

THE CODE OF ETHICS OF PIAM FARMACEUTICI S.P.A.



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APPROVED WITH THE BOARD OF DIRECTORS RESOLUTION OF 01.06.2016

WHY IS A CODE OF ETHICS NEEDED?

“PIAM Farmaceutici’s business has always been informed by the constant pursuit of its purpose: to produce and sell specialty pharmaceuticals that can improve the quality of life of our generation and of future ones, whilst generating value for Society, the scientific community and communities in general.

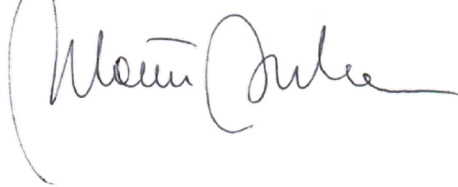
Aware of its role as a business, but also of its social responsibility, Piam pursues its business purpose through ethically oriented behaviours, in the belief that an efficient company speaks through the figures in its financial statements but also through its ethical values: compliance with these is essential to maintain high quality and professional standards and create trust within and outside the company. This gives sustainability over time to the company’s economic results.

For this reason, relations with all stakeholders are informed by empowering others, sharing the values that PIAM strives to uphold, and raising awareness of the importance of legality, especially for what concerns its employees and collaborators, who, in their behaviour, reflect our Company’s ethical and professional image.

Finally, PIAM believes that the successful achievement of its business purpose cannot ignore the protection of the prestige and credibility the pharmaceutical industry enjoys in the eyes of the State, public opinion, doctors, and medical personnel in general. This is one of our business targets, which we pursue every day with the commitment to operate according to the professional code of conduct of the most important associations in this sector”.

The Managing Director

Andrea Maini

A handwritten signature in dark ink, appearing to read 'Andrea Maini', written over a large, faint, circular watermark or background mark.

[Signature]

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SECTION I

INTRODUCTION

1. PIAM FARMACEUTICI SPA

Piam Farmaceutici S.p.A. (hereinafter "PIAM" or "the Company") was founded in 1915 by Edoardo Maragliano, he previously founded the Maragliano Institute in 1900, which devised, made and then allowed the large-scale use of the tuberculosis vaccine. PIAM, in fact, initially focussed its research, and consequently its production, exclusively on the field of phthisiology. Thereafter, with the gradual disappearance of the epidemiological relevance of tuberculosis in Italy, the company, while staying true to its tradition and remaining a leading company in the field of tuberculosis, begun to further direct its interest towards the field of pneumology, also in other specialist areas by finding a significant dimension in neurology, geriatrics, the cardiovascular field and antibiotics. In recent years, as a result of the changed scenario of the pharmaceutical world, PIAM increased its range by adding a Line of Supplements (neurology, geriatrics, cardiology, vascular and aesthetic medicine) and a Line of Dietotherapeutic products (special medical metabolic, aproteic and gastrointestinal food) branded Medifood to the Ethical Line (pneumology, ENT, neurology, geriatrics, vascular and dermatology).

2. OUR MISSION AND OUR VALUES

Nothing is more important than the quality and safety of our products. Our commitment is to this quality always serving patients, their uniqueness and specific needs. For this reason, our products are all created from the constant monitoring of individual patients, especially if they suffer from rare diseases.

These are the values that are underpin the way we operate:

RESPONSIBILITIES.

Dealing with health means for us acting with transparency, honesty and moral integrity, always putting the well-being of people and the safeguarding of the environment around us before profit.

INNOVATION.

A great past is the basis for developing knowledge and solutions that are always at the cutting-edge. We dedicate time and resources to upgrading, expanding our know-how and developing our skills.

EXCELLENCE.

Never settling for the results achieved, but pursuing the constant improvement of our products as well as our business practices, to continue to be a point of reference for doctors and patients.

DYNAMISM.

