

MODEL OF ORGANISATION, MANAGEMENT AND CONTROL

Approved by the Board of Directors on 27 August 2009

Integrated by the Board of Directors on
9 November 2009, 5 August 2010 and
31 January 2011

Delegation of Powers updated 15 March 2011

Organisation Structure updated 15 September 2011

English translation for convenience



INDEX

PAGE

GENERAL PART

1. LEGISLATIVE DECREE 231/2001	5
1.1 The system of administrative liability for legal entities, companies and associations.....	5
1.2 Sanctions	11
1.3 Adoption of the Model of organisation, management and control to relieve the Entity of administrative liability.....	12
1.4 Existing guidelines	13
2. MISSION AND IMPLEMENTING STATEMENT	15
2.1 Adoption of the Model of organisation, management and control	15
2.2 Purpose and structure of the Model	15
2.3 Amendments and integrations to the Model	17
2.4 Supervisory Body	18
2.5 Staff training and circulation of the Model	22
2.6 Disciplinary system	23
2.7 Confirmation of the application and adequacy of the Model	25

SPECIAL PART

ANNEX 1. CODE OF ETHICS	29
ANNEX 2. CONDUCT GUIDELINES	41
ANNEX 3. ORGANISATION STRUCTURE	58
ANNEX 4. SYSTEM OF DELEGATION OF POWERS	60
ANNEX 5. MAP OF SENSITIVE ACTIVITIES [OMITTED]	69
ANNEX 6. OPERATIONAL PROCEDURES [OMITTED]	70
ANNEX 7. DISCIPLINARY CODE	71

GENERAL PART

1. LEGISLATIVE DECREE 231/2001

1.1 THE ADMINISTRATIVE LIABILITY SYSTEM FOR LEGAL ENTITIES, COMPANIES AND ASSOCIATIONS

Legislative Decree N° 231 ("*Regulation of the administrative liability of legal entities, companies and associations even with no legal personality*", hereinafter the "Decree") was issued on 8 June 2001, in order to implement the provisions in Article 11 of Law N° 300 of September 29, 2000. It entered into force on 4 July 2001, and brought Italian law in line with international agreements on the liability of legal entities.

These include, in particular, the Brussels Convention of July 26, 1995 on protecting the financial interests of the European Communities, the Convention signed in Brussels on May 26, 1997 on the fight against corruption involving officials of the European Community or Member States, and the OECD Convention of December 17, 1997 on fighting bribery of foreign public officials in international business transactions.

The Decree introduced in Italian law a system of administrative liability (broadly equivalent to criminal liability) for institutions (understood as companies, associations, consortiums etc, hereinafter referred to as "Entities") for offences committed in the interest or to the advantage of the Entity by: (i) natural persons representing or who are members of the administration or management of the Entity or of an organisational unit of the Entity having functional and financial autonomy, and natural persons who manage or exercise *de facto* control of the Entity or (ii) natural persons under the direction or supervision of one of the above mentioned persons.

Liability of the Entity is additional to the liability of the natural person materially committing the crime.

The administrative liability under the Decree extends the punishment of the crimes specified in the Decree to the Entities in whose interest, or advantage, the crime has been committed. These liabilities also refer to crimes committed abroad, unless the State in which they have been committed has prosecuted for the said crime.

The most severe type of sanctions for the Entity are disqualifications, such as suspension or revocation of licenses and authorisations, ban of contracting with the Public Administration, debarment from exercising activity, exclusion from public aid, financings, contributions, ban of advertisement of goods or services.

The types of crime relevant to the administrative liability of Entities have been expanded on several occasions, so that their initial features and characteristics have, over time, completely changed.

The types of offence, recently expanded in July 2009 and currently involving the administrative liability of Entities, are only those specifically listed under Legislative Decree 231/01.

Crimes committed in relations with the Public Administration (Article 24 of Legislative Decree 231/01)

- Misappropriation to the detriment of the state or other public body (Article 316-bis of the Italian Criminal Code, hereinafter C.C.);
- Misappropriation of contributions, funds or other payments from the state or other public body or the European Communities (Article 316-ter C.C.);
- Fraud against the State or other public body or the European Communities (Article 640, comma 2, nr. 1, C.C.);
- Aggravated fraud for the obtainment of public funding (Article 640-bis C.C.);
- Computer fraud to the detriment of the State or of other public body (Article 640-ter C.C.).

Computer crimes and unlawful processing of data (Article 24 *bis* of Legislative Decree 231/01)

[Article introduced by Law nr. 48, Article 7 of March 18, 2008]

- False information in a public computer document or having evidential value (Article 491-bis C.C.);
- Unauthorised access to a computer or IT system (Article 615-ter C.C.);
- Possession and distribution of illegal access codes to computer or IT systems (Article 615-quater C.C.);
- Distribution of computer equipment, devices or programmes designed to damage or disrupt computers or IT systems (Article 615-quinquies C.C.);
- Illegal Interception, blocking or interruption of computer or IT communication (Article 617-quater C.C.);
- Installation of equipment designed to intercept, prevent or disrupt computer or IT communication (Article 615-quinquies C.C.);
- Damage to computer information, data and programmes (Article 635-bis C.C.);
- Damage to computer information, data and programmes used by the state or other public body or otherwise of public interest (Article 635-ter C.C.);
- Damage to computer or IT systems (Article 635-quater C.C.);
- Damage to computer or IT systems of public utility (Article 635-quinquies C.C.);
- Computer fraud by the electronic signature authoriser (Article 640-quinquies C.C.).

Offences related to organised crime (Article 24 *ter* of Legislative Decree 231/01)

[Article introduced by law nr. 94 of July 15, 2009, "Measures regarding public security"]

- Criminal conspiracy for the purposes of (Article 416 C.C.):
 - enslavement or maintenance in a state of slavery (Article 600 C.C.);
 - child prostitution (Article 600-bis C.C.);
 - child pornography (Article 600-ter C.C.);
 - offences relating to violations of measures regarding illegal immigration (Article 12, Legislative Decree 286/1998);
- *Mafia*-type criminal conspiracy, Italian and foreign (Article 416-bis C.C.);
- Votes in exchange for political-*mafia* favours (Article 416-ter C.C.);
- Kidnapping for the purpose of robbery or extortion (Article 630 C.C.);
- Crimes committed exploiting the dispositions of Article 416 bis (i.e. crimes involving intimidation, subjection and conspiracy of silence in order to commit crimes to

acquire directly or indirectly the control of business activities, licenses, authorisations, contracts and public services to profit or gain unfair advantage for themselves or others); crimes committed to facilitate the activities of associations as under Article 416 bis;

- Criminal association for the purpose of pushing drugs and psychotropic substances (Article 74 of DPR N° 309/90);
- Crimes relating to the unlawful manufacture, introduction into the country, sale, possession in a public place or place open to the public of military or war weapons or parts thereof, explosives, illegal weapons and guns, except those provided for in Article 2, paragraph 3, of Law of 18 April 1975, N° 110 (Art. 407, paragraph 2, letter a) N° 5 C.C.).

Crimes committed in relations with the Public Administration (Article 25 of Legislative Decree 231/01)

- Corruption for an act of office (Article 318 C.C.);
- Penalties for corrupters (Article 321 C.C.);
- Corruption for an act contrary to the duties of office (Article 319 C.C.);
- Aggravating circumstances (Article 319-bis C.C.);
- Corruption in judicial proceedings (Article 319-ter C.C.);
- Inducement to corrupt (Article 322 C.C.);
- Extortion (Article 317 C.C.);
- Inducement not to make statements or to make false statements to the judicial authority (Article 377-bis C.C.).

Crimes regarding forgery of money, instruments of public credit and tax stamps and any means of identity (Article 25 *bis* of Legislative Decree 231/01)

[Article introduced by Article 6 of Law N° 350 of 25 September 2001, and supplemented by Article 15 of Law N° 99 of 23 July 2009]

- Forgery of money, passing counterfeit money in the State with prior agreement (Article 453 C.C.);
- Alteration of money (Article 454 C.C.);
- Spending and passing counterfeit money in the State without prior agreement (Article 455 C.C.);
- Spending counterfeit money received in good faith (Article 457 C.C.);
- Forgery of tax stamps, introduction, purchase, possession or circulation of forged tax stamps (Article 459 C.C.);
- Counterfeiting watermarked paper used in the manufacture of instruments of public credit or tax stamps (Article 460 C.C.);
- Manufacture or possession of watermarks or instruments for counterfeiting money, tax stamps or watermarked paper (Article 461 C.C.);
- Use of counterfeit or altered tax stamps (Article 464 C.C.);
- Forgery, alteration or use of trademarks, brands, patents, designs or drawings (Article 473 C.C.);
- Passing in the State and trading counterfeit goods (Article 474 C.C.).

Crimes against industry and trade (Article 25 *bis*, paragraph 1, of Legislative Decree 231/01)

[Article introduced by Article 15 of Law N° 99 of 23 July 2009, "Measures for the development and internationalisation of enterprises and energy", known as "Development"]

- Disturbing industry or trade freedom, use of violence or fraudulent means to prevent or disrupt industry or trade operations (Article 513 C.C.);
- Illicit competition with threats or violence (Article 513-bis C.C.);
- Fraud against the National industry: selling or circulating, in domestic or foreign markets, industrial products with counterfeited or altered names, trademarks or brands, such as to cause harm to the domestic industry (Article 514 C.C.);
- Fraudulent trading: in business activities, or in a factory outlet open to the public, delivery to the purchaser of one movable for another, or of a movable different by origin, source, quality or quantity from what stated or agreed (Article 515 C.C.);
- Sale of non genuine food products as genuine (Article 516 C.C.);
- Sale of industrial products with false brands: sale or distribution of creative works or industrial products with names, trademarks or distinctive National or foreign brands, intended to mislead the purchaser about the origin, source or quality of the work or product (Article 517 C.C.);
- Manufacture and sale of goods made by usurping industrial property rights: industrial manufacture of objects or other goods by usurping an industrial property right or in breach of the same in the knowledge of the existence of the industrial property right in order to make a profit, passing them into the State, possession with intent to sell, selling directly to consumers or circulating the above mentioned goods *offerta diretta ai consumatori o messa comunque in circolazione di beni di cui sopra* (Article 517-ter C.C.);
- Counterfeiting geographical indications or designations of origin for agri-food products (Article 517-quater).

Corporate crimes (Article 25 *ter* of Legislative Decree 231/01)

[Article introduced by Article 3 of Legislative Decree N° 61 of 11 April 2002]

- False corporate communication (Article 2621 of the Civil Code, hereinafter c.c.);
- False corporate communication to the detriment of shareholders and creditors (Article 2622, paragraph 1 and 3, c.c.);
- Prevented control (Article 2625, paragraph 2, c.c.);
- Formation of fictitious capital (Article 2632 c.c.);
- Improper reimbursement of contributions paid (Article 2626 c.c.);
- Illegal distribution of profits and reserves (Art. 2627 c.c.);
- Unlawful transactions on the shares or quotas of the company, or of its controlling company (Article 2628 c.c.);
- Transactions in prejudice of creditors (Article 2629 c.c.);
- Improper distribution of corporate assets by the liquidators (Article 2633 c.c.);
- Unlawful influence over the shareholders' meeting (Article 2636 c.c.);
- Stock manipulation (Article 2637 c.c. and Article 185 of the Consolidated Act on Finance [TUF]);

- Failure to communicate conflict of interest (Article 2629-bis c.c.) [Article added by Article 31 of Law N° 262 of 28 December 2005];
- Impediment of the public supervisory authorities in the performance of their activities (Article 2638, paragraph 1 and 2, c.c.).

Crimes for purposes of terrorism and/or aimed at subverting the democratic order, as under the Criminal Code and special laws (Article 25 *quater* of Legislative Decree 231/01)

[Article added by Article 3 of Law N° 7 of 9 January 2006]

Practice of female genital mutilation (Article 25 *quater*, paragraph 1, of Legislative Decree 231/01)

[Article added by Article 8 of Law N° 7 of 9 January 2006]

Crimes against the person (Article 25 *quinquies* of Legislative Decree 231/01)

[Article added by Article 5 of Law N° 228 of 11 August 2003]

- Enslavement or maintenance in a state of slavery (Article 600 C.C.);
- Child prostitution (Article 600-bis C.C.);
- Child pornography (Article 600-ter C.C.);
- Possession of pornographic material (Article 600-quater);
- Virtual pornography (Art. 600-quarter, paragraph 1 C.C.);
- Tourist initiatives involving the exploitation of child prostitution (Article 600-quinquies C.C.);
- Trafficking in persons (Art. 601 C.C.);
- Purchase and sale of slaves (Article 602 C.C.).

Crimes of market abuse (Article 25 *sexies* of Legislative Decree 231/01)

[Article added by Article 9 of Law N° 62 of 18 April 2005]

- Insider dealing (Article 184 of Legislative Decree N° 58 of 24 February 1998);
- Market manipulation (Article 185 of Legislative Decree N° 58 of 24 February 1998).

Offences committed in violation of safe working practices and the protection of hygiene and health at work (Article 25 *septies* of Legislative Decree 231/01)

[Article added by Article 9 of Law N° 123 of 3 August 2007]

- Manslaughter (Article 589 C.C.);
- Assault and battery (Article 590 C.C.).

Receiving, recycling, using money, goods or utilities of illegal origin (Article 25 *octies* of Legislative Decree 231/01)

[Article introduced by Article 63, paragraph 3, of Legislative Decree N° 231 of 21 November 2007]

Crimes related to the infringement of copyright (Article 25 *novies* of Legislative Decree 231/01)

[Article introduced by Article 15 of Law N° 99 of 23 July 2009, "Measures for the development and internationalisation of enterprises and energy", known as "Development"]

- Making a protected intellectual work or a part thereof available to the public in a computer network through connections of any kind (Article 171 of Law 633/1941, paragraph 1, letter a bis);
- Above mentioned crimes involving the works of others not intended for publication, when resulting in an offence to their honour or reputation (Article 171 of Law 633/1941, paragraph 3);
- Illegal copying, for profit, of computer programmes; import, distribution, sale or possession for commercial or business purposes or rental of programmes on media not marked by SIAE; development of means to remove or circumvent protective devices on computer programmes (Article 171 bis of Law 633/1941, paragraph 1);
- Reproduction, transfer to another medium, distribution, communication, presentation or showing in public, of contents of a database; extracting or re-using databases; distribution, sale or rental of databases (Article 171 bis of Law 633/1941, paragraph 2);
- Illegal copying, reproduction, transmission or dissemination in public of intellectual works in any way, in whole or in part, for television, cinematography, sale or rental of records, tapes or similar media or any other media containing phonograms or video recordings of musical, cinematographic or audiovisual works, or similar or sequences of moving pictures; literary, dramatic, scientific, or educational, musical or operatic, multimedia works, even if included in collections or composite works or databases; illegal reproduction, duplication, transmission or dissemination, sale or trade, concession in any capacity or illegal import of more than fifty copies or examples of works protected by copyright and related rights; issuing intellectual works, or part thereof, protected by copyright in a computer network through connections of any kind (Article 171 ter of Law 633/1941);
- Failure to notify the SIAE of identification data for unmarked media or false statement (Article 171 septies of Law 633/1941);
- Fraudulent production, sale, import, promotion, installation, modification, public and private use of equipment or parts thereof to decode wireless, satellite or cable audiovisual transmissions, both analogic and digital (Article 171 octies of Law 633/1941).

Trans-national crimes (Articles 3 and 10 of Law N° 146 issued on 16 March 2006).

Article 3 of the Law defines trans-national crime as a crime punishable by imprisonment of no less and no more than four years, if involving an organised criminal group, and: a) is committed in more than one State; b) is committed in one State but a substantial part of the preparation, planning, management or control takes place in another state; c) is committed in one state but involves an organised criminal group engaged in criminal activities in more than one state; d) is committed in one State but has substantial effects in another State.

