

## PHARMATHENE, INC.

### CODE OF ETHICS AND BUSINESS CONDUCT STANDARDS

#### STATEMENT OF PRINCIPLES

PharmAthene, Inc. (hereinafter referred to as "PharmAthene" or the "Company") is committed to quality, innovation and above all ethical professional conduct.<sup>1</sup> Meeting this commitment is only possible because each director, officer and employee of PharmAthene follows high standards of ethical conduct and business practices. Individual integrity supported by a dedicated corporate culture is the pledge that enforces the Company's Code of Ethics and Business Conduct Standards (the "Code of Conduct"). This Code of Conduct applies to all PharmAthene directors, officers and employees (each, a "covered person"). Each covered person shall strive to protect the Company's reputation for integrity and ethical conduct.

PharmAthene is committed to providing a sustainable long-term financial return to our shareholders and to protecting and improving the value of their investment through prudent application of corporate resources and by observing high standards of legal and ethical conduct in all Company business dealings.

#### **Compliance With Laws, Rules and Regulations**

It is the policy of the Company to conduct its business in a manner that meets the highest ethical and moral standards and to comply strictly with all laws and regulations governing its operations. Covered persons are required to obey, and ensure that the Company obeys, all applicable laws, rules and regulations of the United States and other countries, and the states, counties, cities and other jurisdictions in which the Company conducts business. Much of the remainder of this Code of Conduct includes policies that are ultimately designed to comply with specific legal requirements. By way of introduction, this paragraph is included to remind you that compliance with the law means not only following the letter of the law, but also conducting business so that the Company will maintain its reputation for integrity and honesty in carrying out its business activities worldwide. Even where the law is not applicable, standards of ethics and morality apply and require the same diligent attention to good conduct and citizenship.

#### **Responsibility And Accountability**

Covered persons are responsible for ensuring that their own conduct, both at work and away from the office, as well as the conduct of those who report to them and whom they observe, is honest and ethical under all circumstances and fully complies not only with the law but also our policies and the Code of Conduct. Because our reputation for high ethical standards and quality work is so important, violations of the Code of Conduct or other PharmAthene policies may result in disciplinary action (up to and including termination), and/or personal civil or criminal liability.

It is the responsibility of each covered person to read, understand and comply with the Code of Conduct and to diligently comply with our other policies and procedures. If you have any questions regarding specific policies, discuss them promptly with the Company's Corporate Compliance Officer (the "Compliance Officer"). You will be required to certify to your understanding of the Code of Conduct on an annual basis.

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<sup>1</sup> This Code of Conduct applies to PharmAthene, Inc., and all of its subsidiaries and affiliates. As used in this Code of Conduct, "PharmAthene" or "Company" includes such entities.

## CONDUCT REGARDING BUSINESS ACTIVITY

### Conflicts Of Interest

We are all, in effect, stewards of the Company's business for our shareholders, and we owe the Company the highest degree of loyalty and personal integrity. We must not use our position of trust and confidence to serve our own personal interests, nor should we allow ourselves to be placed in a position where a conflict between our interests and the interests of the Company might exist or even be perceived. As such, each covered person should avoid any situation that might lead to a real or apparent conflict of interest in our dealings with vendors, suppliers, customers, partners, consultants and other companies, between his/her self-interest and his/her duties and responsibilities as an employee, officer or director of the Company.

A conflict of interest exists when your duty to give undivided loyalty to the Company can be prejudiced by actual or potential personal benefits being derived from another source. Although the following list is not exhaustive, some examples of situations in which a conflict of interest may arise are as follows:

- When a covered person takes actions or has interests that make it difficult to perform work for the Company objectively and effectively.
- When a covered person receives improper personal benefits as a result of the person's position with the Company.
- When a covered person uses corporate property or nonpublic information gained in his or her employment with the Company for his or her own advantage.
- When a covered person competes with the Company.
- When a covered person learns of a business opportunity through association with the Company and discloses it to a third party or invests in the opportunity without first offering it to the Company.

Covered persons should not cause or permit the Company or themselves to have a conflict of interest. Covered persons are expected to avoid any investment, interest, association or relationship which interferes with or might interfere with their independent exercise of judgment in the Company's best interests. Covered persons should also avoid any situation in which a personal interest or a family member's interest may conflict (or appear to conflict) with the interests of the Company.<sup>2</sup>

Disclosures of personal interest or other circumstances which might constitute conflicts of interest must be made promptly by covered persons to the Compliance Officer. The Compliance Officer will arrange for resolution in a manner best suited to the interests of the Company with a reasonable view to the covered person's needs. A covered person may proceed with a transaction that is, or may be, a conflict of interest only after receiving prior written approval from the Compliance Officer.