Knowing how to face the challenges of the future and the evolution of our context with calm, enthusiasm and adaptability.

PASSION.

Working in the field of health is more than just a job. For this reason, those who work with us dedicate themselves completely and uncompromisingly to improving the living conditions of the people.

EXPERIENCE.

100 years of history mainly experienced with consistency and without ever compromising on values, are a guarantee of a future just as important and long-lasting.

SPECIFICITY.

One of our key strengths is the ability to adapt to the different and changing needs of the patients and doctors who treat them, creating tailor-made and *ad hoc* solutions for different needs.

SHARING.

We believe in teamwork, knowledge exchange and in the fact that working together generates much more value than working alone. We believe in generosity and in a shared vision.

3. OUR CODE OF ETHICS

Attention to observing the law that guides all of PIAM's entrepreneurial choices has led the company to adopt its own Code of Ethics, especially in order to focus business activity on a preventative approach to offences.

The function of the Code of Ethics is to represent a true and proper 'table of values' that crystallises the principles which must underpin the company's activities and to which the behaviour of employees and partners of PIAM must conform to.

Recipients of the Code are the company, *in primis*, so shareholders and all who act in the name and on behalf of it, but also external partners in their contractual relations with PIAM (the "Recipients").

For the company, therefore, the Code is a tool geared towards breaching down the business culture, basing this on respect of ethics and legality when conducting business, also for the purpose of preventing illegal acts.

To do this, it naturally falls within the Organisation, Management and Control Model referred to in Legislative Decree No. 231/2001, which constitutes the foundations.

In the drafting of the Code, the company was inspired both by the Farindustria Code of Ethics, and the codes of conduct of the European pharmaceutical (EFPIA) and international (IFPMA) federations, especially on the subject of publicity and information, relations with the world of health and with patients.

Ultimately, the Code represents the formalisation of a real and ambitious effort by PIAM to find a balance between focusing on the company's profitability and social responsibility, operating according to transparent behavioural rules and implementing targeted and appropriate preventive measures of risks of offences.

SECTION II

GENERAL PRINCIPLES

1. HUMAN RIGHTS AND DIGNITY OF PERSONS

PIAM, within its sphere of influence, promotes respect for the rights of humans in all forms and expressions, as laid down in the Universal Declaration of Human Rights.

The company condemns every form of abuse of these rights and ensures that it is not in any way complicit by refusing to cooperate with subjects that are not similarly engaged in respecting fundamental human rights.

In particular, PIAM shall endeavour to ensure that within the scope of its activities offences are not committed which in any way involve the loss of dignity and personal freedom, even of thoughts, that involve a breach of the rights of minors, discrimination for reasons of politics, race, religion or sex.

It also ensures that within the scope of its activities crimes against individuals are not committed, such as reducing people to and keeping them in slavery, prostitution and child pornography.

PIAM repudiates war and any form of terrorism.

2. WORK

Aware of the importance of the work, sanctioned by art. 1 of the Constitution, which supports in all its forms and organisational arrangements, the company recognises the equal rights and opportunities for all workers, regardless of race, political ideologies, membership of trade unions, religion, state of health or age or sex, and deplores any form of discrimination in respect of employment and occupation.

PIAM recognises the value of its human resources as the fundamental element for developing its skills, and shall protect their physical and moral integrity.

It fosters the freedom of association of workers, recognises the Workers' Statute and the right to collective bargaining, whose rules it undertakes to respect.

It does not permit child labour and does not tolerate forms of forced, clandestine labour or in the absence of suitable residence documents.

3. HEALTH, SAFETY AND ENVIRONMENT

PIAM has devoted a great deal of attention to the protection of health and safety in the workplace, which constitutes a priority, an integral part and a guideline for its business.

The company shall endeavour with all means to prevent damage to the health and personal integrity of employees and co-workers when performing their work.