The crimes involved are:

- Criminal conspiracy (Article 416 C.C.);
- *Mafia*-type criminal conspiracy (Article 416 bis C.C.);
- Criminal conspiracy for the smuggling of tobacco products produced abroad (Article 291 quater of the Consolidated Act from Presidential Decree N° 43 of 23 January 1973);

- Conspiracy for the purposes of illicit trafficking of narcotic drugs or psychotropic substances (Article 74 of the Consolidated Act from Presidential Decree N° 309 of 9 October 1990);
- Measures against illegal immigration (Article 12, paragraphs 3, 3 bis, 3 ter and 5 of the Consolidated Act, from Legislative Decree N° 286 of 25 July 1998);
- Induction to not make statements or to make false statements to the court (Article 377 bis C.C.);
- Abetting (Article 378 C.C.).

Article 10 (“Administrative liability of Entities”), in providing for administrative sanctions for each type of crime, states that for administrative offences under this Article the provisions of Legislative Decree N° 231 of 8 June 2001 (i.e. 231/01) shall apply.

In addition, the EU Council, in the two framework decisions described below, states that Member States shall take the necessary steps to prosecute in a criminal trial:

- Behaviour contrary to environmental protection (EU Council Framework Decision of 27 January 2003, 2003/80/JHA on the protection of the environment through criminal law);
- Corruption in the private sector (EU Council Framework Decision of 22 July 2003 2003/568/JHA on corruption in the private sector).

These decisions also establish that each Member State shall take measures to ensure that legal persons can be held liable, under the circumstances and conditions set out therein, for the offences under the criminal provisions to be introduced.

1.2 SANCTIONS

Administrative sanctions for administrative offences relating to crime are:

- i. fines;
- ii. disqualification;
- iii. confiscation of the profit gained by the Entity as a result of the crime;
- iv. publication of the sentence.

In particular, the main disqualifications do concern:

- a. disqualification from carrying out activities;
- b. suspension or withdrawal of authorisations, licenses or permits functional to the commission of the illicit act;
- c. prohibition of contracting with the public administration, except to obtain a public service;
- d. exclusion from benefits, funds, contributions and subsidies, and cancellation of any that have been granted;
- e. prohibition from advertising goods or services.

It should be carefully considered that the Entity avoids any liability in cases where it has voluntarily prevented the action or event from being carried out. In this regard, it must be stressed that any behaviour of Entity executives designed to prevent the fulfilment of certain events, is a decisive factor.

1.3 ADOPTION OF THE MODEL OF ORGANISATION, MANAGEMENT AND CONTROL TO RELIEVE THE ENTITY OF ADMINISTRATIVE LIABILITY

In cases where the crimes mentioned in Section 1.1 have been committed, Articles 6 and 7 of the Decree set specific forms of exemption from administrative liability of the Entity.

If the crime is committed by individuals representing or who are members of the administration or management of the Entity, or of an organisational unit of the Entity having functional and financial autonomy, or by individuals who manage or exercise *de facto* control of the Entity (i.e. the so-said “top executives”), the Entity is not responsible if it is proved that: (i) the governing body had adopted and effectively implemented, prior to the commission of the offence, “models of organisation, management and control designed to prevent the kind of crime that occurred” (hereinafter, “Model”); (ii) supervision of the operation of and compliance with the Model, and updating of the same, have been assigned to an organisation in the Entity with autonomous powers of initiative and control (“Supervisory Body”); (iii) the persons have committed the crime by fraudulently evading the Model; (iv) supervision by the control body was not omitted or insufficient.

Where, on the other hand, the offence is committed by individuals under the direction or supervision of one of the above mentioned top executives, the Entity is liable if the crime was made possible by failure to comply with the obligations of management and supervision.

This failure is, in all cases, excluded if the Entity, prior to the commission of the offence, adopted and effectively implemented a Model designed to prevent the kind of crime that occurred.

In contrast, in cases of crimes of manslaughter and assault and battery committed in violation of the rules on health and safety at work, the threshold of acceptability - to the effects of exemption under Decree 231/01 - is represented by behaviour (not accompanied by the intention to cause death or personal injury) in violation of the Model (and the underlying mandatory requirements prescribed by legislation on prevention), despite the prompt compliance with the supervisory obligations set forth by the Decree by the designated control body.

This is because the fraudulent evasion of organisation models appears to be incompatible with the subjective element of the crimes of manslaughter and of assault and battery, as under Articles 589 and 590 of the Criminal Code.

These models of organisation, management and control must meet the following requirements:

- identify the activities in which crimes under the Decree may be committed, starting with the organisation structure of the Entity;
- envisage specific protocols aimed at programming the formulation and implementation of decisions by the Entity concerning crimes to be prevented, with reference to the ethical principles adopted by the Entity to prevent the commission of crimes;

- identify procedures for the management of financial resources that can prevent the commission of crimes;
- establish procedures for membership and composition of the body responsible for the supervision, compliance and updating of the Model, as well as causes and procedures for the replacement, ineligibility, powers, duties and responsibilities of its members;
- establish information duties towards the body responsible for supervision of and compliance with the Model;
- introduce a disciplinary system for employees, directors, members of the Supervisory Body and third parties (contract staff, agents, consultants, suppliers, etc.), providing for sanctions for non-compliance with the measures identified in the Model.

The Model must also be dynamic, and it shall be constantly adapted and amended pursuant to changes in the organisation, corporate activities, procedures for carrying them out, and legislation (see Court of Milan, Gip Secchi, Court Order of 20 September 2004; Court of Milan, Criminal Section XI, Ruling N° 2333 of 14 February 14 2004; Court of Milan, Criminal Section XI, Ruling N° 2038 of 28 October 2004; Court of Naples, Gip Saraceno, Court Order of 20 June 2007).

Finally, Article 6 of the Decree states that models of organisation and management can be adopted on the basis of codes of conduct drawn up by trade or industrial associations and notified to the Ministry of Justice, which, together with other competent ministries, will have 30 days to give an opinion on the suitability of the models with respect to crime prevention. However, it should be pointed out that, in order to avoid a conflict of interpretation concerning the need to communicate these models to the Ministry of Justice, in Decree N° 2001 of 26 June 2003, the Minister of Justice gave an ultimate clarification as to paragraph 3 of Article 6, stating that communication of the Model itself is not required.

1.4 EXISTING GUIDELINES

To date, the most widespread and recognised benchmark for models of organisation, management and control as defined under Legislative Decree N° 231/01, is represented by the Guidelines drawn up by Confindustria.

On 7 March 2002, Confindustria approved the first *"Guidelines for the construction of a Model of organisation, management and control as under Legislative Decree 231/01"* (hereinafter referred to as the **"Guidelines"**), subsequently integrated on the basis of indications received from the Ministry of Justice (18 May 2004), and then re-approved on 31 March 2008. This version of the Guidelines was examined by the Ministry of Justice, which communicated on 2 April 2008 that they were suitable for the achievement of the objectives laid down in Article 6, paragraph 3 of Legislative Decree 231/01.

The new version of the Guidelines was updated to take into account new laws which extend the application of the system of administrative liability for Entities to other types of offences, implying changes both in their general part and in the annex covering the single crimes (the so-called case studies).

In particular, the changes were intended to provide indications for establishing measures to prevent the commission of new crimes - market abuse, the practice of female genital

mutilation, transnational organised crime, health and safety at work, and anti-money laundering. With specific reference to market abuse, changes were made after in-depth consultations with Consob.

Following the most recent recent regulatory changes, the Guidelines are likely to be further updated on the basis of consultation with other trade organisations.

A selection of the most important points in the current Guidelines is given below:

- A. Identification of the Entity's organisation system (delegations, powers of attorney, powers of signature and of expenditure) and mapping of business areas and sectors at risk, aimed at highlighting company functions in which prejudicial events listed in the Decree may take place. With reference to the risk of conduct involving the crimes of manslaughter and serious or very serious criminal injuries (assaults and battery) in violation of regulations on health and safety at work, the analysis must necessarily be extended to all business areas and activities;
- B. Examination and implementation of existing company procedures, and drafting of new procedures/protocols aimed at preventing the commission of crimes in a specific area;
- C. Establishment or integration of a code of ethics, whose principles must be followed in carrying out the Entity's activities;
- D. Establishment of a control system suitable to prevent risks and, therefore, based on the following principles:
 - verifiability, documentation, consistency and congruence of every operation;
 - application of the principle of separation of duties (a single individual cannot manage an entire process);
 - documentation of controls;
 - provision of an adequate system of sanctions for violations to the code of ethics and to the procedures laid down in the Model;
 - provision of procedures for the management of financial resources;
 - information duties towards the control body.
- E. Identification of procedures for the appointment, composition, substitution, and termination of the powers of the Supervisory Body, that must satisfy the essential requirements of **independence, professionalism and continuity of action**;
- F. Staff information and training;
- G. Provision of an appropriate disciplinary sanction system. For the purposes of compliance with legislation relating to health and safety at work, it is important to state that the duties of workers are binding for all employees, as under the Consolidated Act on safety.

Failure to comply with some specific points of the Guidelines does not invalidate the validity of the Model, which is generic and represents only a basic framework, to be integrated with specific reference to the concrete reality of the Company.

2. MISSION AND IMPLEMENTING STATEMENT

2.1 ADOPTION OF A MODEL OF ORGANISATION, MANAGEMENT AND CONTROL

On the grounds of the foregoing, MolMed S.p.A. (hereinafter, “MolMed” or “the Company”), in order to give a clear and transparent definition of the set of values on which its institutional aims are based, decided to adopt an organisational, management and control model (hereinafter, the “Organisational Model” or “Model”) in line with the requirements of the Decree and the principles of the Code of Ethics, that was integrated and implemented in this context.

In the meeting of 4 October 2007, MolMed’s Board of Directors approved the “Model of organisation, management and control” pursuant to Legislative Decree N° 231 of 8 June 2001. On 7 May 2008, on the basis of amendments proposed by the Supervisory Body, established under resolution 6 November 2007, MolMed empowered the Chairman, with the help of consultants to the Company, to make any necessary changes to the current Model so that it would comply with changes in legislation, regulations and Company organisation. On 27 August 2008, the Board of Directors approved a new text containing the proposed additions and upgrades. **On 27 August 2009, MolMed’s Board of Directors, on the basis of regulatory changes and the need to integrate and implement the Special part of the Model, approved the present text.**

MolMed’s decision to adopt a Model was taken in the belief that - beyond the provisions contained in the Decree, which indicates the Model, and therefore the Code of Ethics, as optional and not mandatory - it may represent a valuable tool to raise awareness in all Company staff, as well as in all those operating in the name and on behalf of MolMed (i.e. customers, suppliers, partners and consultants), so that they may adopt proper and coherent behaviour in the performance of their activities, such as to prevent the risk of commission of offences referred to in the Decree.

The adoption of the Model is accompanied by a series of preparatory activities divided into different phases, all designed to build a system of risk prevention and management in line with the provisions of Legislative Decree 231/01, and inspired by the rules therein, by the Guidelines of Confindustria updated to March 2008, and by recent legal and juridical interpretations on the matter.

2.2 PURPOSE AND STRUCTURE OF THE MODEL

The Model aims to set up a structured and organic system of procedures and control activities, both *ex ante* and *ex post*, to prevent and reduce the risk of committing the crimes referred to in the Decree.

Therefore, the Model has the following purposes:

- raise awareness, in all those acting in the name and on behalf of MolMed in business areas at risk, that if they do not comply with the provisions therein they may be committing offences punishable by criminal penalties, and that the Company may be subject to administrative sanctions;

- enable the Company, by monitoring areas of activity at risk, to intervene promptly in order to prevent or combat the commission of said crimes;
- inform all those working in any capacity in the name of, on behalf of, or otherwise in the interests of MolMed, that breaching the provisions in the Model will involve the application of appropriate sanctions, including cancellation of contractual relations;
- underline that MolMed does not tolerate and strongly condemns unlawful conduct of any type and for whatever purpose, because such behaviour (even if apparently benefiting the Company) is contrary not only to the law but also to the ethical principles which MolMed follows in the performance of its business activities.

In setting up a programme of systematic and rational actions to adapt its organisation and control models, MolMed prepared a "map of sensitive activities" with the assistance of the Supervisory Body and its advisers, thereby identifying all activities which, by their nature, should be analysed and monitored as under the requirements of the Decree. The map (**Annex 5** of the Special part) was submitted for approval and approved by the Board of Directors on 27 August 2009.

On the same occasion, changes were also approved to the Code of Ethics (**Annex 1** of the Special part), pursuant to the introduction of new types of offences under Legislative Decree 231/01. Moreover, the Board of Directors approved the following documents implementing the Special part of the Model, prepared with the help of MolMed's consultants: **Annex 2** ("Conduct Guidelines"), **Annex 3** ("Organisation Structure"), **Annex 4** ("System of delegation of powers"), and **Annex 7** ("Disciplinary Code").

Finally, **Annex 6** of the Special part of the Model, describing MolMed's "Operational Procedures", was approved by the Board of Directors on 9 November 2009, following a joint assessment with the Supervisory Body and the bodies of the Company's Internal Control System in order to make these procedures homogeneous and integrated with respect to MolMed's current procedures.

As for the mapping of sensitive areas, on the basis of which the other Annexes have been prepared, the analysis focused especially on activities most at risk of commission of crimes under Articles 24, 25 and 25-*bis* of the Decree (crimes against the public administration and against property to the detriment of the state or other public body), the crimes under Article 25-*ter* of the Decree (corporate crimes), vis-à-vis Articles 24-*bis* (computer crimes), 25-*sexies* (market abuse) and 25-*septies* (violation of safe working practices and the safeguarding of hygiene and health at work).

The map was then integrated and implemented with regard to activities at risk under Articles 24-*ter* (organised crime), 25-*bis* (counterfeit money, instruments of public credit, tax stamps and any means of identification) 25-*bis* paragraph 1 (offences against industry and commerce) and 25-*novies* (offences involving infringements of copyright).

In preparing the map, the Supervisory Body and MolMed's consultants took account of the Risk Assessment model drafted by Ernst & Young and aimed towards facilitating the adaptation and updating of MolMed's internal control System.

As for offences introduced in July 2009, additional activities will be identified to analyse related risks and disseminate relevant knowledge and prevention.

The Special part of the Model is based, as mentioned before, on a structured and systematic set of procedures and control activities that essentially aim to:

- identify the risk areas/processes in business activities, i.e. those activities possibly implying the highest chance of committing crimes;
- define an internal regulatory system designed to programme formulation and implementation of company decisions as regards the risks/crimes to be prevented, through:
 - a) the **Code of Ethics**, which sets general guidelines (Special part, **Annex 1**);
 - b) the **Operational Procedures**, aimed at the detailed regulation of operational procedures in "sensitive" sectors (Special part, **Annex 6**);
 - c) the **System of delegation of powers** and powers of attorney for signing corporate documents, ensuring clarity and transparency in the process of making and implementing decisions (Special part, **Annex 4**);
 - d) **Staff training and circulation of the model** within the Company and its environment (General part, Chapter 2.5);
 - e) application of the **Disciplinary Code**, specifying measures to be taken in case of failure to comply with the requirements of the model (Special part, **Annex 7**).
- establish a coherent organisation structure designed to inspire and control correct behaviour, ensuring a clear and organic assignment of duties with proper separation of responsibilities, and guaranteeing that the design of the organisation structure is actually implemented;
- identify processes for management and control of financial resources in activities at risk;
- assign to the Supervisory Body the responsibility for monitoring the functioning and respect of the Model, as well as proposing its update.

2.3 AMENDMENTS AND INTEGRATIONS TO THE MODEL

Since this Model is an "act issued by the executive body" (as under Article 6, paragraph 1, letter a of the Decree), its adoption and subsequent amendments and integrations are the responsibility of MolMed's Board of Directors.

In particular, it is the responsibility of the Board of Directors to integrate the Model, either on their own initiative or at the request of the Supervisory Body, in accordance with the findings and controls of the latter, as well as following the introduction of other types of crimes which, as a result of new regulations, will be included in Decree 231.

The actual functioning of the model will be verified on a yearly basis, following specific procedures (e.g. in-depth analyses and control tests) established by the Supervisory Body. Moreover, a review will be undertaken of all reports received during the year, of the action taken by the Supervisory Body and other interested parties, of potentially risky events, and of staff awareness of the offences under the Decree by carrying out spot-checks.

