

S-3 Research LLC

Employee conflict of interest policy

Policy brief & purpose

The purpose of this policy is to protect the interests of S-3 Research LLC (hereinafter “S-3 Research”). by: (i) preventing the personal interest of Members, Directors, Officers, Employees or Independent Contractors from interfering with the performance of their duties to the S-3 Research and (ii) avoiding any inappropriate personal financial, professional or political gain on the part of such persons at the expense of S-3 Research. This policy is intended to supplement but not replace any applicable federal or state laws governing conflicts of interest.

S-3 Research is committed to honesty, integrity and fairness in the conduct of its activities. .S-3 Research’s **Conflict of Interest Policy** refers to any case where an employee’s personal interest might contradict the interest of the company. This is an unwanted circumstance as it may have serious implications on the employee’s judgement and commitment to the company, and by extension to the realization of the company’s goals and obligations under other contracts and agreements.

This policy outlines the rules regarding conflict of interests and the responsibilities of employees and the company in resolving any such discrepancies.

Scope

This company conflict of interest policy applies to all prospective or current employees of the company, as well as independent contractors and persons acting on behalf of the company.

Definitions

- a. The Employee – any person who is employed by S-3 Research in a part or full-time capacity and in accordance with the labor laws of the State of California or other state of residence in which the employee is legally working for the company.
- b. Member - means any individual who becomes a member of S-3 Research pursuant to the operating agreement of the company.
- c. Agent – an owner, member, stakeholder, contractor or other third-party that is in the position to act on behalf of S-3 Research.

- d. Financial Interest – The interest that any individual may have in the monetary transactions of S-3 Research. In particular, any interest that could have a direct bearing on the financial gain/loss of said individual.

Policy elements

The relationship of S-3 Research with its employees should be based on mutual trust. As S-3 Research is committed to preserve the interests of people under its employment and the integrity of its activities, it expects them to act only towards its own fundamental interests.

Conflict of interest may occur whenever an employee's interest in a particular subject may lead them to actions, activities or relationships that undermine the company and may place it to disadvantage. No employee shall derive any personal profit or gain, directly or indirectly, because of his or her service to, or relationship with S-3 Research, unless the transaction is specifically approved by senior management following disclosure as provided under the procedures set forth below. However, the fact that a proposed activity, transaction or arrangement involves an actual or potential conflict of interest does not necessarily mean it is illegal or prohibited, it merely requires that procedures be followed to appropriately address the conflict.

What is an employee conflict of interest?

Conflicts of Interest may take many different forms that include, but are not limited to, conflict of interest examples:

- Employees' ability to use their position with the company to their personal advantage
- Employees engaging in activities that will bring direct or indirect profit to a competitor
- Employees owning shares of a competitor's stock
- Employees using connections obtained through the company for their own private purposes
- Employees using company equipment or means to support an external business
- Employees acting in ways that may compromise the company's legality (e.g., taking bribes or bribing representatives of legal authorities)

Procedure

Duty to disclose

Every employee/agent of S-3 Research is obligated to disclose any known or potential conflicts of interest as soon as they arise. Failure to do so could result in termination of employment. Importantly, the possibility that a conflict of interest may occur can be addressed and resolved before any actual damage is done. Therefore, when an employee understands or suspects that a conflict of interest exists or may exist, they should bring this matter to the attention of CEO Tim K. Mackey so corrective actions may be taken. Further, following the disclosure of any actual or potential conflict of interest, employee

must abstain from participating in any decision-making with respect to any matter in which his or her personal interests and those of the company may be in conflict

Investigating potential conflicts

The responsibility of resolving a conflict of interest starts from the immediate supervisor and may reach senior management of S-3 Research. When a possible conflict of interest arises, senior management will collect all pertinent information and may question any concerned parties. If the board determines that a conflict exists, steps will be taken to address the conflict. If no conflict exists, the inquiry may be documented but no further action will be taken.

Addressing conflicts of interest

When an actual conflict of interest is found, any transactions that may have been affected will be reviewed retroactively. Affected parties both within and outside of the business, including shareholders, directors, employees, and contractors will be notified. An investigation will also be conducted by the board of directors to determine the extent of the conflict and the intentions of the parties involved.

If the conflict in question involves a member or members of the board of directors, such a member will be excused from the deliberations

In general, employees are advised to refrain from letting personal and/or financial interests and external activities come into opposition with the company's fundamental interests.

Disciplinary Consequences

As all conflicts of interest will be reviewed on a case-by-case basis, a review may result in disciplinary action. The senior management and members of the company have full discretion to deem what disciplinary action is both fitting and necessary, including suspension and/or termination of employment.