It applies in a timely manner and it expects compliance by all parties with whom it has relations, with the requirements of Legislative Decree 9 April 2008, No. 81 and with all the regulations regarding safety in the workplace;

On the subject of respect for the environment, the company undertakes to apply the rules, even regulatory, and to optimise natural resources, in order to minimise wastage. It always prefers the techniques and tools that, in light of progress, allow less pollution.

In selecting its suppliers and partners, the company always favours those who show attention to compliance with regulations on health, safety and the environment.

4. ANTI-CORRUPTION POLICY

The company is aware of the importance of the good administration of the Public Authorities, in accordance with the criteria laid down by art. 97 of the Constitution and other laws and repudiates any form of corruption, both when it involves public officials or representatives of public services, but also between individuals.

5. RESPECT, LOYALTY, DECENCY AND HONESTY IN BUSINESS

In its sphere of influence, PIAM favours and promotes respect for legality in relation to all its business areas.

Anyone who acts in the name and on behalf of or in the interest of the company is required:

- to behave according to the principles of fairness and honesty and integrity in conducting business, also in respect of the entity's competitors;
- to work with diligence, avoiding incorrect and dishonest methods to obtain undeserved advantages;
- to reward methods and results obtained through fair and correct conduct;

- to behave in a fair, transparent and cooperative way in respect of all public authorities, in particular in respect of the judiciary, avoiding behaviour that may induce third parties to not make or make false declarations, and avoiding them from making false declarations;
- to avoid conflicts of interest that occur whenever they have a personal interest in conflict with the entity's interests;
- to not accept gifts or other benefits from a third party in exchange for the fulfilment or omission of acts falling within their duties;
- to avoid behaviour that may put the safety of others at risk;
- to preserve the integrity of company property and resources that constitute the assets of all those who work within the company;
- to respect the property of others, even of an intangible nature;
- to protect the confidentiality of the personal data of third parties in accordance with legislation;
- to protect PIAM's reputation on every occasion, for the common good.

6. FAIRNESS AND TRANSPARENCY

Impartiality and objectivity, the search for a constant balance between individual and collective interests, the principle of meritocracy are criteria which constantly define PIAM's activity in all of its choices, whether regarding organisation, management or finance and which must also inform the behaviour of all those who act in the name and on behalf of the entity.

PIAM is also committed to ensuring transparency in actions and communicating, in relation to information concerning the company, and information on products that the company institutionally exchanges with health operators, authorities, scientific community and patients.

The company is aware and constantly seeks to convey the importance of fair and transparent behaviour to all stakeholders in order to ensure reliability and instil confidence in the quality of the products.

7. QUALITY AND PROFESSIONALISM

PIAM is active in research and constantly engaged in the testing of products that are always innovative, also in the interest of the public, capable of ensuring a better life expectancy for patients suffering from particularly fragile diseases.

In doing so, it is essential to maintain a high standard of quality of products and the raw materials used in production techniques and experimentation in order to maximise the results and degree of satisfaction of patients.

And it is equally essential that all actors involved in production, experimentation, marketing, promotion and information on product processes have a suitable level of professionalism and competence.

To achieve this PIAM is strongly and constantly engaged in training its employees and co-workers, at all levels and in all useful matters, in the awareness that staff competence constitutes a value for the company, for the scientific world and for patients.

Also, as regards outsourcing activities, the company selects partners and suppliers that they can demonstrate professionalism and appropriate competence in relation to the type of service requested and that offer a high standard of quality goods and services.

SECTION III

STAFF RELATIONS

1. PERSONAL RESPONSIBILITIES

Respect for legality, fairness and honesty in business that define the culture at PIAM require all operators to always behave with integrity and avoid unlawful behaviour.

PIAM staff are required to know and apply daily all the laws of the State, regions, regulations, PIAM's Code of Ethics and policies and business practices related to the context in which it works and its level of responsibility.

Each member of staff is responsible for their own actions and omissions and the consequent sanctions, as well as for any damage that may be caused to third parties and/or to the company through non-compliance with the above rules.