The Board of Directors, even through delegation to one or more of its members, will also be responsible for incorporating any subsequent amendments and additions to the Model, so as to ensure the continued compliance of the Model with the provisions in the

Decree and with any changes to the corporate structure. The Board will then collectively approve the integrated and/or amended version.

2.4 SUPERVISORY BODY

Identification and operation of the Supervisory Body

According to the provisions of the Decree (Articles 6 and 7) and the indications contained in the report accompanying the Decree, the Supervisory Body must have the following characteristics:

- a) autonomy and independence;
- b) professionalism;
- c) continuity of action.

a) Autonomy and independence

The requirements of autonomy and independence are fundamental to ensure that the Supervisory Body is not directly involved in management activities that constitute the object of its control activities. These requirements can be achieved by ensuring that the Supervisory Body is as high as possible on the hierarchical ladder, and that it reports to the Company top management, i.e. the Board of Directors.

The Supervisory Body must, therefore, have no operational duties and - as explained below - only staff relations with the Company top management and the Board of Directors.

b) Professionalism

Supervisory Body members must possess the technical and professional skills required for the functions they are to perform. Professionalism, combined with independence, guarantees objectivity in judgements. The members of this body should have specific expertise in any technique that may prevent the commission of crimes, uncover those already committed and identify the causes, and verify compliance with the Model by those belonging to the company organisation.

c) Continuità d'azione

The Supervisory Body must constantly oversee the workings of the Model with the necessary powers of investigation; it is also responsible for the implementation and constant update of the Model and, therefore, it cannot carry out operational activities that may affect the overall picture of the Company activities that the Body must necessarily have.

Given the special type of work it has to perform and the specific professional content required, in carrying out its activities the Supervisory Body will employ other MolMed functions which may at times offer support in carrying out the Body's activities.

The Supervisory Body of MolMed S.p.A.

To achieve the implementation and complete adoption of the organisation Model as under Legislative Decree 231/01, MolMed established the Supervisory Body with a resolution of the Board of Directors on 6 November 2007, and appointed Ezio Simonelli as President. On 8 January 2008, the Board appointed the lawyer Antonella Lopopolo as

member of the Body. The two members of the Supervisory Body were chosen because of their technical and legal knowledge *vis-à-vis* the setting up of internal company control systems; their CVs are kept in Company records.

Supervisory Body activities are governed by special internal regulations, established by the Body itself. These regulations, delivered to Board members and statutory auditors, are based on the principles of conduct specified in this document and include *inter alia* the functions, powers and duties of the Body, the reporting of activities carried out and the frequency of meetings.

Functions and powers of the Supervisory Body

The purpose of MolMed's Supervisory Body is primarily to:

- monitor the implementation of the Model as regards the different types of crimes covered by the Decree;
- verify the effectiveness of the model and its capacity to prevent the commission of the offences under the Decree;
- identify and propose to the Board of Directors updates and amendments to the Model, in response to changing legislation or changes in the Company activities and/or structure.

On a more operational level, MolMed's Supervisory Body has the following duties:

- periodically check the map of areas at risk in order to adapt it to changes in company activities and/or structure. To this end, executives and staff responsible for control activities within individual departments have to report to the Supervisory Body about situations that could expose the Company to the risk of crime. All communications must be in writing (including e-mails) and not anonymous;
- conduct periodic audits focused on specific operations or specific acts taking place within risk areas, as defined in Annex 5 of the Special Part of the Model;
- collect, process and store information (including the reports referred to in the next bullet point) concerning compliance with the Model, and update the list of information that must be transmitted to the Supervisory Body;
- conduct internal investigations to ascertain alleged infringements of the requirements of the Model, either brought to the attention of the Supervisory Body in reports or identified during the supervisory activities of the same;
- verify that the elements set out in the Special Part of the Model for different types of crime (adoption of standard terms, performance of procedures, etc) respond adequately to the needs of compliance with the provisions of the Decree, and propose updates in case such needs are not fulfilled;
- promote initiatives to disseminate knowledge and understanding of the Model, and prepare internal organisational documentation necessary for implementing it containing instructions, clarifications or updates (training courses, information, etc.).

To carry out the above tasks, the Supervisory Body:

- enjoys wide powers of inspection and access to company records;
- has appropriate financial and professional resources;

- can rely on the support and cooperation of the company structures that may be interested or involved in monitoring activities.

To this end, the Supervisory Body has the power to:

- issue provisions and service orders aimed at regulating the activities of the Supervisory Body;
- access any and all company records relevant to the performance of the functions assigned to the Supervisory Body as under the Decree;
- use consultants with proven expertise in cases where it is necessary to carry out verification and control activities, or to update the Model;
- request information from the heads of Company functions and, when necessary, from the Board of Directors, contract staff, consultants, etc.
- establish that heads of Company functions promptly provide information, data or news requested in order to identify aspects connected to Company activities relevant for the purposes of the Model, and to verify the effective implementation thereof by the Company's organisation structures.

The Supervisory Body has no operational role or decision-making powers, not even of a preventative nature, as concerns the conduct of company activities.

Supervisory Body Reporting to Corporate Bodies

The Supervisory Body may be convened at any time by the Chairman of the Board of Directors and may, in turn, ask to be heard by the Board at any time, in order to report on the operation of the Model or specific situations.

MolMed's Supervisory Body has been assigned two reporting procedures:

- the first one, on a continuous basis, directly to the Chairman or Chief Executive Officer and to the General Manager;
- the second one, periodically, to the Board of Directors and the Board of Statutory Auditors.

In addition, each year MolMed's Supervisory Body submits to the Board of Directors a written report on the implementation of the Model in the Company.

Every six months, the Supervisory Body reports to the Board of Directors on activities carried out and the work schedule for the next six months. These reports are kept in Company records.

Information flow towards the Supervisory Body

Within the Company the Supervisory Body must receive, in addition to the documentation required under the Special Part of the Model, and in accordance with the procedures described therein, information of any kind, even from third parties, that is relevant to the implementation of the Model in risk areas.

All information deemed useful for this purpose must be sent to the Supervisory Body including, for example:

- internal and external communications concerning any case that may in some way be connected with crimes under the Decree (e.g. disciplinary measures initiated/implemented against employees);
- news on organisational changes;
- updates to the system of delegation of powers;
- communications of the auditing firm on deficiencies in the internal Control System or reprehensible acts.

The Supervisory Body collects all types of reports on infringements to the Model, or behaviour not in line with the rules of conduct adopted by the Company.

The Supervisory Body will consider the reports received and any action to be taken at its discretion and responsibility, hearing if necessary the author of the report and/or the person responsible for the alleged infringement, and giving a written explanation for any refusal to carry out an internal investigation.

Reports must be in writing and not anonymous, and must have as subject any violation or suspected violation of the Model, in line with the provisions in the Code of Ethics.

The Supervisory Body will act to ensure that reporters are not subject to any form of retaliation, discrimination or penalisation, and will keep the identity of the reporter confidential, without prejudice to legal obligations and the protection of the rights of the Company or persons wrongly accused and/or accused in bad faith.

The reports received by the Supervisory Body shall be collected and kept in a specific archive accessible only to members of the Supervisory Body.

In order to facilitate the flow of reports and information to the Supervisory Body, a dedicated information channel must be set up. In this context, the Supervisory Body requested and obtained from the Company the activation of a specific e-mail address, accessible only to members of the Supervisory Body, to receive in confidential form reports on infringements or potential infringements to the Model and/or the Code of Ethics. The Company provided adequate information on the activation of this e-mail address to all people concerned. Contextually the Supervisory Body informed employees and contract staff of the procedures for reporting violations or suspected violations to the Model and/or the Code of Ethics.

Up until 27 August 2009, no report on any possible infringements to the Model has been received by the Supervisory Body.

As requested by the Internal Control Committee, the Company is taking steps to establish "negative information" procedures *vis-à-vis* the Supervisory Body.

Furthermore, as part of the interaction established by the Company among its control Bodies it is envisaged that:

- a) the Supervisory Body can communicate to the Internal Audit function - set up by MolMed in a resolution of the Board of Directors on 6 November 2007 - the request for activities inherent to the Model;
- b) the Internal Audit function can communicate to the Supervisory Body:
 - indications for:
 - updating the Model

- updating the map of risk areas/activities, in order to identify sensitive activities that could lead to the commission of crimes under the Decree
- an assessment plan to verify the adequacy of existing controls and their effective operation
- the results of targeted audits on sensitive activities requested by the Supervisory Body.

Information duties relating to official acts

In addition to reports - including those made unofficially - referred to above, the following information is also to be submitted to the MolMed Supervisory Body:

- measures taken and/or information provided by the police, or any other authority, which concern investigations, even against unknown persons, for offences under the Decree;
- requests for legal assistance made by executives and/or employees in the event of prosecution for offences under the Decree;
- reports prepared by the heads of Company functions as part of their control activities and which detail facts, actions, events or omissions not complying with the provisions of the Decree;
- news and briefings concerning the effective implementation of the Model at all Company levels, with evidence of disciplinary proceedings and any sanctions imposed (including measures regarding employees), or measures regarding the closure of these proceedings and reasons thereof.

Finally, the Supervisory Body must be notified of the system of delegation of powers adopted by MolMed and of any changes to it.

2.5 STAFF TRAINING AND CIRCULATION OF THE MODEL

Training and information for employees

MolMed promotes awareness of the Code of Ethics and the Model, as well as of related internal protocols and updates, among all employees (who therefore are required to know, comply with and assist in implementing the content), by using information channels that are deemed suitable according to time and circumstances.

To implement the Model, the General Management or the Human Resources function, in cooperation with the Supervisory Body, manages staff training by running courses for employees.

Furthermore, when hiring personnel, new employees will be given a copy of the Model, including all Annexes.

The Model is publicly available in the "Investors" section of the Company website ([www.molmed.com/investors/corporate governance/corporate social responsibility](http://www.molmed.com/investors/corporate%20governance/corporate%20social%20responsibility)).

The Heads of function are available to provide assistance to their employees about the contents of the Model. In order to be prepared to carry out this task, they will be

trained through communication programmes on the Model and its updates, following procedures determined by the Supervisory Body.

Information for contract staff, consultants, customers and suppliers

MolMed promotes knowledge of and compliance with the Code of Ethics and the Model also among consultants, contract staff in various capacities, customers and suppliers.

They will therefore be given the appropriate information on the principles, policies and procedures adopted by MolMed on the basis of the Model, and on the contractual terms which, in line with these principles, policies and procedures, will be adopted by the Company in predefined standards.

All concerned parties will be required to issue a signed statement to the Company certifying the receipt (or reading) of the Model, including the Code of Ethics and the Disciplinary Code, and the commitment to comply with its provisions.

As of 27 August 2009, the staff training plan adopted by the Supervisory Body aims to raise awareness of regulatory obligations. To this end, every year the Supervisory Body organises training sessions that are specific to the responsibilities and roles of participants, especially those who work in potential risk areas.

On 17 April 2008, the Supervisory Body organised a general seminar/training session for all MolMed employees and contract staff, focused on the provisions in Legislative Decree 231/01. On 16 December 2008, the Supervisory Body held a training session for the Company's senior management to inform them of the crimes of insider dealing and market abuse, illustrating the constituent elements of the crimes along with prevention tools and any possible punitive consequences for the Company

The materials prepared for the different seminars, distributed to the participants in paper form, are available to all employees in electronic format through the Company intranet.

2.6 DISCIPLINARY SYSTEM

Article 6 of Legislative Decree 231/01, in exempting the Entity from liability in case of adoption and effective implementation of a Model of organisation, management and control capable of preventing the commission of criminal offences covered therein, introduced "a disciplinary system to punish non-compliance with the measures indicated in the Model".

The establishment of an adequate system of sanctions for violation of the provisions contained in the Model is the basic condition for ensuring the effectiveness of the Model.

Disciplinary sanctions are applied regardless of the outcome of criminal proceedings, should there be any, since the rules of conduct set by the Model are adopted by MolMed independently and irrespective of the type of offence that could arise from violations to the Model.

In accordance with such principles, the Company has established a Disciplinary code which is an integral and substantial part of the Model (**Annex 7** of the Special part).

The Disciplinary code:

- is structured differently depending on who is concerned;
- specifies the disciplinary measures to be taken against individuals responsible for violations, breaches, circumvention, imperfect or partial implementation of the requirements contained in the Model or in the internal procedures set down in the Model, in compliance with the provisions of the collective labour contract and applicable requirements by the law;
- establishes a special procedure for investigating such violations, breaches, circumvention, imperfect or partial application, and a special procedure for the enforcement of applicable sanctions;
- introduces appropriate publication and dissemination procedures.

Employees and Contract Staff

Compliance with the principles, behaviour and specific control elements contained in the Model must be considered an essential part of the contractual obligations of employees, in accordance with and by effect of Article 2104 of the Civil Code.

Violations of the principles, behaviour and control elements contained in the Model may constitute non-compliance of the primary obligations of employment hence a disciplinary offence having legal consequences, even in terms of employment relations, and may lead to compensation for damages caused. These provisions are in compliance with the procedures contained in Article 7 of the Workers' Bylaws.

MolMed is committed to providing and imposing - coherently, fairly and uniformly - penalties proportionate to violations of the Model and in accordance with the current provisions in labour regulations.

In particular, when disciplinary sanctions are applied to employees they will take into account the principle of proportionality under Article 2106 of the Civil Code (including its integrations and/or changes), taking into account, in each case, the objective seriousness of the acts constituting a breach of discipline, the degree of fault, the possible recurrence of the same conduct, and the intentionality of the behaviour.

For contract staff, the infringements could lead to the cancellation of the contract even without notice, by reason of specific contractual clauses.

Such disciplinary provisions are without prejudice to the Company's right to claim any damages and/or liability that may arise as a result of conduct in violation of the Model by employees and contract staff.

Senior management

In cases of violation of the Model by members of MolMed's senior management, the Supervisory Body will notify the Board of Directors and the Board of Statutory Auditors. For members of the Board of Directors and of the Board of Statutory Auditors, the Board of Directors may propose the termination of the mandate for just cause and the activation of relative procedures at the next shareholders meeting.

2.7 CONFIRMATION OF THE APPLICATION AND ADEQUACY OF THE MODEL

The Model will be subject to two types of controls:

(i) **monitoring** of the effectiveness of the Model - i.e. the verification of consistency between the concrete behaviour of those concerned and the Model itself - by setting up a system that provides for periodic statements by those concerned to confirm that there have not been actions that were not in line with the Model.

In particular, monitoring activities will focus on compliance with:

- a) indications and contents of the Model;
- b) power delegations and limitations in powers of signature.

Staff responsible for identified risk areas must make sure that declarations are signed by their subordinates and sent to the Supervisory Body, who will file them and carry out spot-checks.

(ii) **assessment of procedures**: the effective operation of the Model will be assessed on a yearly basis using the procedures established by the Supervisory Body.

Moreover, a review will be made of all reports received during the year, the steps taken by the Supervisory Body and other interested parties, events considered risky, staff awareness of possible offences under the Decree assessed through spot-checks. The outcome of the review, highlighting possible shortcomings and suggestions for actions to be taken, will be included in the Supervisory Body's annual report to the Company's Board of Directors.

SPECIAL PART

CODE OF ETHICS OF MOLMED S.P.A.

1. INTRODUCTION

MolMed S.p.A (hereinafter "MolMed") is a biotechnology company focused on research, development and clinical validation of innovative therapies for the treatment of cancer.

MolMed Code of Ethics identifies corporate values, highlighting the rights, duties and responsibilities of all those who - for whatever purpose - operate within MolMed towards all external stakeholders: employees, consultants, agents, business partners, public administration, public employees, shareholders and, more generally, all stakeholders that work with the company.

The adoption of this Code is the expression of a corporate environment whose primary goal is to satisfy as best it can the needs and expectations of MolMed stakeholders, recommending and promoting high standards of professionalism and banning behaviour that is contrary not only to the law but also to the values that MolMed seeks to promote.

