



The culture of our company need not, and will not, be political

As we seek to build Agathos Biologics, it's important to state our mission, values and strategy. We have taken the first step in this direction, describing our approach on our web site in the pages "Our Mission", "Our Strategy" and "Good Science for a Better World" (collectively GSBW). We will look for opportunities to refine and further communicate in these areas, and one way to do this is to respond to relevant current events. Recently, Jason Fried, CEO of the software company Basecamp made a public statement about "Changes at Basecamp" and CTO David Hansson followed up with a post titled "new etiquette regarding societal politics at work", which have garnered considerable news coverage and responses from many different perspectives. We believe Basecamp's statement raises some important issues that we would like to address in the context of the culture of Agathos Biologics.

The timing of the Basecamp statement, April 26, 2021, comes just days after Agathos' press release, April 21, 2021, which included a link to the GSBW statement. In the GSBW we state:

"The strategy and day-to-day operations of Agathos will be focused on developing products and services and the company will not spend its resources on any political issues."

This is wholly consistent with the intent of the Basecamp statement. The Basecamp statement lists 6 etiquette "rules", the first being:

No more societal and political discussions on our company Basecamp account.

They state that such discussions are a "major distraction", and the sentence following the one above in the GSBW states "We will eliminate such distractions because we believe it is good for business." We applaud Basecamp's approach and our culture will focus on what we have in common as employees and members of a team, developing biotechnology products and services that people want.



Another event that illustrates mixing unrelated political issues with business relationships is Expensify's sending <u>email</u> to 10 million customers urging them to vote for Joe Biden. Our relationship with our employees, vendors, and clients is extremely important to us, and is critical to our success. We would never abuse those relationships by imposing our political beliefs on anyone.

The second etiquette rule from Basecamp is: *No more paternalistic benefits.*

The benefits listed are "fitness benefit, a wellness allowance, a farmer's market share, and continuing education allowances". We agree with Basecamps "change of heart" and believe it is not a company's role to "encourage certain behaviors". We respect Agathos employees and trust that they are the best judge of how to spend their own money, and we will provide competitive compensation without limitations.

The third etiquette rule is:

No more committees.

As a small company Agathos does not have any committees, and we agree with the approach of giving individuals the authority to make decisions. All good managers and leaders will seek advice and counsel as needed, and if they do not they are simply not doing their job well. We trust our staff and give them the benefit of the doubt.

The fourth etiquette rule is:

No more lingering or dwelling on past decisions.

Our approach is consistent and focuses on hiring the best team and allowing everyone to do their job. We will not spend our time second-guessing every decision or explaining them ad nauseum. We will be "making calls, explaining why once, and moving on."

The fifth etiquette rule is:

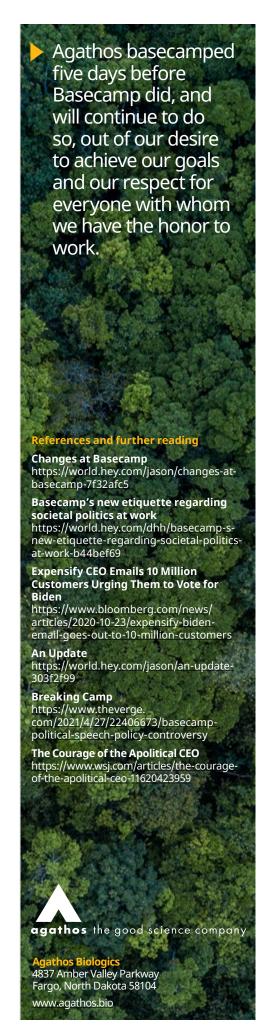
No more 360 reviews.

We have never been a fan of 360 reviews and in a servant-leadership culture managers and leaders should have consistent, open, and honest communication with team members. Leaders will focus on serving others and providing useful feedback, including constructive criticism.

The sixth etiquette rule is:

No forgetting what we do here.

This last rule is the most important, and in GSBW we state "Agathos' disciplined strategy will focus on innovation and creation." The common element that binds the company is the desire to create innovative solutions to the biotechnology problems that we have decided to address. We agree that "employees are free to take up whatever cause they want, support whatever movements they'd like, and speak out on whatever horrible injustices are being perpetrated on this group or that (and, unfortunately, there are far too many to choose from). But that's their business, not ours."



There has been a lot of reaction to Basecamp's statement, including an <u>apology</u> from Jason Fried stating that they "have some refining and clarifying to do". This is to be expected and, most importantly, he stated "the new policies stand". One important clarification is that some political issues do directly impact the company and must be addressed in the workplace. In <u>one</u> of the articles written about the policies an employee provided his/her perspective:

"At least in my experience, it has always been centered on what is happening at Basecamp," said one employee – who, like most of those I spoke with today, requested anonymity so as to freely discuss internal deliberations. "What is being done at Basecamp? What is being said at Basecamp? And how it is affecting individuals? It has never been big political discussions, like 'the postal service should be disbanded,' or 'I don't like Amy Klobuchar.'"

We agree that discussion centered around what is being done at the company and how it affects individuals is appropriate, if those discussions are related to the work and how an individual is impacted at work. For example, how talent is recruited, acquired, and retained is important for Agathos and there are unavoidable political aspects to those processes. We will address those issues directly and hold our managers accountable to treat everyone fairly and with respect.

The Wall Street Journal published an opinion <u>article</u> on the Basecamp controversy titled "The Courage of the Apolitical CEO: A small software firm shows leadership when many execs (whatever their PR says) act from fear." The author asserts that when CEOs speak out on politics "Fear and career survival are the evident motives." We will never act this way – service and doing good science will always be our motives.

GSBW presents in depth our motivations for starting Agathos Biologics and, in response to the positions we are taking, one might say "But wait, the entire motivation for starting the company is political, to address what you see as a moral and political problem". That statement is true. Our approach is to form a company to address an ethical issue. To achieve this goal the culture of the company and its day-to-day operations need not, and will not, be political – in fact, we are more likely to be successful if they are not. For example, although we have personal political opinions on the topic, we will not host discussions or debates within the workplace on the morality of abortion. That topic is not related to the scientific work we need to do.

In the WSJ opinion article a reader proposes making "Basecamp" into a verb, and the article provides examples of companies that have "basecamped". Agathos basecamped five days before Basecamp did, and will continue to do so, out of our desire to achieve our goals and our respect for everyone with whom we have the honor to work.