2. FAIR TREATMENT

Within the scope of the corporate organisation of PIAM, it is forbidden to adopt any treatment or conduct for discriminatory purposes.

Staff are selected according to criteria of fairness, with particular attention to ensuring equal opportunities and the obligatory period in respect of protected categories, respect for the status of workers and of the national collective labour agreement for the sector.

Career advancement and staff management are solely based on meritocratic principles.

In the workplace, unfair behaviour, comments, judgements and other conduct that can interfere with a person's performance or that can create intimidation or a hostile or offensive environment are always prohibited.

3. DRUGS, ALCOHOL AND SMOKING

It is prohibited to sell, possess or use any illegal substance within the corporate structure of PIAM and in any place when performing tasks on behalf of the company.

Alcoholic substances cannot be brought into and consumed within the corporate structure by staff, without the company's permission.

Smoking is prohibited in all areas of the company.

SECTION IV

RELATIONS WITH PUBLIC AUTHORITIES

The Public Authorities are the regulatory bodies that oversee PIAM's products and are one of its main customers.

PIAM, also, relies on the advice of doctors and researchers, very often officials of the National Health Service.

Relations with all public officials responsible for public services, public employees and distributors in Italy and abroad, are defined by transparency, fairness and honesty.

The company rejects corruption in all its forms and prohibits its staff from engaging in any behaviour liable to affect the good administration and impartiality of the Public Authorities, aimed at obtaining an unfair or illegal interest or advantage for themselves or the company.

In particular, each operator is required to:

- never offer improper payments, or offer or provide prohibited gifts and services, or items of value to public officials and employees of public institutions or people who prescribe, sell or promote PIAM products, for themselves or their relatives and families;
- ensure that the revenue in PIAM's accounting accurately record and reflect all transactions including any gifts or payments to third parties;
- not be represented by consultants or third parties who may have a conflict of interest with the administration itself;
- not examine and not propose employment and/or commercial opportunities that can benefit Public Authority employees personally, also in relation to members of their families;
- not solicit or obtain confidential information that may compromise the integrity and reputation of both parties;
- not use PIAM's resources to support political activities.

A breach of the rules in the field of relations with the Public Authorities can lead not only to a loss of business, but may also lead to the application,

both in respect of the individuals involved, and the company, of severe civil and criminal penalties.

SECTION V

RELATIONS WITH THE SCIENTIFIC WORLD

1. SCIENTIFIC INFORMATION ON DRUGS

Scientific information on drugs must be aimed at ensuring the proper and correct use of the medicinal product, without exaggerating its properties and without misleading the caregiver. Moreover, presenting medicinal products must not be an occasion of undue pressure to promote the prescription or dispensing of the company's drugs.

Any operator who performs activities related to scientific information on PIAM's products, and in particular Scientific Informers on Drugs (SID) are obliged to:

- strictly behave, when conducting their daily activity as arranged in priority order by Legislative Decree No. 219/2006, by the Farindustria Code of Ethics, by the procedures adopted by the company on the matter of scientific medical information;
- base their information on the scientific nature of the product. Be professional, objective and complete in the illustration to operators of the correct therapeutic application, based on the indications, posology, possible interactions and warnings approved by the competent authorities. Seek, in any case, to pass on the best knowledge, useful to the operator for the correct use of the product while respecting and safeguarding the health of the patient;
- only provide free samples of medicinal products to health operators authorised to prescribe them, in observance of that provided for by the current regulations on the subject;
- avoid behaviour that is directly or indirectly, or even only potentially harmful to the company's reputation and image.

2. RELATIONS WITH THE SCIENTIFIC COMMUNITY AND PATIENT ASSOCIATIONS

PIAM staff who maintain relations with healthcare workers must always behave in accordance with fairness and honesty in relations with doctors, staff and patients, universities, hospitals and pharmacists.