This Code is an integral part of the "Model of organisation, management and control" adopted by MolMed under Article 6 of Legislative Decree 231/01 on "Regulations concerning the administrative liability of legal Entities".

MolMed is committed to disseminating the contents of the Code among those who work within the Company, as well as among all those who come into contact with the Company, taking into account any contributions and suggestions from those concerned for amendments or integrations to the Code.

Compliance with the Code of Ethics is required and applies equally to all company managers and employees, and to all those who - directly or indirectly, permanently or temporarily - establish relations with the Company, taking all necessary internal and, if within the competence of the Company, external initiatives in the event of non compliance by third parties.

MolMed also undertakes to establish and maintain appropriate internal control procedures *vis-à-vis* the application of and compliance with the provisions in the Code.

The Supervisory Body is responsible for the task of monitoring and reporting any violations of the Model, of which this Code, as said before, is an integral part.

2. ETHICAL PRINCIPLES AND CORPORATE VALUES

Compliance with the law, regulations, bylaws and codes of self-discipline, as well as moral integrity and correctness, are the constant commitment and the duty of all those working within and in contact with the Company.

MolMed, at its initial public offering, pledged to establish and maintain a system of governance based on National and international standards of best practice.

In developing its activities, MolMed refers to the protection and promotion of human rights, and operates in the framework of the United Nations Universal Declaration of Human Rights and of the fundamental conventions of the International Labour Organisation, repudiating any kind of discrimination, corruption, forced labour or child labour. The Company holds in special regard the recognition and safeguarding of *dignity, freedom* and *equality* of human beings, the protection of *labour, trade union freedom, health, safety, environment* and *biodiversity*, and a system of values and principles as regards transparency and sustainable development.

All those who work to achieve the objectives of the Company, without distinction or exception, are to conform their actions and their behaviour to the principles and contents of the Code as part of their duties and responsibilities, and must be aware that compliance with the Code is an essential part of job quality and professional performance. Relations and behaviour should be based on the criteria of *honesty, correctness, cooperation, loyalty* and *mutual respect*.

In no way can the conviction of acting for the benefit or interest of MolMed justify, not even in part, the adoption of conduct contrary to the principles and contents of the Code.

As a Company operating in the field of biotechnology, a fundamental value for MolMed and for those who work within the Company is the welfare of civil society and the improvement of living conditions and quality of life, the ultimate goal of its activities. Company wellbeing cannot prevail over the interest and wellbeing of human beings.

MolMed and those who work within the Company are required to comply with good laboratory and manufacturing practices, and with all safety standards set by law, implementing practices and procedures that guarantee biosafety and experimentation in contained space, as required by law and regulations.

Experimentation, being the basis of the scientific method and an instrument of scientific progress, may make use of laboratory animals. However, experiments on animals must take place exclusively for scientific purposes that cannot be attained by other means and with a well-founded expectation of increased knowledge, particularly if there are appreciable effects on human health. In any event, experimentation must be conducted with means that avoid any unnecessary suffering.

3. RULES OF CONDUCT AND RELATIONS WITH STAKEHOLDERS

Stakeholders include shareholders, company representatives, customers, suppliers, the Public Administration, the environment, Society and all those who have a legitimate interest in the Company's activities.

In the conduct of its activities and relations with third parties, MolMed is inspired by and observes the principles of: *honesty* (compliance with laws, codes, regulations, recommendations, guidelines and accepted practices); *loyalty* and *correctness* (especially in contractual relationships); *transparency, accuracy* and *completeness of*

information (especially as regards its financial position and economic performance); *efficiency* and *openness* to the market; *protection of the value of human and company resources*; *equality* and *impartiality* (by banning distinctions and/or discrimination based on gender, age, sexuality, religion, health, nationality, and political opinion. All persons who enter into a relation with the Company are held to the same rules of conduct); *respect and protection of the environment*.

MolMed prohibits, and is committed to establishing all necessary measures to prevent, avoid and prohibit:

- corrupt practices, illegal favours, collusion, direct or indirect pressure through third parties, personal advantages and career benefits for oneself or others. It is forbidden to receive, give or offer, directly or indirectly, payments, material benefits and advantages of any other kind for oneself or others - representatives of governments, public officials and public or private employees - which cause a loss of independence in judgements and influence or reward an act of their office or other utilities which, while not constituting violations of laws or regulations, may damage, if made public, the image of the Company. Any one receiving gifts or benefits in excess of what is customary or not low in value is required to promptly inform the Supervisory Body;
- the misuse of confidential information (insider trading) by Company employees, representatives or persons who have the opportunity of acquiring such information as a result of their position within or their relations with the Company;
- dissemination of inside information (technical, technological, commercial) with respect to which employees and all those concerned by the Code are bound to confidentiality, even after termination of working or business relations with MolMed;
- omissions, falsehoods or misstatements related to accounting records. All operations and transactions must be properly registered, authorised, verifiable, lawful, consistent and appropriate. Each operation must be accompanied by appropriate documentation, which, in cases of verifications, should give details of the characteristics of and the reasons for the operation, and identify the person who authorised, performed, recorded, and checked the operation. To this end, all employees involved in accounting must fully cooperate providing complete and clear information and accurate data and processing. Accounting records are all documents that represent company management facts by numbers, including internal memoranda of expenses. Preventing or impeding, by concealing documents or the use of other devices, the performance of control or auditing activities legally assigned to shareholders, other corporate bodies or auditing companies, is strictly prohibited;
- the inclusion - in financial statements, in reports or other corporate documents provided for by law, intended for shareholders and the public - of facts that do not correspond to reality or are still subject to evaluation, or the omission, likely to mislead recipients, of information whose disclosure is compulsory on the economic and financial standing of the Company, with intent to deceive partners or the public in order to gain unjust profit for oneself or others;
- behaving in such a way as to harm, even potentially, the integrity of the capital stock, the creditors and others who have relations with the Company;
- the presentation of false declarations or documents, or behaviours likely to lead to trickery or deception (communicating untrue data, providing false documentation, etc), or the omission of necessary information so as to obtain, without having the

- right, contributions, grants, soft loans or other payments of the same type, granted or allocated by the State, other public bodies or the European Union;
- the manipulation of a computer or IT system, or data contained therein, in order to obtain an unfair advantage causing harm to others;
 - corruption of a public official in order to obtain an advantage in court proceedings;
 - behaviours involving the type of offences under Articles 25-ter of Legislative Decree 231/01;
 - establishing, by means of simulated or fraudulent acts, majorities in shareholders meetings in order to procure unjust profit for oneself or others;
 - dissemination of false news or conducting simulated operations or other schemes that can significantly alter the price of unlisted financial instruments;
 - misconduct constituting a crime under Article 25-sexies of the Decree on administrative offences, as under Article 187-quinquies of the Consolidated Act;
 - behaviours by anyone who, on the basis of inside information known by reason of relations with MolMed, (a) purchases, sells, or performs other transactions, directly or indirectly, on his or her own account or on behalf of others, on financial instruments using the above information - i.e. 'trading' - or (b) communicates such information to others outside the normal performance of his or her work, profession, function or office (regardless of whether the recipients actually use the "communicated" information) i.e. *tipping*, or (c) recommends or induces others, on the basis of such information, to carry out any of the transactions referred to in subparagraph (a), i.e. *tuyautage*;
 - dissemination of false news (stockjobbing) or carrying out fictitious transactions or other scams likely, in practice, to cause a significant alteration in the price of financial instruments (insider trading) in order to change third party views on the financial standing of the Company;
 - carrying out the following transactions: (a) wash trades, (b) painting the tape, (c) improperly matched orders (transactions resulting from buying and selling orders put on the market by persons acting in concert simultaneously or nearly at the same time, having the same prices and same quantities), (d) putting orders on the market with no intention of carrying them out thus providing misleading indications of the existence of demand (offer) for the financial instrument at higher (lower) prices, (e) marking the close, (f) collude in the secondary market after a placement made as part of a public offer, (g) abusive market squeeze, (h) setting of a minimum threshold for the course of prices, (i) transactions in a market to give misleading information on the price of a financial instrument in an associated market, (l) concealing ownership, (m) provision of false or misleading market information through the media, including the Internet, or by any other means with intent to move the price of a security, a derivative contract or an underlying asset in a direction that favours the open position on these financial instruments, (n) pump and dump, (o) trash and cash, (p) opening a position and closing it immediately after its public disclosure;
 - dissemination of false or misleading information through the media;
 - gaining access to a computer or IT system protected by security measures, or maintaining connection to it against the expressed or implicit will of those who have the right to exclude the intruder;

- interception of communications relating to a computer system or between multiple systems, as well as their blockage or termination;
- destruction, damage, deletion, alteration or removal of information, data or computer programmes of others;
- commission of an act intended to destroy, damage, delete, alter or remove information in whole or in part, damaging data, computer programmes or computer systems or computers used by the State or other public bodies, or relevant to them or otherwise for public use;
- production of false electronic documents with evidential value;
- actions of unfair competition through violence or threats;
- induction of others (through violence or threats, or the offer or promise of money or other utility) to not make statements or to make false statements in criminal proceedings, where such third parties have the right to silence;
- behaviour that involves the offences of receiving, recycling and reusing stolen goods;
- producing false documents to the Public Administration attesting to the existence of essential conditions for participating in a tender to obtain licenses, permits, patents, etc.;
- the theft of an industrial property right or breach thereof, for reasons of profit;
- the violation of safe working practices and the protection of hygiene and health at work;
- behaviours involving the types of crime under Legislative Decree 231/01, or governed by other legislation, constituting a source of liability for the Company;
- situations that may create conflicts of interest, both real and potential, between personal and business activities.

Transparency, trust and integrity are values that must always be respected. No MolMed employee may obtain personal advantage in the context of activities undertaken on behalf of MolMed. Where situations of potential conflict may arise, communication between employee and his/her supervisor is fundamental for resolving the issue. Relations between the Company and its corporate officers are based on mutual confidence and inspired by the highest integrity. They must, therefore, avoid any situation that may cause conflicts with the interests of MolMed, between personal and family economic activities and the posts held in the company. A member of the Board of Directors who believes he or she is in a situation of conflict involving personal interest or the interest of a family member and the interests of the Company shall immediately notify the Board of Directors, the Board of Statutory Auditors and the Supervisory Body.

4. MOLMED CORPORATE OFFICERS, STAFF AND CONTRACT STAFF

MolMed is committed to offering, in full compliance with legal and contractual regulations, equal employment opportunities without distinction of ethnicity, religion, opinion, nationality, gender, physical condition, age or social conditions, giving all workers the same job opportunities and ensuring that everyone can have a fair wage and regulatory treatment, based solely on professional criteria of merit and competence.

In addition to playing a pioneering role in the protection of human health, MolMed promotes and protects the health of its employees.

MolMed takes care of technical, professional and human training for its staff members; once collaboration is established, it provides comprehensive information on duties, specific tasks assigned, rules and regulations, payroll and mode of behaviour, including the management of personal health risks. Any employee, contract worker or manager must explicitly accept the obligations arising from the Code of Ethics.

One of the fundamental principles of the Company is compliance with laws and regulations in force in all countries where it operates. This commitment will also apply to employees, consultants, suppliers, customers and anybody with relations with MolMed. Relations will be discontinued or will not be entered upon with those who do not follow this principle.

This commitment will also apply to employees, consultants, suppliers, customers and anybody with relations with MolMed. Relations will be discontinued or will not be entered upon with those who do not follow this principle.

Employees must be aware of the laws and consequent behaviour; in case of doubts about how to proceed, the Company must adequately inform its employees and implement an appropriate programme of training, in order to raise and keep continuous awareness of issues concerning the application of the Code of Ethics.

Within hierarchical relations, corporate officers are bound to the fair and correct exercise of powers and authority, avoiding any kind of abuse. Therefore, any requests for services, personal favours and any behaviour that constitutes a violation of this Code is prohibited.

Staff must act respecting the dignity of others and comply with the obligations under the work contract and the Code of Ethics, along with any code of conduct of the trade or professional association they belong to.

Staff must also contribute to maintaining a decent working environment and avoid conduct that is threatening, abusive, or discrediting to others or causes exclusion.

Anyone working in the premises belonging to the Company shall not act under the influence of alcohol or drugs, and must adhere to the smoking ban.

Senior managers, heads of functions and executives should promptly report any failure to comply with this Code and ensure the protection of persons subjected to any harassment or conduct contrary to the principles and obligations contained in it, or in any way attributable to mobbing practices, which are all prohibited without exceptions.

5. RELATIONS WITH SHAREHOLDERS AND THE MARKET

MolMed adopts behaviour and internal procedures aimed at promoting:

- regular participation of shareholders in shareholders' meetings;
- fair balance between the powers of management and the interests of shareholders and other stakeholders;

- transparency and correct and prompt communication of management decisions and, in general, of corporate events that may significantly affect the performance of issued financial instruments;
- maximisation of value for shareholders;
- compliance with the most advanced standards of corporate governance. In this regard, MolMed has adopted the Code promoted by *Borsa Italiana* (the Italian Stock Exchange), which is here referred to in full;
- correct external communication of corporate information;
- proper management of inside information.

6. RELATIONS WITH CUSTOMERS AND SUPPLIERS

MolMed's activities, mainly because of their special features, ensure high quality and safety standards, complying with stringent production and process rules and regulations.

All those involved in MolMed activities are obliged to:

- scrupulously follow internal procedures, regulations, directives and guidelines necessary to achieve the highest standards in quality and safety for the end-user;
- provide accurate and complete information on products and services, and be truthful in advertising, scientific or any other type of communication.

Selection of suppliers and purchase of goods and services is carried out by specific Company functions on the basis of objective assessment of competitiveness, quality, cost, price, integrity.

MolMed identifies suppliers and external consultants on the basis of specific characteristics, professional skills and compliance with the principles and contents of the Code, and promotes the establishment of lasting relations to progressively improve performance in protecting and promoting the principles and contents of the Code.

In relations involving contracts, procurement, and generally the supply of goods and/or services and external consultancy (consultants, agents, etc), corporate officers and staff are obliged to:

- observe the internal procedures for selecting and managing relations with suppliers;
- adopt only objective evaluation criteria, following specified and transparent selection procedures;
- use as far as possible - in compliance with current laws and criteria of legitimacy of transactions with related parties - products and services provided under competitive and market conditions;
- include in contracts a clause confirming knowledge of the Code and the commitment to comply with all obligations contained therein;
- comply with and require compliance with contract terms.

The amount payable shall be commensurate with the service detailed in the contract, and payments shall not in any way be made to a person other than the contractor or in a third country other than that of the parties or where the contract is performed.

Observance of these principles is constantly monitored by corporate responsables and by supervisory and control bodies.

7. RELATIONS WITH THE PUBLIC ADMINISTRATION, INSTITUTIONS AND ASSOCIATIONS

MolMed fully and actively cooperates with public authorities.

All those who work or collaborate with the Company shall adopt, in dealings with the Public Administration, behaviour that is correct, transparent and traceable.

These relations are reserved exclusively to the competent Company functions and positions, respecting approved programmes and procedures.

It is not permitted to offer money or gifts to Public Administration officers, officials or employees or their relatives, neither in Italy or other countries.

Illicit payments, whether made directly by corporate officers or employees or through persons acting on behalf of the Company both Italy and abroad, are considered acts of corruption..

It is prohibited to offer or accept any object of value, service or favour to obtain more favourable treatment with regard to any relation with the Public Administration.

In countries where offering gifts to customers or others is customary, this habit may be adopted if such gifts are of the right nature and of modest value, and provided it is done in compliance with the law. However, this should never be interpreted as looking for favours. When there are business negotiations, requests or relations of any kind with the Public Administration, staff involved should not seek to influence improperly the decisions of the other party, including those of officials negotiating or making decisions on behalf of the Public Administration.

The same guidelines apply to consultants and any third party acting on behalf of the Company in relations with the Public Administration.

In business negotiations, requests or business relations with the Public Administration it is also prohibited to engage (directly or indirectly) in the following actions:

- examine or propose job and/or business opportunities that can benefit Public Administration employees, either personally or their family members;
- solicit or obtain confidential information that could compromise the integrity or reputation of either party.

