

CONFLICT OF INTEREST POLICY

1. PURPOSE

At SIGA, we expect all employees, officers, and directors to act in the best interest of the Company. This means that business decisions and actions in the course of your employment should be based on the best interests of SIGA, and not based on personal relationships, personal benefits, or other conflicts of interest. All SIGA business decisions must be and appear impartial.

Moreover, SIGA is a public company subject to scrutiny by and accountable to investors as well as governmental authorities. Consequently, there exists a fiduciary duty between SIGA and its board, officers, and management employees and the public, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of SIGA honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of SIGA. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with SIGA or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

As a government contractor or potential government contractor, the Company must also identify, avoid, or mitigate any “**organizational conflicts of interest**.” These types of conflicts arise when the Company is unable or potentially unable to render impartial assistance or advice to the government, perform its responsibilities to the government in an objective manner, or have an unfair competitive advantage. A common example arises when companies participate in the preparation of specifications or work statements for the government’s use in a competitive procurement for which the Company later places a bid. As described in this policy, SIGA personnel are required to report all facts or circumstances that may give rise to an organizational conflict of interest as soon as they are aware of such potential conflict.

Additionally, SIGA conducts research and development. This policy promotes objectivity in research by establishing standards to ensure there is no reasonable expectation that the design, conduct, or reporting of research will be biased by any conflicting financial interest of a SIGA employee, officer, or director. This policy is in line with federal regulation 42 CFR 50.604.

This policy provides guidance for SIGA employees, officers, and directors to ensure that SIGA avoids all such potential and actual conflicts of interest that may affect SIGA’s business.

2. DEFINITIONS

2.1 Investigator

An “Investigator” is defined as the Principal Investigator and any other person who is responsible for the design, conduct, or reporting of research funded by the NIH, or research proposed for such funding, including subgrantees, contractors, or collaborators. The definition of Investigator includes the Investigator’s spouse and dependent children.

2.2 Research

A systematic investigation, study or experiment designed to develop or contribute to generalizable knowledge. The term encompasses basic and applied research (e.g., a published article, book or book chapter) and product development (e.g., a diagnostic test or drug) and also includes any activity for which research funding is available through a grant or cooperative agreement, research grant, or research contract.

2.3 Significant Financial Interest (SFI)

A “Significant Financial Interest” is defined by the regulation as anything of monetary value, **including** but not limited to:

- salary or payments for services other than remuneration from SIGA (e.g., consulting fees or honoraria);
- equity interests (e.g., stocks, stock options or other ownership interests);
- intellectual property rights (e.g., patents, copyrights and royalties from such rights).

Significant Financial Interests do not include:

- Salary, royalties, or other remuneration from SIGA.
- Any ownership interests in SIGA.
- Income from seminars, lectures, or teaching engagements sponsored by public, government, or nonprofit entities.
- Income from service on advisory committees or review panels for public or nonprofit entities.
- An equity interest that when aggregated for the SIGA User and the SIGA User's spouse and dependent children, meets both of the following tests:
 - Does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a five percent ownership interest in any single entity.
 - Salary, royalties or other payments that when aggregated for the Investigator and the Investigator's spouse and dependent children over the next twelve months, are not expected to exceed \$10,000.

3. RESPONSIBILITIES

3.1 Initiator

The initiator is responsible for updating/maintaining this policy when procedures or regulations change.

3.2 User

The Users of this policy include SIGA employees, officers, and temporary staff members. This policy is particularly important for all employees who can influence the actions of SIGA. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning SIGA. In addition, this policy is particularly important for those employees who may serve as a Principal Investigator on any federally funded research project. All Users are responsible for reading, understanding and following this policy.

Users are also responsible for ensuring that all third parties (*i.e.*, consultants, representatives) and subcontractors comply with the requirements established herein. Users who have business relationships with such third parties and subcontractors must ensure that these entities comply with any conflict of interest requirements imposed on SIGA, including FAR regulations imposed by any relevant government grants and government contracts. As applicable, this can be achieved by incorporating any relevant FAR clauses in SIGA's agreement with the third party or subcontractor, imposing SIGA's Conflict of Interest Policy on the subcontractor or third party, or reviewing the subcontractor or third party's own conflict of interest policies to ensure they comply with any government requirements.

4. SITUATIONS WHERE CONFLICTS MAY ARISE

4.1 Conflicts of interest may arise in the relations of Users with any of the following types of third parties. The types of third parties on this list (each a "Conflicting Party") are meant to serve as examples of potentially conflicting parties, and are not intended to be all inclusive. Users are encouraged to discuss any potential conflict of interest situations with their supervisor.