The company undertakes to ensure the transparency of the transfers of value to health operators and health organisations in accordance with the provisions of self-regulation provided by the associations of the category to which it belongs.

In general, all relations with healthcare professionals and patient associations take place in compliance with the legal requirements in the field of commonly accepted good clinical practices, protocols and guidelines contained in the codes of conduct of the associations of the category to which the company belongs and company procedures related to scientific medical practices, that the staff working in these areas must know.

3. CONGRESSES, CONFERENCES AND SCIENTIFIC MEETINGS

PIAM bases its activities on criteria of ethics, scientific inquiry and cost effectiveness within the framework of participation in congresses, conventions and scientific meetings. In this context, all staff are required to comply with Italian legislation, the ethical rules laid down by the associations of the category to which the company belongs and company policies and procedures.

The company promotes the organisation of authorised events from a technical and scientific point of view and consistent with its own activities.

4. PARTICIPATION IN PUBLIC TENDERS

The participation in purchasing procedures organised by hospitals and public health facilities takes place in compliance with the principles of correctness, transparency and good faith and in compliance with company procedures and regulations.

Respect for these principles must be guaranteed in all the steps underlying the tender procedure, from the acquisition of the notice or the specifications to the management of the relationships with the contracting authority, as well as in the case and as a result of the possible award, in the execution of contractual obligations.

5. DONATIONS AND GIFTS

Donations of money or the provision of other utilities free of charge in respect of public or private health facilities are only based on the purpose of high social value or scientific research and must be carried out in respect of current legislation and company procedures.

Generous acts should not be regarded as a means of trade or promotional policy.

SECTION VI

OTHER EXTERNAL RELATIONS

1. PRODUCT QUALITY

For PIAM, the health and safety of the patient as well as the quality of the products are of the utmost importance. Not having a production plant, PIAM ensures that the companies to whom production is entrusted fully comply with all the standards imposed by the sector regulations, as well as those imposed by the company itself.

Consequently, PIAM ensures that:

- All the possible legal requirements and the good laboratory, production and clinical practices and other practices of this kind, as well as all of the company's standards on product quality are faithfully observed at the production sites.
- The production sites responsible and their warehouses follow all the procedures regarding the storage, handling and shipping of products phases.
- Any adverse events related to the medicinal product or product quality must be recorded and properly reported to the competent regulatory authorities and to other subjects identified by the applicable laws and regulations.

2. RELATIONS WITH COMPETITORS - COMPETITION AND ANTITRUST POLICY

PIAM condemns any behaviour contrary to the principle of free competition or in any case suitable to distort the market, such as price fixing arrangements or agreements whose purpose or effect restricts trade.

Relations with competitors must be defined by honesty and have business goals, provided that they are not likely to have a negative impact on competition in a given area or for therapeutic purposes.

PIAM staff can never assume the following attitudes toward competitors, or act in their own interest:

- fix or adjust prices;
- set or fix terms related to price, price formulas, credit terms, promotions, discounts, remuneration, etc.
- share markets, customers or territories;

- impose restrictions or limitations on production or sales;
- influence any bidding process, including provisions for presenting a false bid/s;
- boycott any provider, customer or distributor or anyone else in the market.

In order to meet the rules on antitrust and competition, all employees are obliged to:

- not try to monopolise or illegally dominate or abuse a dominant position in the market. Sales and business targets must be achieved exclusively through legitimate means, based on the best quality products and services with respect to those of its competitors;
- always complying with the sales terms and policies established by the company, considering that a breach can in some cases lead to acts of unfair competition.

3. RELATIONS WITH SUPPLIERS

PIAM selects its suppliers based on clear criteria that can be documented, through an objective and transparent procedure, according to the assessment of the best quality-price ratio, using criteria of competition, objectivity, correctness, guarantee of efficiency and fairness of the price of the goods and/or services.