It is prohibited to make, induce or encourage false statements from the public authorities.

Any violation (real or potential) committed by corporate officers or by third parties should be promptly reported to the Company's Supervisory Body and control bodies.

MolMed fully and scrupulously observes the rules and recommendations issued by market regulatory authorities, by offering the utmost cooperation in supplying any information required and in the performance of control activities.

The Company does not make any form of contribution, neither directly nor indirectly, to parties, movements, committees or any political or trade union organisation, to their representatives or candidates - except in cases governed by specific regulations - nor to organisations implying a possible conflict of interest.

It may, however, adhere to requests for financial or other kind of contribution from non-profit organisations or associations who pursue ends of a high cultural or beneficial value.

8. SAFETY

MolMed is committed to promoting and disseminating a culture of safety in order to guarantee full safety in the workplace.

The Company is engaged in the study, development and implementation of strategies, policies and operational plans to prevent and overcome any intentional or non-intentional behaviour which may cause direct or indirect damage to the people and/or to the tangible and intangible resources of the Company.

Knowledge of obligations and behavioural criteria related to health and safety is disseminated by means of training courses, updates and dissemination of the contents of the Risk Assessment Document in the Consolidated Safety Act, which - at the time of approval of this Code - is being reviewed and updated pursuant to the most recent regulatory changes.

MolMed has created an internal structure which, with the aid of external consultants, is responsible for managing all aspects related to health and safety. After analysing the risks and critical factors involved in operational processes, and using the best available technology, this structure is responsible for setting up and updating an efficient integrated system of prevention.

All those working on behalf of or in contact or collaborating with MolMed are required to contribute actively to maintaining an optimum standard of company safety, refraining from unlawful or otherwise hazardous behaviour, and reporting any activities by third parties detrimental to the assets or human resources of the Company to their supervisors, the function they belong to and the Supervisory Body.

In particular, in any context requiring special attention to personal safety, it is obligatory to comply strictly with the directions given in this regard by MolMed or by applicable rules and regulations, refraining from behaviour that might jeopardise one's own or others' safety.

The whole company, from top management to operational levels, must abide by the following principles, particularly when decisions are taken or choices implemented:

- a) avoid risks;
- b) assess the risks that cannot be avoided;
- c) fight risks at their source;
- d) adapt the work to man/woman, particularly as regards the conception of work spaces and the choice of work equipment, methods and production;
- e) take into account technical progress;
- f) replace what is dangerous with what is not or less dangerous;

- g) programme prevention, aiming to achieve a coherent complex integrating technique, organisation of work, working conditions, social relationships and the influence of the working environment;
- h) give priority to collective protective measures over individual protective measures;
- i) give appropriate instructions to employees;
- l) hold training and refresher courses on safety at work.

9. COMMUNICATION

MolMed has identified specific functions devoted to maintaining precise and homogenous relations with the media, as required by specific Company and regulatory provisions.

Information concerning MolMed must be truthful, and must be provided only by those responsible for communication. Other employees and contract staff must refrain from issuing statements or giving interviews to representatives of the media or other means of communication, or any third party, or betray confidential or other information about the Company.

10. COMPETITION

MolMed sees competition as an asset to be safeguarded, and ensures compliance with legal provisions concerning market protection.

Agreements among companies, and any situation that may distort competition - particularly agreements that contain exclusivity clauses, limitations on pricing, territorial restrictions - are subject to antitrust legislation. Verification by legal experts should be requested in advance in all cases of potential conflict with antitrust rules.

11. ENVIRONMENTAL POLICY

MolMed corporate officers, employees and collaborators are bound by the rules, regulations and internal instructions regarding the prevention of risks and compliance with regulations on environmental protection.

12. CONFIDENTIALITY AND PRIVACY

Confidentiality. Without prejudice to the transparency of the activities performed and the information requirements imposed by current regulations, it is the duty of corporate officers, employees and contract staff to ensure the confidentiality of any inside information obtained by reason of or in connection with the performance of any work or activity for MolMed.

Confidential information includes, by way of example: scientific and technical information about products and procedures; purchasing plans; cost, pricing, marketing and service strategies; reports on income and other non-public financial reports; information relating to sales, mergers, acquisitions and financial transactions in general.

Information, knowledge and data acquired or processed during work or as part of one's job position do belong to MolMed and cannot be used, communicated, or disclosed without specific authorisation from MolMed or a supervisor.

Computer processing of information is subject to security controls necessary to safeguard the Company from undue intrusion or illicit use. The destruction of material or electronic information media must comply with procedures governing the matter and within the limits prescribed by law.

Privacy. MolMed is committed to protecting information on its employees, contract staff and third parties, generated or acquired within the Company and in business relations, avoiding any misuse of this information.

The in-house processing of personal data must comply with fundamental human rights and freedoms and the dignity of those concerned, as provided for in current legislation.

The processing of personal data must be carried out legally and fairly. Data shall be kept for a period of time no longer than is necessary for the purposes of collection or as required by applicable legislation.

MolMed is committed to taking suitable preventative security measures for all databases in which personal information is collected and stored, so as to avoid any risk of loss or destruction or unauthorised access or processing.

13. APPLICATION OF THE CODE: CONTROLS

MolMed has recently set up a function of Internal Audit run by the responsible for internal control, with whose help the Company is implementing an internal control system aimed at adequate protection of the market and of all those who interact with the Company.

The internal control system adopts tools and methodologies to fight potential business risks, so as to have a reasonable guarantee of compliance not only with legislation but also with internal provisions and procedures, including the provisions and obligations under this Code.

MolMed's internal control system is composed by all the rules, procedures and organisation responsibilities needed to achieve the following objectives:

- efficient corporate and business management;
- complete, reliable and prompt management and accounting information;
- compliance with laws and regulations in force;
- safeguarding company integrity, preventing fraud to the detriment of the Company and the financial markets.

MolMed corporate officers, employees and contract staff, as part of their duties and responsibilities, are engaged in defining, updating and actively participating in the correct running of the internal control system.

This context includes a programme of training on the contents of the Code of Ethics, a copy of which, as mentioned before, is given to all employees and contract staff.

MolMed's Supervisory Body and control bodies, the function of Internal Audit and the appointed auditing firm have free access to data, documentation and information relevant for the purpose of carrying out their activities.

14. SANCTIONS

The set of rules and obligations contained in the Code is an integral part of the conditions governing work relations and collaboration with MolMed.

Violation of these rules, apart from possibly constituting a civil and/or administrative offence, is a violation of disciplinary rules and, as regards consultants and suppliers, a breach of contract, and can be sanctioned as such.

In particular, the following acts will be subject to disciplinary action or cause the termination of a contract:

- behaviour contrary to the principles, contents and procedures of the Code of Ethics;
- authorising activities that violate the Code of Ethics;
- the failure to report violations of the Code of Ethics;
- refusal to cooperate in investigating said violations;
- retaliation against those who have reported said violations.

Any information or report should be sent to the Supervisory Body's e-mail address: ODV@molmed.com.

15. REVIEW OF THE CODE

Reviews or additions to the Code, possibly as a result of Supervisory Body reports and recommendations, are approved by the MolMed Board of Directors upon proposal of the Chief Executive Officer.

CONDUCT GUIDELINES

1. INTRODUCTION

Having outlined the ethical principles and values under which MolMed operates in the Code of Ethics (see Annex 1), it may be useful to summarise the principles and obligations of conduct with which those working for and/or coming into contact with the Company must comply.

The Conduct guidelines (hereinafter Guidelines) are especially concerned with the prevention of offences as under Legislative Decree 231/01.

The Guidelines identify a list, although not exhaustive, of “dos” (obligations) and “don’ts” (prohibitions) of conduct, specifying in operational terms the general principles contained in the Code of Ethics.

2. GENERAL OBLIGATIONS AND PROHIBITIONS

All consultants, suppliers, customers and anybody associated with MolMed must comply with current laws and regulations, as well as with the principles set out in the Code of Ethics and in the Guidelines adopted by MolMed.

Relations will not be entered upon or be continued with those who do not accept these principles.

Formal relations established with third parties, employees and/or contract staff include a specific clause on compliance with the above.

Corporate governance

MolMed has adopted a system of corporate governance in line with the requirements of the supervisory and control Authority, as well as with the contents of the Code of Conduct for listed companies - to which it has voluntarily adhered - and with international best practice.

In this light, MolMed has:

- adopted an appropriate business risk control system;
- implemented procedures aimed at transparency as regards the market, balancing the interests of all shareholders and maximising participation in corporate life;
- approved a procedure for appointments to the Board of Directors and the Board of Statutory Auditors that guarantees transparency and participation for all shareholders, providing for the membership of a number of non-executive members and independent administrators so that their views, by reason of their authoritative nature, can carry significant weight in Board decisions;

- approved a procedure for periodic assessment and reporting to the market on the independence of members, based on information provided by those concerned;
- set up a function of Internal Audit, aimed at the identification and containment of business risks through monitoring and control activities;
- conducted risk assessment and adopted a special system of integrated procedures to (a) assess the appropriateness of various processes in terms of effectiveness, efficiency and cost-effectiveness (b) ensure accounting reliability and accuracy and safeguard company assets, and (c) ensure that operations comply with internal and external regulations and company directives and strategies aimed at ensuring sound and efficient management.

Board of Directors

The Board of Directors is responsible for strategic and organisational policies, as well as ensuring that the necessary checks are in place to monitor management performance.

In particular, the Board of Directors:

- grants and revokes powers of the Chief Executive Officer, setting their limits and conditions of exercise;
- periodically receives detailed reports - as does the Board of Statutory Auditors - from the Chief Executive Officer on the work done in the exercise of his/her powers, particularly with regard to operations that are atypical, unusual or with related parties, and for which approval is not reserved to the Board of Directors;
- determines the pay of the Chief Executive Officer and other Board members who hold particular offices, on the basis of proposals made by its special committee (the Payroll Committee) and having heard the Board of Statutory Auditors;
- defines MolMed's general organisation and corporate structure, verifying the consistency with business objectives;
- examines and approves strategic, business and financial plans;
- examines and approves transactions with a significant economic and financial impact, especially if carried out with related parties or otherwise involving a potential conflict of interest;
- supervises the general performance of corporate management, especially vis-à-vis conflicts of interest, using information received by the Chief Executive Officer and the Committee for Internal Control, and periodically verifying the achievement of planned results;
- reports to shareholders at shareholders' meetings.

In this context, MolMed **Board members** are required to:

- play an active role in the exercise of their duties, allowing the Company to benefit from their expertise;
- regularly participate in Board meetings;
- report any situation in which they hold a personal interest or the interest of third parties involving them, abstaining in such situations from taking part in Board discussions;

- keep documents and information acquired while performing their duties confidential, and comply with the procedure for their external communication;
- always give priority to the interests of MolMed over the particular interest of individual shareholders.

Moreover, MolMed Board members are prohibited from:

- returning conferments to shareholders or freeing them from the obligations of carrying them out - except in cases of legitimate capital reduction - or carrying out capital reductions or mergers or demergers in violation of laws protecting creditors;
- distribute profits or advances on profits not effectively earned or intended by law for reserves, or allocate reserves that are non-distributable by law;
- make MolMed acquire or subscribe shares issued by the Company outside the cases permitted by law;
- fictitious forming or increasing of Company capital through transactions not permitted by law.

In addition, the **Chairman of the Board of Directors** is required to:

- convene meetings, making sure that Board members are given in good time the documentation and information necessary for expressing an informed opinion on issues submitted for consideration and approval, except in cases of necessity and urgency. This is especially the case with operations that are atypical, unusual or with related parties;
- coordinate the activities of the Board of Directors and chair Board meetings;
- verify the implementation of Board resolutions, chair shareholders' meetings and have the powers of legal representation of the Company;
- contribute to the planning of corporate strategy, also in his present capacity as Chief Executive Officer;
- follow auditing activities in consultation with the chief executive in charge of supervising the internal control system.

Members of the Payroll and Internal Control Committees, each within their respective roles, are required to:

- fulfill the task of formulating proposals to the Board for the pay of the Chief Executive Officer and other Directors holding particular offices, as well as for the determination of criteria for the pay of top executives, on the basis of the indications of the Chief Executive Officer;
- play a leading role in implementing special stock option plans, designed as instruments to provide incentive and promote loyalty so as to attract and motivate resources of high level and experience, further developing their sense of belonging and ensuring over time their constant orientation towards the creation of value;
- assistere il Consiglio di Amministrazione nel fissare le linee di indirizzo del sistema di controllo interno e nel verificare periodicamente l'adeguatezza e l'effettivo funzionamento di quest'ultimo;
- give assistance to the Board in setting guidelines for the internal control system and in reviewing periodically the adequacy and proper operation thereof;

- evaluate the work plan prepared by the responsible of the Internal Audit function, and receive regular reports from the same;
- regularly report to the Board of Directors on activities carried out and the adequacy of the internal control system.

Contract Staff

Contract staff must act loyally so as to comply with obligations underwritten in the contract and with the provisions of the Code of Ethics and of these Guidelines, guaranteeing the performance of tasks required. They are required to report through appropriate channels any violation of rules of conduct laid down in internal procedures. Contract staff must know of and implement Company policies on information security to ensure integrity, confidentiality and availability of such information. They are required to produce objective and comprehensive documents in plain language, and to allow documents to be checked, if necessary, by colleagues, executives or authorised external persons.

All MolMed contract staff should avoid situations that may create conflicts of interest, and refrain from taking personal advantage of any business opportunities they may come across during the performance of their tasks.

By way of (not exhaustive) example, conflicts of interest may arise from the following situations:

- having a top executive post (Chief Executive officer, Board Member, Head of function) and having economic interests with suppliers, customers or competitors (share ownership, professional appointments, etc), even through a family member;
- dealing with suppliers and working with said suppliers, even by a family member;
- accepting money or favours from people or companies who are or intend to enter into business relations with MolMed.

In the event of a possible - even only in appearance - conflict of interest, contract staff are required to inform their supervisors who, following prescribed procedures, shall inform the Internal Audit function and MolMed's Supervisory Body, who will assess each case. Contract staff must also provide information about activities conducted outside working hours, where these may appear in conflict with MolMed interests.

Each contract worker is required to work diligently to protect Company assets, through responsible behaviour that is in line with operational procedures regulating asset use, and accurately documenting their use.

In particular, contract staff must:

- use the assets entrusted to them sparingly and with care;
- avoid misuse of company assets that could cause damage or a reduction in efficiency, or otherwise contrary to the interests of the Company. Each contract worker is responsible for protecting the resources entrusted to him or her, and has a duty to promptly inform the appropriate functions about potential threats or events that could harm MolMed.

MolMed reserves the right to prevent misuse of Company assets and infrastructure by means of accounting systems, financial control reporting and risk prevention and

analysis, without prejudice to the provisions in current legislation (law on privacy, workers bylaws, etc).

With regard to information technology (IT) applications, contract staff are required to:

- act strictly in accordance with company security policies, so as not to compromise the functionality and security of IT systems;
- not send threatening or insulting e-mails, not to resort to low-level language, not express inappropriate comments that could damage the person and/or the image of the Company;
- not surf websites with disreputable and offensive content.

Behaviour criteria for relations with suppliers. Choice of supplier

Purchases are geared towards achieving the greatest competitive advantage for MolMed. They also require pre-contractual and contractual behaviour based on indispensable and mutual loyalty, transparency and collaboration.

In any event should a supplier, when dealing with MolMed, adopt conduct that is inconsistent with the general principles of the Code of Ethics and the Guidelines, MolMed is authorised to take appropriate measures, up to foreclosure of any further collaboration.

Violations of the general principles of the Model, Code of Ethics and Guidelines shall therefore lead to mechanisms for the imposition of sanctions.

Relations with suppliers are governed by common principles and are subject to constant monitoring by MolMed. These relations also include financial contracts and consultancies.

Closure of a contract with a supplier must always be based on relations of extreme clarity, avoiding where possible any form of dependence. Thus, by way of example (but not limited to):

- any contract whose estimated amount is greater than 50% of the turnover of the supplier must be carefully assessed and approved by the competent functions;
- it is usual practice to avoid short-term contracts that require continuous renewals with price reviews when dealing with binding long-term projects, or consultancy contracts without adequate transfer of know-how, etc.;
- is not considered proper to induce suppliers to enter into a contract that is unfavourable to them while giving them the impression that this could later lead to a more advantageous contract.