4.1.1 Persons and firms supplying goods and services to SIGA.

4.1.2 Persons and firms from whom SIGA leases property and equipment.

4.1.3 Persons and firms with whom SIGA is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.

4.1.4 Competing organizations.

4.1.5 Investors and others supporting SIGA.

4.1.6 Agencies, organizations, and associations which affect the operations of SIGA.

4.1.7 Family members, friends, and other employees.

5. NATURE OF CONFLICTING INTERESTS

5.1 A Conflicting Interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 4 (or any other Conflicting Parties) that may conflict with the interests of SIGA. Such an interest might arise through the following examples, which are only illustrations of possible Conflicting Interests:

5.1.1 Owning stock or holding debt or other proprietary interests in any Conflicting Party dealing with SIGA.

5.1.2 Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) by any Conflicting Party dealing with SIGA.

5.1.2.1 Users must obtain prior written authorization from the Corvallis Compliance Officer, or the Corporate Compliance Officer, to serve as a director, general partner, manager, officer, or in any similar position with any privately held or public business entity, or as an appointee to any kind of governmental or quasi-governmental agency or body. Service solely as a director or trustee of a nonprofit corporation engaged in charitable activities does not require approval unless that activity may give rise to potential conflicts of interest.

5.1.3 Receiving personal remuneration for services provided by a Conflicting Party with respect to individual transactions involving SIGA.

5.1.4 Using SIGA's time, assets, resources, personnel, equipment, supplies, or good will for personal gain, the improper benefit of others, or any other purpose than SIGA-approved activities, programs, and purposes.

5.1.5 Receiving personal gifts or loans from a Conflicting Party related to SIGA's business or based on the User's position or influence within SIGA. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

5.1.6 Any business decision regarding a Conflicting Party about which a User has a personal or financial interest, including steering Company business to Conflicting Parties in which a User, family member or relative, or close personal friend has a financial interest (*i.e.*, as an investor, employee, owner, officer, director, or shareholder).

5.1.7 Using trade secrets, confidential information, or other non-public information learned at our Company in activities outside of our Company or in other ways that could harm our business. While employed at the Company, Users should never take advantage of business or investment information that is gained through the course of their experience at the Company for their personal benefit. Additional guidance regarding the safeguarding of confidential or material non-public information is provided in the Confidentiality of Information and Securities Trading Policy.

5.1.8 Any Significant Financial Interest in any Conflicting Party.

6. INTERPRETATION OF THIS STATEMENT OF POLICY

6.1 The areas of Conflicting Interest listed in Section 5, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. Users should recognize any such potential conflicts of interest by using their good judgment and by applying the above illustrations by analogy.

6.2 The fact that a Conflicting Interest, as described in Section 5, exists does not necessarily mean that an actual conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of SIGA.

6.3 The existence of any Conflicting Interests shall be disclosed before any transaction implicating the Conflicting Interest is consummated. It shall be the continuing responsibility of Users to scrutinize their transactions and outside business interests and relationships for potential conflicts and to make such disclosures immediately. See Section 7 regarding disclosure requirements.

6.4 Failure to make a good faith effort to comply with the intentions of this policy can result in disciplinary action.

7. DISCLOSURE POLICY AND PROCEDURE

7.1 Transactions with parties with a Conflicting Party may be undertaken only if all of the following are observed:

7.1.1 The Conflicting Interest is disclosed fully. Users must disclose to their supervisor, the Corvallis Compliance Officer, or the Corporate Compliance Officer, any situation that may involve potential Conflicting Interests that affect them personally, other Users, or those with whom SIGA does business. When in doubt, even if the activity only gives an appearance of a conflict of interest – Users should disclose before the related transaction takes place.

7.1.2 The person with the Conflicting Interest is excluded from the approval of such transaction.

7.1.3 A competitive bid or comparable valuation exists, where applicable.

7.1.4 The Corporate Compliance Officer has determined that the transaction is in the best interest of the organization, and does not create any illegal, improper, or prohibited conflicts of interest. The Company, upon reviewing the facts and circumstances of the potential conflict of interest, may approve the contemplated relationship.

7.2 Disclosure related to potential Conflicting Interests related to the organization should be made to the Corporate Compliance Officer (or if he/she is the one with the conflict, then to the Chief Financial Officer or Chief Executive Officer), who may bring the matter to the attention of the board.