Relations with suppliers are based on maximum correctness, especially in the management and conclusion of contracts, avoiding situations of conflict of interest, even potential.

In no event shall a supplier be preferred over another because of personal relationships, favouritism or other advantages, other than those of the exclusive interest and benefit of the company.

All suppliers and trading partners must undertake to operate in full compliance with the law in force applicable to the sector in which they operate, and, in particular, in compliance with the provisions of Legislative Decree No. 231/2001, legislation on workers' rights and the prohibited use of child labour.

4. INTERNATIONAL TRADE

PIAM intends to conduct its business worldwide, therefore it is required to comply with the regulations of the trade in all countries it operates in, as well as the requirements regarding local systems for granting import and export licences.

The company operates in compliance with all applicable customs laws and regulations and undertakes to provide customs authorities with detailed and truthful statements in regard to products and other objects that it intends to import or export.

PIAM respects the international prohibition of import or export to countries sanctioned for human rights violations.

5. GIFTS AND OTHER BENEFITS

Any type of gift or other type of benefit, including entertainment, which is supplied to a third party in the context of the activity carried out by the staff on behalf of PIAM must be authorised by the company and purchased directly at central level, in accordance with the procedures in force.

It is prohibited at all times, within the scope of the activity of information and presentation of medicinal products carried out by doctors or pharmacists, to grant, offer or promise bonuses, pecuniary advantages or in-kind payments.

In general, ethics and common sense must always be used by PIAM employees when giving or receiving forms of entertainment or gifts, albeit previously authorised by the company, so that situations do not arise that could compromise or appear compromising about the impartiality of the recipient.

In particular:

- Gifts for business meals or other types of hospitality, must be nominal in number and value, and must not be conditional, or be a reward for purchases, requirements, or promotion of PIAM products and services.
- Gifts, meals and entertainment can be given or accepted in the normal course of business provided that:
 - They are reasonable and consistent with applicable laws, the guidelines of the reference industrial associations, company policies and this Code of Ethics.
 - They have a negligible value and are properly recorded in the company's accounting records so as not to be able to be interpreted as bribes or illicit earnings.
 - They do not breach the regulations on the recipient's organisation.

6. RESPECT FOR OTHER PEOPLE'S PROPERTY

PIAM has respect for other people's property, even intangible, and for the confidential information belonging to others.

It respects and expects from all its stakeholders the respect of national and international laws in the field of trademarks, patents and copyright. It does not permit the use, in any way and for any purpose, of products with altered or counterfeit trademarks or signs, as well as the manufacture, marketing and dissemination of products covered by the rights of third parties or which show distinctive signs that are misleading as to the origin, source or quality of the product. Any abusive dissemination, reproduction, use or sale, for any purpose, any use and with any instrument of counterfeit products or covered by copyright is prohibited, in the absence of a valid licence or authorisation.

7. CONFIDENTIAL INFORMATION (INSIDER TRADING)

Speculation using confidential business information (e.g. equities, bonds or option rights, etc.) is prohibited.

Confidential information refers to information that is not accessible to the public and able to influence the decisions of investors within the securities market.

Staff must not speculate using confidential information relating to PIAM, or to any other company, when such information has been acquired by virtue of their job within the company.

SECTION VII

FINANCIAL RESOURCES AND DOCUMENTATION

1. ACCOUNTING AND FINANCIAL MANAGEMENT

PIAM undertakes to provide a transparent, correct and truthful representation of its accounting records, drawn up in accordance with the Civil Code, accounting principles and in compliance with the current tax rules, in such a way as to ensure transparency for audits.

Therefore, false, incomplete or misleading records and the establishment of secret funds or not registered or deposited in personal accounts, as well as the issuing of invoices for non-existent services are absolutely prohibited.