Control activities

Operational processes must be defined with an appropriate documental/system support so that they may always be verifiable in terms of appropriateness, consistency and accountability.

Operational decisions should be traceable in terms of characteristics and motivations, and those authorising, carrying out and verifying each activity must be identifiable.

Exchange of information among contiguous phases/processes must include mechanisms (reconciliations, balances, etc) that guarantee the integrity and completeness of handled data.

Human resources must be selected, recruited and managed in a transparent manner, consistently with ethical values and in compliance with laws and regulations.

The purchase of goods and services for business operations must be based on an analysis of needs, and from selected and monitored sources.

Risk assessment

The aims of each organisation unit must be defined and communicated to all levels concerned, so that they are clear and shared.

The risks associated with the activities of each organisation unit should be identified, regularly monitored and updated:

- negative events that can threaten operational continuity must be subject to specific risk assessment activities, and safeguards should be kept adequate;
- innovation processes regarding products/services, organisation and systems must provide for the implementation of risk assessments.

Information, communication and monitoring

A system of indicators by process/activity is being implemented, which includes regular reporting to the top management.

The control system is subject to continuous monitoring and regular assessment activities, so that it may be constantly updated.

3. SPECIFIC OBLIGATIONS

General accounting, financial reporting and corporate obligations

In order to prevent the occurrence of corporate crime, Company staff involved in the management of sensitive areas - in addition to complying with a set of control principles based on the assumption that accounting transparency and correctness is founded on truth, accuracy and completeness of information - are bound to the following preventative controls:

- operation/act traceability: any operation or sensitive and/or relevant management fact is documented, consistently and congruously, so that responsibilities of operating staff may be identified at any time;
- separation of functions: within a Company process, each operation is approved, authorised, operationally implemented, recorded and controlled by separate functions. The separation of responsibilities is necessary to discourage the commission of errors or irregularities by one function, and facilitate the identification of errors by another function involved in the process;

- formal evidence of checks: checks conducted within a process or procedure are formalised and documented, so that the person carrying out the checks can be identified, even in the future, and correctness of his/her operation can be verified;
- identification and responsibility for each operation/process (the responsibility for a Company operation/process is clearly defined within the organisation);
- formalisation and filing of relevant documents (checks are formalised with date of document compilation/reading and the recognisable signature of the compiler/supervisor). Such documents are then filed in locations suitable for conservation, so as to protect the confidentiality of the data they contain and prevent deterioration, damage or loss. The same indications shall similarly apply to documents recorded on electronic media.

In light of the control principles detailed above, all operations taking places in sensitive activity areas need to receive proper evidence. These operations must be performed in compliance with the principles of conduct set out below:

- refrain from engaging in conduct that may constitute the types of offences under Articles 24, 25 and 25-ter of Legislative Decree 231/01;
- guarantee compliance with the rules of conduct laid down in the Code of Ethics, making sure, in particular, that every operation and transaction is correctly recorded, authorised, verifiable, legitimate, consistent and appropriate;
- behave in a proper and transparent manner in compliance with current laws and regulations in performing all activities involving the financial plan and other corporate communications, in order to provide shareholders and third parties with truthful and correct information on the patrimony and the economic and financial situation of the Company;
- behave in a proper and transparent manner, respecting current laws and regulations, in the acquisition, processing and illustration of data and information needed to form a well- founded and correct assessment of the Company's financial and economic assets;
- guarantee compliance with the principles of integrity, correctness and transparency so as to enable those concerned to reach an informed and well-founded opinion on the economic and financial situation of the company, the development of its activities and its financial products;
- comply with the requirements imposed by law to protect the integrity and effectiveness of capital stock, and act in compliance with internal company procedures that are based on these rules so as not to undermine guarantees for creditors and third parties in general;
- refrain from any action or initiative if there is a conflict of interest, or if there is an interest, also on behalf of third parties, that is in conflict with that of the Company;
- ensure the smooth running of the Company and its corporate bodies, facilitating all forms of internal control over corporate management as provided by law, and allowing free decision-making by the shareholders' meetings;
- refrain from engaging in simulated or otherwise fraudulent transactions, as well as from disseminating false and/or incorrect and/or misleading information which may alter the price of financial instruments;

- manage relations with public authorities, including supervisory bodies, with the utmost correctness and transparency;
- communicate promptly, correctly and in good faith any communication regarding public supervisory authorities, as required by laws and regulations, so as not to hinder the exercise of their supervisory functions;
- behave correctly and truthfully with the press and other information media.

Transparency and information to the market, price-sensitive and sensitive information

MolMed communication to stakeholders (including by means of the media) is based on the respect of the right to information.

In no case is it permitted to disclose false or tendentious news or comments. All communication activities shall comply with laws, rules, practices of professional conduct, and are carried out clearly, transparently and promptly, safeguarding, among others, price-sensitive information and industrial secrets. All forms of pressure on or acquisition of favourable attitudes by the media are avoided. All press releases are available on the Company website (www.molmed.com).

To ensure complete and consistent information, MolMed relations with the media can take place only in coordination with the competent functions.

MolMed attends conferences, seminars and working tables, and agrees to the publication of technical, scientific, corporate or economic information on its activities, in accordance with the following general rules of conduct:

- participation in conferences of a limited number of contract staff;
- prior notice to the MolMed communication area.

In any event, the **internal and external responsables** who, in the name and/or on behalf of MolMed, are in charge of information to and from the outside and/or for issuing communication pieces on such information shall, each within their own sphere of competence:

- ensure information is fully transparent;
- guarantee correct and accurate corporate communication (budgets, periodic reports, prospectuses, etc.);
- adopt all measures necessary and/or useful in preventing the commission of corporate offences such as false accounting, market rigging, false communication to supervisory bodies, etc.;
- provide necessary information for investors to make decisions based on strategic Company choices, performance and expected profitability of capital invested;
- operate in accordance with set standards, in a language that is understandable, comprehensible, timely and symmetric vis-à-vis all investors;
- facilitate information through the use of dynamic communication tools (website, information via e-mail, etc.);

- process stakeholder information in full compliance with the confidentiality and privacy of those concerned - avoid behaviour that might facilitate insider trading, also by third parties.

Board members, Statutory Auditors, heads of function, executives, members of the auditing firm and, in general, those who have access to information not available to the public and able to influence share value (even those not issued by MolMed) may not exploit such information for trading MolMed shares or those of listed companies whose performance may be affected by MolMed.

For this reason, a specific procedure has been adopted vis-à-vis internal dealing, in line with international best practices.

In addition to the preventative controls specified above, in order to prevent or reduce the possible commission of the crime of market abuse, executives, managers, heads of function and any person and/or employee acting in the name and/or on behalf of MolMed, are prohibited to:

- use privileged information held on the basis of their position in the Company or by reason of being in business relations with the same to negotiate, directly or indirectly, financial instruments of the Company or of customers, suppliers, competitors or other companies to gain personal benefit, or to benefit third parties or the Company;
- reveal to third parties any inside information relating to the Company or to corporate customers, suppliers or competitors, except in cases where such disclosure is required by law, by other regulations or by specific contractual arrangements with counterparties, that have committed in writing to use it solely for the purposes for which such information was transmitted and to maintain confidentiality;
- participate in discussion groups or chat rooms on the Internet discussing on financial instruments or on companies issuing financial instruments, listed or unlisted, and in which there is an exchange of information concerning the Company, competing companies or listed companies in general or financial instruments issued by these companies, unless they involve institutional meetings for which a check on legality has already been carried out by the competent functions, or if it is apparent that there is no exchange of inside information;
- act in concert to acquire a dominant position in supply or demand of a financial instrument which has the effect of fixing, directly or indirectly, purchase or selling prices or determines other unfair trading conditions;
- purchase or sell financial instruments at market closure with the effect of misleading investors acting on the basis of closing prices, except for normal investment activities of buying and selling financial instruments;
- disseminate an opinion about a financial instrument (or indirectly about its issuer) while having previously taken a position on the financial instrument, thus profiting from the impact of the opinion voiced on the price of the instrument, without having simultaneously disclosed to the public the existence a conflict of interest;
- enter orders, especially in electronic markets, at higher (lower) prices than the buying (selling) price to give misleading indications of the existence of a demand (supply) on the financial instrument at significantly higher (lower) prices;

- intentionally purchase or sell financial instruments or derivatives towards the end of negotiations to alter the final price of the financial instrument or derivative contract, except for normal investment activities of buying and selling financial instruments or derivative contracts;
- conclude transactions or issue orders in such a way as to prevent the market price of the Company's financial instruments from falling below a certain level, mainly to escape the negative consequences arising from the consequent deterioration in the rating of the financial instruments issued. This behaviour must be distinguished from concluding transactions within programmes for the purchase of one's own shares;
- disseminate false or misleading market information through the media, including the Internet, or through any other means;
- open a long position on a financial instrument and make additional purchases and disseminate misleading positive information on the financial instrument in order to increase the price;
- open a position on a financial instrument and close it immediately after it was made known to the public.

Institutional relations with the Public Administration. Supervisory and regulatory bodies

Executives, officers and heads of function, and any person and/or contract worker who, in the name and/or on behalf of MolMed, has relations/activities with the Public Administration, must:

- provide their staff with directives on the operational conduct to be adopted in formal and informal contacts with different public offices in accordance with the specificities of their area of activity, transferring knowledge of regulations and awareness of crime risk situations;
- provide appropriate mechanisms for tracing information from and to the Public Administration.

To this end, MolMed is committed to:

- establishing, without any kind of discrimination, stable channels of communication with all institutional stakeholders at National, international, community and local levels;
- represent Company interests and positions transparently, rigorously and consistently, with no intent of collusion.

To guarantee the greatest degree of clarity in relations, contacts with institutional stakeholders take place exclusively through referents that have received explicit mandate from MolMed top management.

In relations with persons belonging to the Public Administration (Public Administration directors, officers or employees) as well as private persons representing licensees of public services, both Italian and from other countries, anyone working for and/or in the name and/or behalf of and/or collaborates with MolMed shall not:

- promise or offer them (or their relatives, peers, friends, etc) money, donations and gifts, except for gifts of a modest value (travel and accommodation, club

- memberships etc are not considered of modest value), examine or propose opportunities for Public Administration employees (or their relatives, peers, friends, etc), and/or business opportunities or otherwise that can benefit them personally;
- undertake actions or behave in a way that could be or look like corrupt practices, illegal favours, collusion, or requests - directly or through third parties - for favours for themselves or others;
 - provide or promise consultancy services;
 - give - or try to give - to external consultants fees that have no sufficient justification in relation to the type of job to be performed and the practice in force in the sector concerned;
 - make unjustified representation expenses for purposes other than simply promoting the Company image;
 - improperly promise or provide, even through third parties, works/ services of personal utility;
 - provide or promise to give, solicit or obtain confidential information and/or documents, or otherwise likely to compromise the integrity or reputation of one or both parties;
 - in purchasing processes, favour suppliers and subcontractors indicated by Public Administration employees as a condition for the further conduct of activities (e.g. granting of an order, granting of easy term loans);
 - make or attempt to make untrue statements or omit due information to orient favourably decisions of the Public Administration in order to obtain loans, contributions or disbursements of various kinds, or to obtain an undue benefit or other advantage;
 - assign or attempt to assign the amounts received from the above public bodies for purposes other than those for which they were granted;
 - alter the operation of a IT system to the detriment of the Public Administration or manipulate the data contained therein in order to obtain an unfair advantage;
 - behave in a way that could lead the Public Administration to mistake the technical and economic evaluation of products and services offered or provided.

There are no exceptions to these prohibitions, not even in countries where it is customary to offer gifts of value to business partners, and this concerns both gifts promised or offered and those received; it should be pointed out that a gift is considered as any kind of benefit (free participation at conferences, the promise of a job, etc).

MolMed employees who receive gifts or benefits not included in the types permitted are obliged, according to established procedures, to inform the Supervisory Body and the Internal Audit function; the latter will assess appropriateness and inform those concerned of MolMed's policy in the matter.

Moreover, when the Public Administration is concerned, it is prohibited to:

- produce false or altered documents/data, remove or omit real documents, omit due information so as to direct Public Administration decisions to one's advantage;
- improperly influence the decisions of the Public Administration;

- be represented by consultants or by "third parties" that may create conflicts of interest;
- gain unauthorised access to information systems of Public Administration bodies or licensees to obtain or change information for the benefit of the Company.

In general, it is forbidden to hire former Public Administration employees who have participated personally and actively in business negotiations or have endorsed requests made by MolMed to the Public Administration in the previous twelve months.

During civil, criminal or administrative proceedings, it is forbidden to engage (directly or indirectly) in illicit actions to favour or damage any of the parties. It is forbidden to gain unauthorised access to information systems used by the Public Administration or to alter their operations in any way, or intervene without having the right to data, information or programmes to unduly obtain and/or modify information for the benefit of the Company or third parties.

MolMed complies fully and faithfully with the rules of market regulatory and supervisory authorities.

MolMed does not deny, conceal, manipulate, or delay any information required by the above authorities to other regulatory bodies vis-à-vis their inspection work, and collaborates actively in investigative procedures.

To ensure maximum transparency, it is MolMed's commitment not to find itself in situations of conflict of interest with employees of any authority or their family members.

Relations with the judicial authority

When carrying out any operation related to managing relations with the judicial authority, in addition to the general principles outlined in the General Part of this Model and in the Code of Ethics, the recipients of this Model must know and comply with any specific internal procedure related to the identified Sensitive Process and with the provisions described below.

As specified onwards, the recipients of the protection afforded by the rule laid down in Article 377-bis C.C. are suspects and accused in criminal proceedings, even for related proceedings or related crimes, who might be induced to "not respond" to the judicial authority.

Therefore, MolMed requires the recipients of the Model to comply with the following provisions:

- a) provide an effective collaboration and make statements which are truthful, transparent and completely representative of the facts;
- b) freely express their representations of the facts or exercise the right not to answer provided by law, particularly in the case of those who were to be suspected or accused in criminal proceedings, even for related proceedings or related crimes, connected with their professional activity in the Company;
- c) promptly notify the Supervisory Body - through the communication tools available within the Company or by any other means of communication (provided that the

principle of traceability is fulfilled) of any judicial act, summons to witness or proceeding (either civil or criminal or administrative) involving them in any respect, connected with their professional activity in the Company or anyway related to it. The Supervisory Body may inform the Board of Directors;

- d) the Supervisory Board must be able to obtain a full knowledge of the proceedings, including by participating in meetings related to the relevant proceedings or otherwise to the preparatory defensive activities of the recipient involved, even when such meetings do involve external consultants;
- e) it is expressly prohibited for anyone - in the misunderstood interest of MolMed - to coerce or induce, in any form or by any mode, the willingness of recipients to respond to the judicial authority or to make use of the right to remain silent;
- f) all recipients, including consultants of the Company, may not accept money or other benefits,;
- g) it is expressly prohibited to exert any form of conditioning that induce the recipient to make false statements;
- h) recipients shall immediately notify the Supervisory Body of any violence or threats, pressure, offer or promise of money or other benefits, received in order to alter the statements to be made to the judicial authority.

Staff selection and management, and establishment of employment relations

The **Human Resources Function**, within the limits of available information, takes opportune steps to avoid favouritism, nepotism, or forms of patronage during selection and recruitment (for example, by making sure the interviewer is not bound by ties of kinship to the candidate).

Evaluation of staff to be recruited depends on the extent to which a candidate's profile corresponds to Company expectations and needs, whilst respecting equal opportunities. Requested information is strictly connected to the verification of aspects included in required professional profiles and characteristics, whilst respecting the privacy and views of the candidate.

MolMed does not conclude employment contracts - whether salaried or contract staff - with employees of the appointed auditing firm that carries out MolMed's statutory audits, for 36 months after:

- the expiry of the contract between MolMed and the auditing firm;
- the end of the contractual relationship between the employee and the auditing firm.

