

Guidelines for Handling Breaches of Sub-Licence Agreements

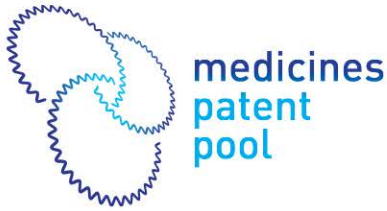
The Medicines Patent Pool is committed to ensuring full compliance with its obligations under its licence agreements with licensors. A core part of these obligations centre around monitoring the activities of its sub-licensees, and taking prompt action to identify and remedy any breaches. The intent of these guidelines is to provide guidance on the principles and procedures that apply in the event of a suspected contractual breach by an MPP licensee.

In the event that the Business Development Team becomes aware of any suspected breach, it shall, within two business days, notify the Compliance Group¹ for assessment by the MPP Legal Team.

Upon such notification, the Legal Team will promptly assess whether there is in fact a breach, and, if so, whether the breach is material and whether it is curable under the terms of the agreement. In all cases, the assessment and recommended course of action of the Legal Team will be shared with the Compliance Group within five business days for consensus and determination of the appropriate course of action in line with the following:

- A finding of no breach will result in no action.
- In case of breach, the Legal Team will then send all necessary notifications within two business days:
 - **Non-material Breach.** If a breach is found, but that breach is not material, the Legal Team will notify the licensee of the breach and request compliance, with notification to the licensor as applicable per the specific terms of the agreement(s).
 - **Material but Curable Breach.** If a material but curable breach is found, the Legal Team will send formal notice of breach to the licensee and provide the licensee with the opportunity to cure the breach within the time specified in the relevant agreement, with notification to the licensor as applicable per the specific terms of the agreement(s).
 - **Material and Uncurable Breach.** If the breach is determined to be material and uncurable, requiring immediate termination under the agreement, the Legal Team will send formal notice of immediate termination to the

¹ The MPP Compliance Group is comprised of the Executive Director, General Counsel, Head of Business Development, and members of the Legal and Business Development teams.



licensee, with notification to the licensor as applicable per the specific terms of the agreement(s).

In the event of a disagreement with the licensee over the existence, materiality or curability of a breach, or of the actions necessary to cure the breach, the Legal Team will escalate the dispute by notifying the Executive Director immediately. The Executive Director will then raise the issue with their counterpart at the licensee in an attempt to resolve the dispute.

In the event that this does not result in a satisfactory resolution of the matter, the Legal Team will formally initiate the dispute resolution procedures as specified in the relevant agreement.

Geneva, 5 April 2019