In particular, the directors, auditors, certified accountants and any staff involved in managing the accounts, are obliged to avoid in the most absolute way, in the financial statements, company books, accounting records and direct communications to shareholders, to the authorities or to third parties in general representing facts that are untrue and that omit legally required information on the economic and financial situation of the company, in such a way as to lead to a false representation of the company's situation, i.e. by causing a financial loss to the company's shareholders and creditors or to obtain an unfair advantage.

For this reason, financial management within the company is organised according to a principle of control based on the segregation of powers, on the segregation of duties, and on the control of the different subjects, whose powers are clearly identified so as to avoid individuals from being granted unlimited or even excessive powers and without any control.

Consequently:

- Any action or omission which is capable of preventing, impeding or distorting the control activities reserved for shareholders, or assigned to control and extra-company bodies is prohibited.
- It is expressly forbidden for anyone to have access to, without the authorisation of the competent bodies, the funds and assets of the company and to build up and hold funds, even foreign, not resulting from the official accounting system.
- All contracts and financial transactions in general must always be accompanied by appropriate documentation and authorisation.

- The costs, sales, shipments, presence sheets, receipts, accounts, payroll and the records of the company's profits, regulatory data, and other essential company information must be accurately recorded.
- All applicable laws and regulations, requests for external accounting and business processes that show and disclose financial information, must be performed with the procedures required by law.
- Showing the content of falsified or misrepresented accounting entries in any report or document is prohibited.
- All employees are obliged to fully cooperate with the company's auditors, both internal and external.
- Falsifying or putting banknotes, coins, public credit cards, tax stamps and watermarked paper into circulation in the interest and/or to the benefit of the company is strictly prohibited. Anyone who receives a payment in fake or stolen banknotes or coins or public credit cards, in the context of relations in which the company is a party to, is obliged to inform their manager or the Supervisory Board so that the appropriate reporting can be arranged.

2. ACCURACY OF RECORDS AND DOCUMENTS

The integrity of PIAM's records, documents, accounts and public acts is of the utmost importance, not only in relation to budgetary and accounting data, but in relation to any information, activities or result that the company is obliged to record in accordance with that prescribed by law and by the regulatory authorities, which require careful documentation and complete the activities associated with production, experimentation, scientific information and other similar practices.

The management of the company is therefore committed to making the keeping of accounts, records and any documentation concerning the above information complete, fair, accurate, timely, and understandable disclosure.

All PIAM staff must ensure appropriate and accurate reporting of information relating to activities that they perform, according to company policy and practices, in order to allow the company to comply with the legal requirements and requests from the authorities.

Consequently:

- Any financial agreements and not with customers must be suitably recorded.
- Any documents related to any legal dispute or investigation must be properly stored.

- For each operation performed there must be proper documentary evidence in order to be able to carry out inspections at any time on the nature and reasons for the transaction and to identify the person who authorised, executed, recorded and verified the transaction itself.
- The company's documents should not be modified or destroyed, but must be kept according to the procedures laid down by the law and the procedures in force at the company (both in content and timing.)
- All activities relating to the regulatory sector need to be carefully documented in accordance with laws and government and local authority regulations.
- The data relating to scientific information and the promotion of drugs must be regularly communicated to AIFA and other authorities designated as provided for by Legislative Decree No. 219/2006 and other laws.

SECTION VIII

RULES FOR IMPLEMENTING THE CODE OF ETHICS

PIAM, in addition to enshrining the principles and values that must permeate all business activity and to adopt the relevant behavioural guidelines for criminal prevention purposes, contained in this Code of Ethics, shall also ensure, through appropriate instruments (some covered by art. 6 of Legislative Decree No. 231/2001) the effective application of the Code by recipients.

1. SANCTIONS

Maintaining relations with PIAM means agreeing to comply with the basic ethical rules which are set out in the Code.

In the event of a breach of the principles and rules laid down in PIAM's Code of Ethics, by means of bodies and functions for this purpose, sanctions proportionate to the breaches of the Code will apply.