Staff are hired with a regular employment contract. No form of illegal labour is allowed. Once working relations have been established, employees and contract staff receive accurate information on:

- characteristics of the post and tasks to be performed;
- regulations and salary, as governed by the National collective labour contract;
- rules and procedures to be adopted to avoid possible health risks associated with the work to be performed;

- directions on how to get a copy of the Model of Organisation, Management and Control Model, with particular reference to the Code of Ethics, the Conduct guidelines and the Disciplinary code.

All information is presented to employees and/or contract staff so that the acceptance of the conditions of work is based on genuine understanding and acceptance of obligations.

MolMed prohibits:

- any form of discrimination against its employees and/or contract staff;
- any form of abuse of position of authority involving a request of a personal service and/or favour by a superior or supervisor.

Assessment of employees and/or contract staff is carried out on a broad scale, involving their candidate supervisors, the Human Resources function and, whenever possible, all those who have entered into relations with the candidate during the selection process.

Within the limits of available information and the protection of privacy, the Human Resources Department function works to prevent forms of nepotism (e.g. excluding relations of hierarchical dependency between employees and/or contract staff linked by ties of kinship).

Staff management policies are made available to all employees and contract staff through Company communication tools (Company intranet and website, organisational documents and communication by heads of function).

Heads of function and managers shall use and fully exploit all the expertise in the structure by activating available incentives to encourage the development and growth of employees and contract staff.

Education and training courses are held, in line with the Company's needs and employee capacities.

The involvement of contract staff is ensured, with participation in discussions and decisions functional to achieving company objectives. Employees shall participate in a spirit of collaboration and independence of mind.

Il collaboratore deve partecipare a tali momenti con spirito di collaborazione e indipendenza di giudizio.

In the case of work reorganisation, the value of human resources is safeguarded by providing, where necessary, training and/or retraining.

Health and safety

MolMed heads of function are required to:

- disseminate, consolidate and implement a culture of safety by developing risk awareness, and promoting responsible behaviour in all employees and contract staff;
- preserve, especially through preventive actions, the health and safety of workers as well as the interests of other stakeholders;

- promote and take all reasonable steps to minimise risk, and remove the causes that may endanger the safety and health of employees and third parties who work in the Company;
- ensure constant and prompt updating of internal rules and procedures in accordance with legislation on health and safety;
- develop and maintain a relationship of constructive cooperation with public institutions responsible for monitoring health and safety at work;
- develop specific training (and information) programmes on safety at work adapted to the Company's target population, and carry out specific targeted control activities to ensure that staff has taken actual benefit from such programmes;
- conduct regular monitoring activities on the effective application of the procedures adopted to safeguard health and safety in the workplace;
- adopt specific policies for the selection of outside companies that may be entrusted with work/service contracts;
- in the management of activities subcontracted to others, promote and guarantee cooperation and coordination between the activities of the Company and that of the contractor;
- ensure compliance with the rules of work organisation, especially as regards staff working hours and daily and weekly periods of rest;
- establish sanctions for non-compliance with the obligations imposed.

MolMed aims to protect its human resources, assets and financial capital, by constantly looking to create synergy not only within the Company but also with suppliers, firms and clients involved in MolMed activities.

Protection of Privacy and Integrity and protection of the person

The privacy of employees and/or contract staff is protected by adopting standards specifying the information requested from staff and procedures for processing and keeping such information.

Any investigation into the ideas, preferences, personal tastes, and, in general, the private life of employees is excluded. These standards also prohibit, except in cases envisaged by legislation, the disclosure/dissemination of personal information without prior consent, and establish rules for staff to check the regulations on the protection of privacy.

MolMed is committed to protecting the moral integrity of its staff by ensuring the right to working conditions that respect the dignity of the person. Therefore, it protects workers against acts of psychological violence, and combats any attitude or behaviour that is discriminatory or prejudicial to the person, their beliefs and preferences (for example, in the case of insults, threats, isolation or excessive intrusion, professional limitations).

Sexual harassment is forbidden, and behaviour or speech that might offend personal sensibilities should be avoided.

Any MolMed staff who believes they have been subjected to harassment or have been discriminated against on grounds of age, gender, sexuality, race, health status,

nationality, political opinions and religious beliefs, etc., may report the incident to the Company and the Supervisory Body, which will evaluate effective breach of the Code of Ethics and of the Guidelines.

Other types of offences

It is also forbidden - for all those who work for and/or in the name of and/or collaborate with MolMed - to:

- behave in a way that could lead to an offence as under Articles 24 bis (computer crimes and unlawful processing of data), 24 ter (organised crime), 25 bis (crimes involving counterfeit money, tax stamps, identity instruments and badges); 25 bis-1 (offences against industry and commerce) 25 quater (offences for purposes of terrorism and subversion of the democratic order), 25 octies (offences against property: receiving, recycling or re-using stolen goods) 25 novies (offences involving breaches of copyright) of Legislative Decree 231/01;
- to enter into, acquire or conclude agreements with unreliable suppliers or business or financial partners (based on records - e.g. prejudicial public data - public protests, bankruptcy, acquisition of business information about the company, shareholders and Board members through specialised firms) or involving disproportionate prices compared to market averages, or with "politically exposed persons" (Article 1 of legislative Decree 231/01);
- make payments that are irregular, non-traceable or in cash, without justification;
- not comply with the procedures adopted by the Company as regards the identification and workings of the office responsible for stipulating and executing contracts, as well as for criteria of selection, stipulation, execution and verification of agreements/joint ventures with other companies for investment purpose;
- not apply the specific preventative controls (protocols) provided vis-à-vis crimes in relations with the Public Administration, corporate crimes and crimes of market abuse.

4. SANCTIONS

Behaviour that does not comply with the provisions in these guidelines shall - regardless of and apart from any criminal proceedings against the author/s of the violation - lead either to the application of disciplinary measures under the existing laws governing the National collective labour contract and the Disciplinary code adopted by MolMed, or to the termination of the mandate, collaboration and/or contract, according to the type of person involved.

In particular, the following will be subject to disciplinary action or cause the termination of a contract:

- behaviour contrary to the principles, contents and procedures in these guidelines;
- authorisation of activities that violate the guidelines;
- failure to report breaches of the guidelines;
- refusal to cooperate in investigating such breaches;
- retaliation against those who have made reports to that effect.

ANNEX 3

ORGANISATION STRUCTURE

The Company's top management comprises the Chairman and CEO, General Manager Business & Administration and General Manager R&D and Operations.

The General Manager R&D and Operations is responsible for Research & Development, Operations and Clinical Development, as well as Quality Assurance & CMC, Regulatory Affairs and Special projects.

Within **Research & Development**, the **Research** area aims to identify new compounds and strategies in the fields of vascular targeting and gene transfer in order to select potential candidates for future preclinical and clinical development by the Company, while the **Development** area is focused on developing production and quality control methods for investigational therapeutics to be used in clinical trials.

Clinical Development organises and coordinates the clinical trials of MolMed's investigational therapeutics. Together with Development, it aims to keep a competitive advantage in the development of innovative therapies, by covering the entire process from the end of bench research to the demonstration of clinical efficacy.

Operations, with the support of highly specialised staff, satisfies demand for production compliant with GMP guidelines and regulations in Europe and the United States of America, including activities of Quality Control, Logistics and Warehouse and Technical Services.

The General Manager Business & Administration is responsible for the following Functions: Administration, Finance and Control, Business Development & Investor Relations (IR), Human Resources, Legal Affairs and Corporate Governance, Intellectual Property and Information Technology (IT).

MolMed staff is highly qualified: over 80% of MolMed employees are graduates, and more than 40% have a Master Degree. MolMed staff play a key role in guaranteeing Company know-how.

On the basis of the results of risk assessment activities, the Company has changed its organisation structure by implementing a single integrated procedure system that can quickly regulate competencies and responsibilities of each operational area, activities, implementation procedures, scheduling and control system.

Firstly, those responsible for company processes - named "heads of function" - and sub-processes [omitted] were identified as under the organisation chart (Figure 1).

Then, by means of a series of interviews with the heads of function and all key company people, the new integrated company processes were formalised, starting with administrative and accounting procedures, in compliance with established rules and aimed at complying with Law 262/05.

Operating procedures related to the main business and support processes were formalised and shared with the relevant heads of function.

These procedures form the basis of a system of rules for risk management.

Annually, an Audit plan is drawn up and submitted for approval by the top management, in order to analyse the real functioning of the integrated company control system.

The Audits are designed to verify the correct and full operation and implementation of controls identified in the administrative/accounting and organisational procedures.

Below is the Company organisation chart by function, updated at 15th September 2011.

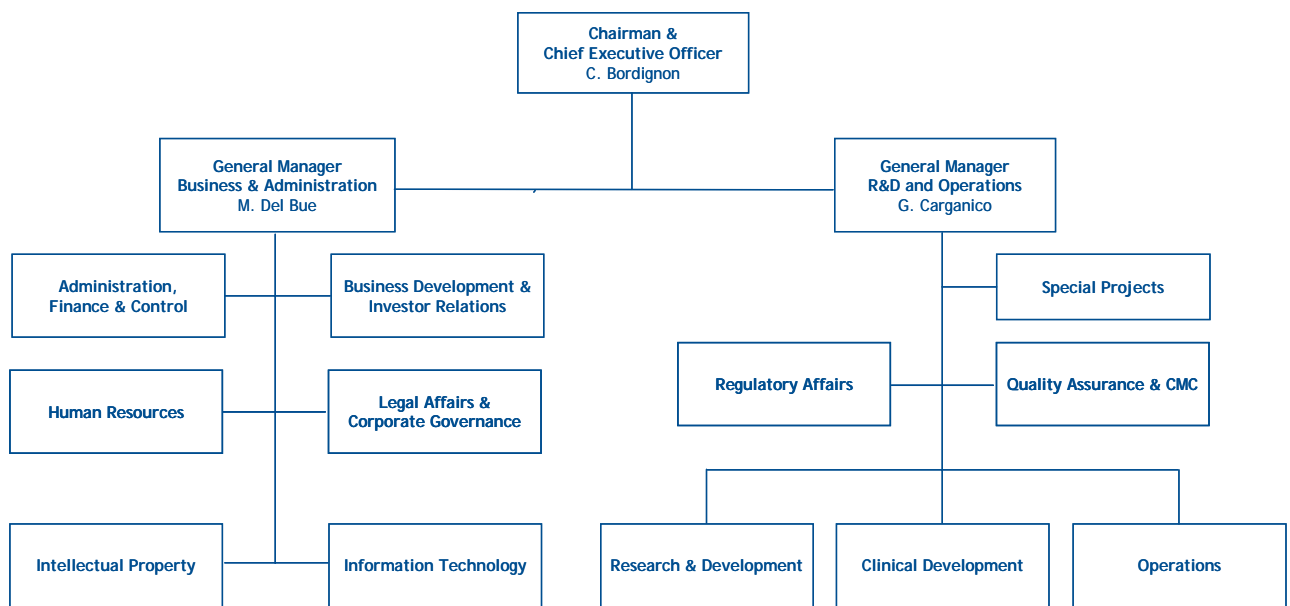


Figure 1: MolMed organisation chart

[CHARTS BY SUB-PROCESSES OMITTED]

SYSTEM OF DELEGATION OF POWERS

1. SYSTEM OF DELEGATION AND FUNCTIONS

MolMed has a policy for delegation of powers in line with the current Company size and, therefore, concentrated at the top management level. This means that, while safeguarding operational efficiency and effectiveness, there are few actors with management/representative powers: Chief Executive Officer, General Managers, Director of Human Resources, Chief Financial Officer, Safety Delegate).

The system for assigning powers guarantees the principle of transparency and verifiability, since representation is certified by a notary, and powers are broadly consistent with the activities of the “delegated” function and are known to all functions concerned.

In addition to identifying the person delegating specific powers, the delegations include well defined spending powers and specific limits in exercising such powers. The level of autonomy, powers of representation and limits of expenditure are identified in line with the hierarchical level of the assignee or of the type of representation, within the limits necessary for the performance of tasks, activities and duties implied by the delegation.

Conferred powers are updated pursuant to organisation changes in the Company.

The system of delegation and authorisation complies with the structure and roles in the Company organisation chart.

Below are reported the powers of representation and office currently assigned within the Company, it being understood that the following powers are reserved exclusively to the MolMed Board of Directors:

- examination and approval of the strategic, industrial and financial plans of the Company (and any group it might lead) and of the system of corporate governance;
- assessment of the adequacy of the general organisation, administration and accounting structure of the Company (or any subsidiary with strategic importance) set up by the Chief Executive Officer, especially as regards the internal control system and the management of conflicts of interest;
- assignment and revocation of the Chief Executive Officer’s powers, defining the limits and procedures for exercising those powers;
- determination of the pay of the Chief Executive Officer and other Board members who hold particular offices, on the basis of proposals made by its special committee (the Payroll Committee) and having heard the Board of Statutory Auditors, as well as - if not already carried out by the Shareholders meeting - the breakdown of the total remuneration for Board members;

- assessment of the overall performance of operations, taking into account, in particular, information received from relevant delegated Bodies, and periodically comparing the results achieved with those planned;
- acquisition of businesses and holdings, mergers or demergers or other operations of strategic economic, or financial importance for the Company.

CHIEF EXECUTIVE OFFICER

The role of Chief Executive Officer is currently held by the Chairman of the Company.

In addition to the legal representation of the Company *ex lege*, the following powers were also conferred by the Board of Directors (in resolution of November 6, 2007, supplemented in a subsequent resolution of 27 August 2008):

- a) negotiate, conclude, undersign, grant or acquire any contract regarding the provision of Company services and products and the purchase of goods, products, services, materials needed for Company's operations, also by means of leases, granting rebates or discounts if appropriate, with the explicit exclusion of assets registered in public records (except motor vehicles and similar); also excluded are contracts for the block sale of goods, sale or lease of Company and/or Company branches, either as a seller or buyer or lessor or lessee;
- b) represent the Company in any relation with public or private service providers, shippers, carriers and transporters;
- c) compete for contracts, auctions, bids and negotiations with private companies and with public government, regional or local bodies, or other Public Administration bodies; constitute and withdraw prescribed deposits by presenting, modifying or withdrawing offers and, in general, carrying out all paperwork and formalities;
- d) issue, collect and receipt invoices;
- e) collect debts, withdraw money, values, yields, cash deposits and securities from public or private banks, issuing the necessary receipts, acquittance or exemption from liability;
- f) conclude transactions in general, collect or pay the amounts and issue discharges;
- g) make short-term financing operations such as: opening and closing bank accounts; operate on such accounts, that may be overdrawn to within credit limits; issue checks, promissory notes and/or drafts and endorse them; make bank payments or withdrawals; provide accreditation, conclude contracts for loans, overdrafts, advance payments, discounts and bank contracts generally, ask for cheque books and cheques and, in general, perform all short term bank transactions, barring none;
- h) conclude loan agreements and/or other loans payable in the medium to long term amounting to no more than € 300,000.00, agree to conditions and interests and carry out any other activity relating thereto;
- i) carry out transactions with factoring companies, banks and finance companies, involving the granting of loans, confer mandates for collection, discounts and anything concerning the above relations;
- j) issue, also in favour of third parties, sureties or guarantees, including bank guarantees, for customs operations, participation in competitions, work to be done,

- successful execution of supplies and work, advance payments on supplies to be made by the Company in Italy or abroad;
- k) hire and fire employees, set their pay and determine their functions; appoint, suspend and revoke representatives, agents or salespersons; hire and fire executives with the joint signature of the General Manager responsible for Business and Administration, setting their pay and determining their functions;
 - l) sign and submit any request, application, claim, complaint, including financial statements and other company documents, statements for the purposes of direct and indirect taxes, and any declaration, statement or report that the Company is required to submit under law;
 - m) appoint and dismiss procurators for individual acts or transactions, or categories of acts or transactions;
 - n) enter legal actions and resist legal actions, and more generally represent the Company in any proceedings before the judicial authorities of whatever order and degree and before arbitrators, and challenge decrees, decisions, awards and judgments, even those of the supreme courts, appoint and dismiss litigation lawyers and attorneys, consultants and experts, elect domicile, compromise judgments, agree arbitration clauses, appoint arbitrators, make promises and offers;
 - o) challenge investigations, injunctions and/or tax decisions in general, enacted by any authority, appoint lawyers, attorneys, accountants, consultants, experts and accountants to represent and/or defend the Company before the authorities and tax commissions at any stage of proceedings, and elect domicile;
 - p) enter into and cancel insurance policies of any kind and agree terms and conditions;
 - q) sign and receive any type of correspondence, including insurance correspondence, packages, values, money orders and goods from the Post Office, from customs or other transport offices, and issue receipts;
 - r) submit complaints, file petitions and appeals, and make statements to social security, welfare and insurance offices and all administrative authorities such as, for example, the Provincial Office of Labour and Employment, the Department of Labour, the Ministry of Labour, social security institutions (INAIL, INPS and INPDAI), conclude agreements with them and challenge decisions, reports and investigations;
 - s) represent the Company in any relations with public governmental, regional, provincial and municipal authorities, including, for example, the Treasury, the foreign exchange authority, the offices of direct and indirect taxation and customs, social security and health insurance offices, with the power to represent the Company in public contracts and all agreements with public institutions and authorities.