If you are a PharmAthene officer and are requested to serve as an officer or director of another corporation or business, you must obtain the approval of the Compliance Officer before accepting the position. All covered persons are bound by the Company's *Conflicts of Interest Policy*. (See PharmAthene's Conflicts of Interest Policy – APPENDIX A).

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<sup>2</sup> For the purposes of this Code of Conduct, family members include spouse, children, stepchildren, parents, brothers, sisters, grandparents, in-laws and any person living in the same household.

### **Corporate Opportunity**

Covered persons owe a duty of loyalty to PharmAthene and are expected to advance its legitimate interests when the opportunity to do so arises. If a covered person learns of a business or investment opportunity through the use of corporate property or information or his or her position at PharmAthene, such as from a competitor or actual or potential customer, supplier or business associate of PharmAthene, he or she may not participate in the opportunity or make the investment without the prior written approval of the Compliance Officer. Such an opportunity should be considered an opportunity for PharmAthene in the first instance. A covered person may not use corporate property or information or his or her position at PharmAthene for improper personal gain, and may not compete with PharmAthene. For example, you should not acquire any interest in a company when you know that PharmAthene may take or is taking steps to acquire an interest in that company. All covered persons are bound by the Company's *Corporate Opportunity Policy*. (See PharmAthene's Corporate Opportunity Policy – APPENDIX B).

### **Gratuities, Gifts and Favors**

Covered persons and their family members may not accept gifts, entertainment, employment or business opportunities or other favors that could influence (or appear to influence) impartial performance of the covered person's job or duties or that could place the covered person under an obligation to a party dealing or attempting to deal with the Company.

Covered persons, either in the Company's name or individually on behalf of the Company, shall not offer, promise, authorize or arrange any payment or gift of any kind to a political party or candidate, government or military employee or agent, or their families anywhere in the world. Nominal gratuities may be permissible in limited situations, but not without first consulting with the Compliance Officer.

The Foreign Corrupt Practices Act ("FCPA") prohibits U.S. companies from making improper payments or gifts to foreign officials. All covered persons are bound by the Company's *FCPA Policy*. (See PharmAthene's Foreign Corrupt Practices Act and USA PATRIOT Act Policy – APPENDIX C).

### **Insider Trading/Tipping**

Since PharmAthene is a publicly-owned company, the Company has legal obligations to be especially vigilant in safeguarding material, non-public information of the Company from disclosure both inside and outside the Company. It is a violation of federal law for anyone with knowledge of such information to buy or sell PharmAthene stock, or to make any unauthorized disclosure of such information (known as "tipping"). All covered persons are bound by the Company's *Insider Trading Compliance Program*. (See PharmAthene's Insider Trading Compliance Program – APPENDIX D).

### **Communications**

As a publicly-owned company, PharmAthene has an obligation to ensure that all communications of material information are timely, factual, accurate, transparent, consistent and credible, and in compliance with the applicable legal requirements of the various regulatory agencies to which the Company is subject, including, without limitation, the requirements of the Securities and Exchange Commission (the "SEC"). It is imperative that communication be consistent in good times and bad, that selective disclosure is avoided at all times and that all parties in the investment community have fair access to information. All covered persons are bound by the Company's *Corporate Communications Policy*. (See PharmAthene's Corporate Communications Policy – APPENDIX E).

### **Acting In The Best Interest of The Company; Nondisparagement**

It is the responsibility of each covered person to conduct himself or herself in a manner, both publicly and privately, that serves the best interests of the Company and presents the Company and its customers in the best possible light. To that end, covered persons are not permitted to make any statement, publicly or privately, that would disparage the Company or any director, officer or other covered person or that

would have a harmful effect upon the interests of the Company, any of its customers or its shareholders. In particular, under no circumstances should any covered person make any statements to the news media that disparage the Company, the Company's customers, or the Company's officers, directors or employees. These policies are not intended to restrict covered persons from making statements to fellow covered persons in the course of carrying out their duties with the Company, from making private statements to persons other than customers or competitors of the Company or members of the press or the financial community that do not have a material adverse effect upon the Company, or from making statements in good faith that are required by law, regulation or order of any court or regulatory commission, department or agency.

### **Confidentiality**

Nonpublic information regarding the Company, its businesses, covered persons, customers or suppliers is confidential. As a covered person you are trusted with such confidential information. You are only to use such confidential information for the business purposes of the Company for which they were intended. Confidential information should not be shared with anyone outside the Company, including family members or friends, or other covered persons who do not need the information to carry out their duties, except when disclosure is authorized by the Compliance Officer or legally mandated.