For this reason, all contracts with third parties must provide a special clause of acknowledgement and acceptance of the content of the Code, with consequent sanctions in case of a breach, which may lead to the immediate termination of the contract and a claim for damages.

However, any act contrary to the provisions of the Code made by an employee will start a disciplinary procedure and compensation for the damage caused to the company.

2. INTERNAL CONTROL SYSTEM (ICS)

In order to ensure observance with the law, PIAM has developed its own inside a control environment that, starting from constant attention from top management, expresses the desire to ensure compliance with the rules and ethical values, even through the guiding ability of the directors and the competence of human resources.

As a body equipped with a complex structure, PIAM has an internal system of checks comprising a set of bodies set up to ensure, each within the limits of their operating scope, certain rules and requirements within the company are complied with.

The bodies and functions involved in the ICS are:

- Board of Directors (BoD): responsible for the implementation of the operation and progressive improvement of the ICS, to ensure the achievement of the

cost effectiveness targets for operations, reliability of the corporate information system and compliance with reference standards;

- Board of Statutory Auditors: responsible, in general, for overseeing the adequacy of the ICS;
- Certified accountant: deals, in particular, with monitoring and verifying the checks on the reliability objectives of the company information system;
- Managers of the individual operating units: check the cost effectiveness objectives are met, by monitoring the work of the different organisational units.

The Organisation, Management and Control Model, specifically aimed at preventing the offences referred to in Legislative Decree No. 231/2001 is also located in the control environment of the ICS. The body established to constantly check the adequacy and practical implementation of the offence preventative Model and that coordinates its integration into the wider ICS, both in the implementation phase and the management of controls and monitoring is the Supervisory Board.

Lastly, PIAM's ICS comprises a system of information flows, provided by specific procedures that allow the bodies responsible for supervision to work more effectively, and staff training events. Training, in fact, also carried out in order to spread and deepen the knowledge of the contents of the Code of Ethics and the Organisation, Management and Control Model, promotes conscious compliance with it by all those who concretely implement the company's ethical commitment.

3. THE SUPERVISORY BOARD (SB)

In implementation of the provisions of art. 6, paragraph 1(b), of Legislative Decree No. 231/2001, PIAM's Board of Directors shall appoint the members of a board specifically established for the purpose of supervising functioning and compliance with the Organisation, Management and Control Model and to ensure it is updated, called the Supervisory Board (SB).

It has autonomous powers of initiative and control, independent and separate from the shareholders and from the administrative body of the company.

PIAM's Organisation, Management and Control Model provides, in line with the provisions of art. 6 c. 2(d) of Legislative Decree No. 231/2001 specific information "requirements in respect of the body appointed to oversee the operation and respect of the models".

In particular, the Supervisory Board should be made aware of all essential company data, such as the organisational chart, the financial statements, any changes in ownership or organisational, extraordinary operations as well as any facts and events

relevant to the management of the company in areas that are most susceptible to the risk of liable offences being committed, as identified in the risk analysis.

It is also compulsory, for all recipients of the Code of Ethics, to make the Supervisory Board aware with the means deemed most appropriate, of every fact or act performed by those in a high-ranking position in the corporate structure or by those subject to the supervision of the latter, that could involve a breach of the rules of the Code of Ethics or other parts of the Organisation, Management and Control Model.

ENTRY INTO FORCE

PIAM's Code of Ethics shall enter into force on the date of approval by the Board of Directors.

From the time of the entry into force it becomes mandatory for all recipients and shall be disseminated and made known by the company as extensively as possible, by every useful means, to shareholders, corporate bodies, staff and all those concerned and involved in PIAM's activity.

The Code is intended to automatically transpose the content of any future regulation with the effect of amending Legislative Decree No. 231/2001, and in particular the list of liable offences, as well as having the purpose of preventing and stopping offences by the company, by constituting a valid means of legal protection for the company at any moment in time.