allegations, or by concealment of what should have been disclosed - that deceives and is intended to deceive. |

3. Scope of Application

This MMV Fraud Detection, Prevention and Whistleblower Policy applies to all Staff Members and all types of potential Fraud. Steps for reporting non-compliance, misconduct or suspected fraud related to research, preclinical or clinical activities are addressed more specifically in the SOP GE-06 Non-compliance, fraud and misconduct.

4. MMV's Culture

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MMV has been keen to create a culture founded on awareness and accountability and to operate within a comprehensive framework of internal controls complete with documented and formalized policies, procedures, processes and other supporting safeguards as needed.

MMV recognizes that Fraud can have a devastating effect and can result in significant financial and other long-term business losses (loss of public trust). Any allegations of Fraud will be taken seriously, with no exceptions. All individuals - regardless of position, title, or tenure with MMV - are expected to remain vigilant and report any suspicious activity.

5. Awareness and Accountability

A vital component of detecting and preventing Fraud is creating a message of awareness and accountability.

- **Awareness:** Staff Members understand the concept of Fraud, what it is, resources available for identifying, understanding and reporting it; and other essential components.
- **Accountability:** Staff Members understand the severe consequences resulting from their involvement in any type of fraudulent activity.

6. Internal Controls

a. Definition and Purpose of Internal Controls

The fundamental goal of a viable, scalable and comprehensive system of internal controls is to ensure that daily operations are performed efficiently and in a timely manner while also establishing the necessary safeguards and supporting policies, procedures and processes for the organization.

Internal controls shall mean:

- The system of practices, procedures and policies intended to safeguard the assets of the organization from Fraud or error and ensure accurate recordkeeping
- The control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse
- The various methods and policies designed to prevent Fraud, minimize errors, promote operating efficiency and achieve compliance with established policies

b. Framework for Internal Controls

MMV has adopted the most widely accepted and utilized framework for internal controls, known as the COSO framework (internal control model established by the Committee of Sponsoring

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Organizations of the Treadway Commission). The COSO sets forth a comprehensive internal control framework consisting of the five following categories:

i. Control Environment

The control environment sets the tone of an organization and is essentially the foundation for all other components of internal controls. Known commonly as the “tone at the top,” the control environment provides structure for the organization. Management’s integrity, ethical values, operating style, delegation of authority and the processes and procedures for effective management are also relevant factors within one’s control environment.

ii. Risk Assessment

Every organization faces numerous risks, some of them being market risk, business risk and other risk factors that could significantly affect an entity as a whole. Risk assessment can only be understood by establishing objectives, the supporting directives and methods of risk management for any organization. By identifying, understanding, managing and responding to risk, organizations have effectively embraced the concept of risk assessment.

iii. Control Activities

Control activities are the policies, procedures, processes and supporting initiatives that help ensure that management’s goals are met. They also help ensure that any risks that may affect the objectives of the organization are addressed. Control activities occur throughout the entire organization and include a wide range of functions such as the following:

- Approval mechanisms
- Authorizations for various activities
- Verifications
- Reconciling for accuracy and completeness
- Reviewing of operating performance in order to ensure the stated objectives are met
- Security of assets throughout the organization
- Rigid segregation of duties and compensating controls as needed

iv. Information and Communication

Information systems are a vital component of any organization, as they are a critical part of a comprehensive internal control framework. Information systems have the ability to generate valuable data such as reports, and they can help the organization run more efficiently. Thus, information must be transparent and communication must be thorough in order to ensure open

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access to organization-wide resources and clear lines of communication that enable the dissemination of information in a timely manner to all parties.

v. *Monitoring*

Internal controls and their supporting systems must be monitored on a daily basis, which must be conducted in the course of normal operations such as daily management and supervisory activities. Moreover, any internal control deficiencies are to be reported immediately to management, which is where corrective action is prescribed. Matters of a more serious nature are reported to the ELT, whereby immediate action is to be taken. An internal control framework is only as effective as the monitoring over these elements themselves.

7. Fraud Reporting and Whistleblower Policy

- All Staff Members are encouraged to disclose any wrongdoing (Fraud, violation of the laws and regulations, unethical behavior or practices, negligence of duty and endangerment to public health or safety) that may adversely affect MMV, its stakeholders, its employees or the public.
- Staff members should act in good faith (without malice or consideration of personal benefit) and shall not make false accusations when reporting a wrongdoing.
- All fraudulent, or potentially fraudulent activities must be reported to:
 - The Chief Executive Officer or to the Head of the Legal Department
 - And to at least one other Executive Leadership Team member (as appropriate)
- Fraudulent or potentially fraudulent activities of the Chief Executive Officer must be reported to the Chairman of the MMV Board by the Head of the Legal Department.

The identity of the whistleblower will be protected at all stages in any internal matter. All Staff Members will be protected from victimization, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and is not made maliciously or for personal gain.

8. Policy Review

This Policy will be maintained by MMV's Quality Manager, subject to regular review by the ELT and approval by MMV's Chief Executive Officer and Head of Legal.

9. Communication

This Policy is available on MMV's intranet and on MMV's website.