### **Fair Dealing**

The Company seeks to outperform our competition fairly and honestly and to seek competitive advantages through the superior performance of the members of our team. Covered persons are expected to deal fairly with the Company's customers, suppliers, and competitors. Misappropriating proprietary information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. No one should take unfair advantage of another through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

### **Government Contracts**

As a government contractor, we have a special obligation to the U.S. Government, and to the public at large, to ensure that we administer our contracts and deliver our products and services in a manner that fully satisfies both our legal obligations and our own high standards of integrity and quality. We are committed to compliance with the letter and spirit of the laws and regulations governing contracting with the U.S. Government. These laws and regulations impose requirements not traditionally associated with other commercial business transactions.

Moreover, special care should be taken by all covered persons to assure that all information provided to a government agency in any correspondence, bid, quotation, application, certificate or other document is true, accurate and not misleading. It is essential that the Company comply strictly with these terms. All deviations must be approved in writing by a government representative with the title equivalent to "Contracting Officer." The government may reimburse only those costs incurred in performance of, or allocated to, a specific contract. Certain types of costs are not allowed at all. Mischarging of costs is a serious offense, and clearly prohibited by the Company.

Among the types of activities which are prohibited are:

1. Conspiracies and understandings between the Company and its competitors regarding prices, bids, customers, territories and other competitive matters. Precautions should be taken to avoid giving even the appearance of such conspiracies or understandings in industry meetings, discussions, correspondence and other communications with competitors.
2. Agreements or understandings with competitors or customers not to deal with a particular customer or supplier.

3. Distributor arrangements which unduly limit selection or pricing available to their customers or to ultimate consumers of our products and services. All resale pricing agreements, group boycotts, and product tying arrangements are prohibited.
4. Use of financial or other strengths of the Company to gain an unfair advantage in competitive businesses. Examples include: deception; intimidation; disparagement; bribery; misappropriation of trade secrets; and coercive reciprocal dealing.

Violations of antitrust laws can result in expensive lawsuits and substantial civil and criminal penalties, and in some countries carry criminal sanctions for the responsible persons.

### **Accuracy of Financial Records/Financial Representations**

As a public company, our filings with the SEC must be full, fair, accurate, and timely and include understandable disclosure of information that is required to be made public pursuant to the applicable securities laws of the United States. Because of the importance of this issue, the Board of Directors has been charged with responsibility for ensuring that every covered person has a means of reporting, anonymously and confidentially, any concerns about the manner in which the Company's financial statements or public reports are prepared, the sufficiency of its internal financial controls, the honesty or competence of its financial management or independent auditors or any other matter regarding any accounting or auditing matters. Procedures for such reporting are set forth in the Company's *Whistleblower Policy*. (See PharmAthene's Whistleblower Policy – APPENDIX F).

### **Equal Opportunity**

The Company is committed to providing a safe, orderly, diverse and tolerant work environment that is free of any discrimination or harassment. It is up to all of us to maintain this environment by granting others the same respect, cooperation and dignity that we deserve ourselves. PharmAthene is an equal opportunity employer. PharmAthene does not discriminate against any individual with regard to any term or condition of employment or the provision of services on account of race, color, religion, sex, age, national origin, disability, sexual orientation, ancestry, veteran or marital status or any other characteristic that is protected under any applicable law. This applies to all areas of employment, including hiring, training, scheduling, advancement, compensation, benefits, discipline and termination. In addition, PharmAthene prohibits sexual or any other kind of harassment of covered persons in the workplace by any person. (See PharmAthene's Equal Employment Opportunity Policy located in the Company's Employee Handbook).

## **CONDUCT REGARDING OUTSIDE ACTIVITIES**

### **Responsible Citizenship**

PharmAthene is a responsible corporate citizen committed to improving the communities in which we operate. PharmAthene actively supports initiatives designed to improve the communities in which our employees reside. PharmAthene encourages covered persons to take part in community activities. In doing so, covered persons act only on behalf of themselves and not as representatives of the Company unless authorized to do so by the Compliance Officer.

### **Political Activities**

Personal participation in political activities is separate from corporate activities. While the Company encourages individual participation in the political process, no covered person should create the impression of speaking or acting on the Company's behalf without specific authorization. The Company's name, trademarks and other property, i.e., stationery, business cards, etc., and work time are not to be used in connection with such activities. Additionally, Political campaigning on Company property is prohibited.

## **CONDUCT REGARDING PHARMATHENE FACILITIES AND PROPERTY**

### **Use and Protection of Company Assets**

All covered persons are responsible for the protection and appropriate use of PharmAthene assets. All Company property is to be used for legitimate business purposes only. Company property includes corporate funds, facilities, equipment, computers, software, inventory, office supplies, technologies, concepts, intellectual property, product development strategies and projects, business strategies and plans, customer lists, personnel data, marketing and sales plans, Company phone directories, organization charts, service cost and pricing data, financial data and all other proprietary information about the Company's business and employees, including but not limited to, the Company's standard operating procedures and related manuals. Procedures for the retention and destruction of the Company's documents and materials are set forth in the Company's *Document Retention Policy*. (See PharmAthene's Document Retention Policy – APPENDIX G). Theft, careless or negligent use, or loss of Company property may subject the offending person to disciplinary action up to and including termination of employment and, where appropriate, referral to law enforcement authorities.