7.3 Any decisions to approve a transaction with a Conflicting Party where the Company is aware of a potential or actual Conflicting Interest must be documented and recorded completely and accurately.

8. REQUIREMENTS FOR DISCLOSURES RELATED TO PUBLIC HEALTH SERVICE (PHS) FUNDED RESEARCH

8.1 This policy details the process for Users to disclose conflicts of interest.

8.2 SIGA will take additional steps in reviewing and reporting SFI disclosures of individuals who may serve as investigators or participate (or plan to participate) in PHS Research to determine if a Financial Conflict of Interest (FCOI) exists.

8.3 Investigators are required to disclose any conflicts;

8.3.1 That would reasonably appear to be affected by the research for which funding is sought.

8.3.2 In entities whose financial interests would appear reasonably to be affected by the research.

8.4 SIGA requires disclosures from Investigators:

8.4.1 At the time of application for any PHS funding

8.4.2 At least annually during an award period

8.4.3 Within 30 days of a new SFI

8.5 Investigators will document disclosures per Section 8.4 using the Conflict of Interest Disclosure Statement in **Appendix A**.

8.6 All disclosures will be reviewed and if a conflict exists assessment will be completed as described in Section 7 prior to the expenditure of funds from any PHS award.

8.7 The Signing Official or designee will disclose all FCOI reports to the granting agency prior to the expenditure of funds, within 60 days if a new Investigator or a new FCI should arise for an existing Investigator, or annually for those associated with the project.

8.8 If SIGA determines a disclosure was not made within 30 days of discovering or acquiring a new SFI, the Board will implement a management plan within 60 days.

8.9 Any agency funded SFI found as biased by the Board will be sent to the granting agency program officer along with a mitigation report.

8.10 If SIGA determines a FCOI was not disclosed and managed properly, SIGA will complete and document a retrospective review within 120 days of the determination.

8.11 SIGA will maintain records of all financial disclosures and all actions taken by SIGA with respect to each conflicting interest for at least three years from the date of submission of the final expenditures report.

9. TRAINING AND GUIDANCE

9.1 All SIGA Users will be provided a copy of this policy and procedure, and are expected to review and understand the policy.

9.2 Training on this policy will be completed by investigators prior to engaging in research related to any PHS-funded grant.

9.3 Training will be completed by investigators at least every 4 years.

9.4 Training will be completed by investigators immediately if the institution revises this policy, an investigator is new to SIGA or an investigator is not in compliance with the policy.

10. REFERENCES

10.1 42 CFR 50.603

10.2 42 CFR 50.604

10.3 42 CFR 50.605

10.4 42 CFR 50.606

10.5 45 CFR 74.53(b)

11. APPENDICES

Appendix A, Conflict of Interest Disclosure Statement

SIGA Technologies Inc.

CONFLICT OF INTEREST DISCLOSURE STATEMENT

Preliminary Note: In order to be more comprehensive, this statement of disclosure/questionnaire also requires you to provide information with respect to certain parties that are related to you.

These persons are termed "affiliated persons" and include the following:

- a. your spouse, domestic partner, child, mother, father, brother or sister;
- b. any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and
- c. any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.
- d. NAME: (Please print)

2. CAPACITY:

_____ officer

_____ staff (position): _____

3. Have you or any of your affiliated persons provided services (other than that required in your position/role) or property to SIGA in the past year?

____ YES ____ NO

If yes, please describe the nature of the services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

4. Have you or any of your affiliated persons purchased services or property from SIGA in the past year?

____ YES ____ NO

If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

5. Please indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which SIGA was or is a party?

____ YES ____ NO

If yes, describe the transaction(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

6. Were you or any of your affiliated persons indebted to pay money to SIGA at any time in the past year (other than travel advances or the like)?

____ YES ____ NO

If yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

7. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from SIGA or as a result of your relationship with SIGA, that in the aggregate could be valued in excess of \$1,000, that were not or will not be compensation directly related to your duties to SIGA?

____ YES ____ NO

If yes, please describe the benefit(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

8. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving SIGA?

____ YES ____ NO

If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

9. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by SIGA's board or are not in accordance with the terms and intent of SIGA's conflict of interest policy?

____ YES ____ NO

If yes, please describe the situation(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

I HERBY CONFIRM that I have read and understand SIGA's conflict of interest policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify the Corvallis Compliance Officer or the Corporate Compliance Officer immediately.

Signature

Date