All of the Company's information systems, including communications systems, magnetic media, e-mail, voice mail, and intranet, extranet and internet access systems are the Company's property and generally must be used only for business activities. Incidental personal use is permissible as long as it does not consume more than a trivial amount of resources, does not interfere with productivity, does not preempt any business activity, is otherwise appropriate and reasonable and is consistent with the Company's business values and this Code. The Company reserves the right at any time to access, read, monitor, inspect and disclose the contents of, postings to and downloads from all of the Company's information systems.

No one may use the Company's information systems to access, view, post, store, transmit, download, or distribute any profane, obscene, derogatory, harassing, offensive or inappropriate materials. Additionally, no employee may use these systems to send Company information or copyrighted documents that are not authorized for transmittal or reproduction. (See PharmAthene's Electronic Communication Policy located in the Company's Employee Handbook).

### **WAIVERS**

Covered persons are expected to follow this Code of Conduct at all times. Generally, there should be no waivers to this Code of Conduct, however, in rare circumstances conflicts may arise that necessitate waivers. Waivers will be determined on a case-by-case basis by the Compliance Officer as appropriate; provided, however, that waivers for officers and directors of the Company may be determined only by the Board of Directors who shall have the sole and absolute discretionary authority to approve any deviation or waiver from this Code of Conduct with respect to any director or executive officer. If the Board of Directors grants a waiver, including an implicit waiver or failure to take action within a reasonable period of time, regarding a material departure from a provision of this Code of Conduct by the Chief Executive Officer or the Chief Financial Officer that waiver shall be promptly disclosed to shareholders in accordance with SEC requirements. The Board of Directors may have granted waivers to certain covered persons regarding certain conflicts of interests between the covered person and the Company, which were in existence prior to the adoption of this Code of Conduct.

## **SEEKING GUIDANCE, REPORTING AND INVESTIGATION OF SUSPECTED VIOLATIONS**

This Code of Conduct cannot provide definitive answers to all questions. If you have questions regarding any of the policies discussed in this Code of Conduct or if you are in doubt about the best course of action in a particular situation, you should seek guidance from the Corporate Compliance Officer.

It is your responsibility to report suspected violations of law, the Code of Conduct or other PharmAthene policies. For this purpose, the Board of Directors has elected Philip MacNeill as the Corporate Compliance Officer. He can be reached at (410) 269-2594 or by e-mail at Philip.MacNeill@pharmathene.com. PharmAthene also has an available hotline, at 1 (877) 269-2623, or e-mail at CorporateCompliance@pharmathene.com where reports of potentially illegal, unauthorized or inappropriate conduct can be made confidentially at any time.

All reported violations will be promptly investigated and treated confidentially to the extent reasonably possible. It is imperative that reporting persons not conduct their own preliminary investigations. Investigations of alleged violations may involve complex legal issues, and acting on your own may compromise the integrity of an investigation and adversely affect both you and PharmAthene.

It is a violation of the law and PharmAthene policy to retaliate against any employee for reporting in good faith suspected violations of the Code of Conduct or any other PharmAthene policy.

It is the responsibility of a covered person to have a reasonable basis on which to conclude that inappropriate activity may be occurring. This requires that the disclosing person have some evidence that has led to a good-faith conclusion that conduct may be inappropriate. If, after investigation, it appears that a covered person made a frivolous or bad faith allegation of improper conduct, such covered person may be subject to discipline up to and including termination of employment.

**PHARMATHENE, INC.**

**CERTIFICATION OF UNDERSTANDING AND COMPLIANCE**  
**Code of Ethics and Business Conduct Standards**  
**(Year 2016)**

I have read, understand, and agree to comply with PharmAthene, Inc.'s Code of Ethics and Business Conduct Standards.

\_\_\_\_\_ New Hire

\_\_\_\_\_ Annual Certification

\_\_\_\_\_  
*Name (Please Print)*

\_\_\_\_\_  
*Employee ID Number*

\_\_\_\_\_  
*Signature (which certifies that you have read, understand and agree to comply with PharmAthene's Code of Ethics and Business Conduct Standards and that you understand this certification is a condition of your employment.)*

\_\_\_\_\_  
*Date*

***Promptly return this executed Certification page to Sandy Dufoe- Human Resources***

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