GENERAL MANAGERS

The General Manager responsible for Business and Administration, who is also a member of the Board of Directors, Chief Executive in charge of supervising the operation of the internal control system, and Contact Person¹, has been assigned the following powers:

¹ in Italian, *Referente Informativo*: referred to in Article 2.6.1 of Title 2.6 of the Rules of the Italian Stock Exchange (*Borsa Italiana*), in charge of the relationships with Borsa Italiana S.p.A. and Consob as for the relevant activities

A. Routine administrative and financial management:

- a) negotiate, conclude, underwrite, grant or acquire any contract regarding the provision of Company services and products and the purchase of goods, products, services and materials necessary for Company's operations up to a maximum of € 350,000.00, which can be done through leasing, giving rebates or discounts if appropriate, with the explicit exclusion of goods registered in public records (except motor vehicles and the like); also excluded are contracts for the block sale of goods, sale or lease of Company and/or Company branches, either as seller or buyer or lessor or lessee;
- b) represent the Company in any relations with public or private service providers, shippers, carriers and transporters;
- c) compete for contracts, auctions, bids and negotiations in private companies and public government, regional or local bodies and other public administration bodies, and constitute and withdraw prescribed deposits by presenting, modifying or withdrawing offers and, in general, carrying out all paperwork and formalities;
- d) issue, collect and receipt invoices;
- e) appoint and dismiss procurators for individual acts or transactions, or categories of acts or transactions;
- f) carry out operations involving promissory note discounts and signed by third parties, endorse and receipt cheques, promissory notes, credit exposures, bills, money orders payable in banks, post offices and generally vis-à-vis any person or entity, all within a unit value of less than € 350,000.00;
- g) issue bank cheques and/or request cashier's checks or transfers and sign money orders to be charged to Company current accounts, all within the limits of unit amounts below € 350,000.00;
- h) sign money orders or requests for transfers or cashier's checks for social security agencies, the treasury and other agencies in general, all within the limits of unit amounts below € 350,000.00;
- i) carry out active financial transactions, including the endorsement of checks and securities to be cashed, all within the limits of unit amounts less than € 350,000.00;
- j) manage all affairs regarding ordinary administration, ordinary financial transactions and promissory notes; carry out all acts and operations at the offices of public debt, deposits and loans, postal services and customs, railways and transport companies and public and private offices in general, with the right to demand and collect packages, registered and insured letters, allow commitments and disengagements, issue receipts, check, accept and pay bills, give refunds extensions and discounts, represent the company before credit institutions, banks and private persons, have current accounts within the limit of € 350,000.00.

B. Employment and Working Relations:

- a) represent the Company vis-à-vis the offices of the Public Administration, the State and associated Bodies, regions, municipalities, trade associations, trade union associations, technical committees, consortia;
- b) represent the Company vis-à-vis National health, insurance and social security offices;

- c) represent the Company vis-à-vis trade and trade union associations and/or vis-à-vis institutions, associations and consortia with the power to settle or reach a compromise on labour disputes, not exceeding the unit amount of € 350,000.00;
- d) issue extracts from payrolls and certificates regarding staff for health service, insurance and social security offices, and for other entities or persons;
- e) recruit, appoint, suspend, transfer, dismiss, and vary the conditions of employment for staff, excluding executives; take all decisions regarding the establishment, modification and extension of employment relations of any kind, including contract staff and freelance workers, also as regards internships and scholarships, and decide on changes to or cancellation of such contracts;
- f) represent the Company in relations, including disciplinary relations, with staff and vis-à-vis institutions and offices - including offices of labour, employment, welfare, social security and tax associations and trade union organisations - to carry out all practices concerning staff administration, management and treatment (including welfare, social security or tax), signing acts and statements, and coming to agreements and carrying out transactions;
- g) represent the Company in civil proceedings indicated in Article 409 of the Civil Code (C.C.) with the powers and within the limits specified below: attend all hearings regarding civil proceedings provided for in Title IV, Book Two of the C.C. and in particular the hearings referred to in Article 420 C.C.; reconcile and settle disputes or proceedings referred to in Article 409 C.C., accept the relinquishing of documents and questions, assume obligations and implement any agreement or act necessary to carry out tasks, and sign records of proceedings. These powers may be exercised by the General Manager in each phase, stage and level of proceedings and litigations before ordinary courts, arbitrators and arbitration panels of any kind and nature;
- h) present complaints, forward petitions and appeals, and make statements to social security and insurance offices and all administrative authorities such as, for example, the provincial labour office, social security Bodies (INAIL, INPS and INPDAl), conclude agreements with them and challenge decisions, records and investigations.

The General Manager responsible for Research & Development and Operations has been assigned the following powers:

- a) negotiate, conclude, underwrite, grant or acquire any contract regarding the provision of services and products and the purchase of goods, products, services and materials necessary for operations of the Functions under his/her responsibility up to a maximum of € 100,000.00, including leasing, giving rebates or discounts if appropriate, with the explicit exclusion of goods registered in public records; also excluded are contracts for the block sale of goods, sale or lease of Company and/or Company branches, either as seller or buyer or lessor or lessee;
- b) represent the Company in any relations with public or private service providers, shippers, carriers and transporters;
- c) compete for contracts, auctions, bids and negotiations in private companies and public government, regional or local bodies and other public administration bodies, and constitute and withdraw prescribed deposits by presenting, modifying or withdrawing offers and, in general, carrying out all paperwork and formalities;

- d) issue, collect and receipt invoices;
- e) appoint and dismiss procurators for individual acts or transactions, or categories of acts or transactions;
- f) issue bank cheques and/or request cashier's checks or transfers and sign money orders to be charged to Company current accounts, all within the limits of unit amounts below € 100,000.00;
- g) carry out active financial transactions, including the endorsement of checks and securities to be cashed, all within the limits of unit amounts less than € 100,000.00.

DIRECTOR OF HUMAN RESOURCES

Under the power granted to the General Manager to delegate one or more of the powers referred to in Section B to the Director of Human Resources, the latter has been assigned the following powers as to **Employment and Work Relations**:

- a) represent the Company vis-à-vis the offices of the Public Administration, the State and associated Bodies, regions, municipalities, trade associations, trade union associations, technical committees, consortia;
- b) represent the Company vis-à-vis National health, insurance and social security offices;
- c) represent the Company vis-à-vis trade and trade union associations and/or vis-à-vis institutions, associations and consortia with the power to settle or reach a compromise on labour disputes, not exceeding the unit amount of € 300,000.00;
- d) issue extracts from payrolls and certificates regarding staff for health service, insurance and social security offices, and for other entities or persons;
- e) represent the Company in relations, including disciplinary relations, with staff and vis-à-vis institutions and offices - including offices of labour, employment, welfare, social security and tax associations and trade union organisations - to carry out all practices concerning staff administration, management and treatment (including welfare, social security or tax), signing acts and statements, and coming to agreements and carrying out transactions;
- f) present complaints, forward petitions and appeals, and make statements to social security and insurance offices and all administrative authorities such as, for example, the provincial labour office, social security Bodies (INAIL, INPS and INPDAl), conclude agreements with them and challenge decisions, records and investigations.

CHIEF FINANCIAL OFFICER

With the authorisation of July 17, 2009, replacing previous delegations, the Chief Financial Officer was assigned the following powers, within the limits of the amount and/or maximum unit value per transaction of € 30,000.00:

- a) negotiate, conclude, undersign, grant or acquire any contract regarding the provision of Company services and products and the purchase of goods, products, services, materials needed for Company's operations, also by means of leases, granting rebates or discounts if appropriate, with the explicit exclusion of assets registered in public records (except motor vehicles and the like); also excluded are contracts for the block sale of goods, sale or lease of Company and/or Company branches, either as a seller or buyer or lessor or lessee;

- b) represent the Company in any relations with public or private service providers, shippers, carriers and transporters;
- c) compete for contracts, auctions, bids and negotiations in private companies and public government, regional or local bodies, and other public administration bodies, and constitute and withdraw prescribed deposits by presenting, modifying or withdrawing offers and, in general, carrying out all paperwork and formalities;
- d) carry out operations involving promissory note discounts and signed by third parties, endorse and receipt cheques, promissory notes, credit exposures, bills, money orders payable in banks, post offices and generally vis-à-vis any natural or legal person;
- e) issue bank cheques and/or request cashier's checks or transfers or sign money orders to be charged to Company's current accounts;
- f) issue, collect and receipt invoices; sign money orders or requests for transfers or cashier's checks payable to social security offices, the treasury and other bodies in general; sign proxies for tax and social security payments and statements relating to them;
- g) manage all affairs regarding ordinary administration, ordinary financial transactions and promissory notes; carry out all acts and operations at the offices of public debt, deposits and loans, postal services and customs, railways and transport companies and public and private offices in general, with the right to ask for and collect packages, registered and insured letters, allow commitments and disengagements, issue receipts; check, accept and pay bills, give refunds, extensions and discounts, represent the Company vis-à-vis credit institutions, banks and private persons, have current accounts within the assigned limit;
- h) represent the Company in any relations with public governmental, regional, provincial, and municipal authorities, including, for example, the Treasury, foreign exchange authorities, the offices of direct and indirect taxation and customs, social security and health insurance offices, with the power to represent the Company in public contracts and all agreements with public institutions and authorities.

In addition, on 18 March 2002 the Chief Financial Officer was also appointed **Responsible for Privacy** by the Chief Executive Officer. In resolution of 6 November 2007 by the Board of Directors, he was appointed **Executive Officer responsible for preparing the Company's accounting documents** (pursuant to Art. 154 a of Legislative Decree 58/1998) and **Deputy Contact Person**.

SAFETY DELEGATE

The Safety Delegate - appointed under the provisions of Article 16 of Legislative Decree 81/2008 of 9 April 2008 ("Implementation of Article 1 of Law 3 August 2007, N° 123, regarding the protection of health and safety at work"), hereinafter, "Consolidated Act", published in the Official Gazette N° 101 of 30 April 2008 and in force since May 15, 2008 - was assigned powers to deal with and carry out in full autonomy all the formalities required by current law and contractual regulations on safety and hygiene at work, with full responsibility for these activities.

The Safety Delegate has full autonomy in the planning, organisation, management and control of all activities designed to implement and comply with laws on safety and

hygiene. To fulfil all the obligations under current legislation, he has been assigned, by way of example and not limited to, the following powers:

(i) Powers of knowledge

The Safety Delegate may enter any workplace at any time, in areas at most risk, during work or during breaks; he/she can check the unloading and loading of equipment, talk with employees, workers and also any strangers present there, read Company papers and documentation that can in some way shed light on the operational and strategic choices to be adopted for prevention and safety.

(ii) Powers of intervention

The Safety Delegate gives binding opinions on the choice of equipment, location and relocation of machinery, and on identification of means of protection.

(iii) Powers of coordination

The Safety Delegate consults and coordinates action with those who manage other Company sectors, both strategic and instrumental.

(iv) Powers of access to financial resources

The Safety Delegate can access funds allocated by the Board of Directors to cover security costs and sends cost reports to the Company.

With the exception of activities under Article 17 of the Consolidated Act, the Safety Delegate is responsible for all the obligations under the Consolidated Act and subsequent amendments and/or additions and, in particular, the obligations and activities under Article 18, which are listed *verbatim* here below:

- a) appoint a medical doctor to take charge of health surveillance in cases provided for in Legislative Decree 81/2008;
- b) designate workers responsible for implementing measures regarding fire prevention, fire fighting, evacuation of the workplace in case of serious and imminent danger, rescue, first aid and emergency management in general;
- c) when entrusting tasks to workers, take account of the capacity and conditions of the same in relation to their health and safety;
- d) provide workers with necessary and appropriate protective equipment, having heard the head of the prevention and protection service and the doctor in charge, if any;
- e) take appropriate measures to ensure that only workers who have been given proper instructions and received specific training have access to areas that expose them to a serious and specific danger;
- f) require the compliance of individual staff with existing legislation and Company rules regarding work safety and hygiene, and their use of collective means of protection and personal protective equipment available to them;
- g) require the doctor in charge to comply with the obligations prescribed in the Decree;
- h) take measures to control risk situations in case of emergency, and give instructions to workers about leaving the workplace or danger zone in case of severe, imminent and unavoidable danger;
- i) inform as soon as possible workers exposed to serious and immediate danger about the danger itself and the protective measures taken or to be taken;
- j) comply with the obligations of information, instruction and training as under Articles 36 and 37 of the Decree;
- k) avoid asking workers to resume work in a situation where there continues to be serious and immediate danger, except where duly justified by the need to protect health and safety;
- l) allow workers to verify, through the workers' safety representative, the application of measures for security and protection of health;

- m) promptly give the workers' safety representative - upon request and for the performance of duties - a copy of the document referred to in Article 17, paragraph 1, letter a, and allow the same to access data indicated in letter r) below;
- n) prepare the document referred to in Article 26, paragraph 3, and - upon request and for the performance of duties - promptly give a copy to the workers' safety representative;
- o) take appropriate provisions to ensure that technical measures adopted do not cause risks to public health or harm the outside environment, carrying out periodic checks to verify the continuing absence of risk;
- p) communicate to National workers insurance agencies (INAIL or IPSEMA, as appropriate) for statistical and informational purposes, data on accidents at work that involve absence from work of at least a day, excluding the day the event happened, and, for insurance purposes, information on accidents at work involving absence from work of more than three days;
- q) consult the workers' safety representative in the cases referred to in Article 50;
- r) take necessary measures for fire prevention and evacuation of the workplace in the event of serious and imminent danger, in accordance with the provisions of Article 43. These measures must be adapted to the nature of the activity, the size of the company or production unit, and the number of people present;
- s) in cases of contracted or subcontracted activities, equip the workers with an identification tag bearing a photograph and containing personal details of the worker and the identification of the employer;
- t) in production units with more than 15 workers, call regular meetings as under Article 35;
- u) update preventive measures in relation to organisational and production changes that affect health and safety at work, or in relation to progress in technical developments for prevention and protection;
- v) communicate every year the names of workers' safety representatives to the National workers' insurance agency INAIL;
- w) ensure that those workers for whom there is an obligation of health surveillance are not assigned specific work tasks without required suitability assessment.

In a decision of 26 May 2008, the Board of Directors approved a separate budget for the performance of these activities, it being understood that a request for additional sums for any extraordinary expenses may be submitted to the Board for prior authorisation.

The Safety Delegate is currently the Director of Operations.

ANNEX 5

MAP OF SENSITIVE COMPANY ACTIVITIES

[OMITTED]

ANNEX 6

OPERATIONAL PROCEDURES

[OMITTED]

DISCIPLINARY CODE

1. PRESENTATION

The enactment of the Disciplinary Code, transcribed below, complies specifically with the provisions contained in Legislative Decree 231/01.

The Disciplinary Code is directly connected to the Model, in particular the Guidelines of Conduct and the Code of Ethics: the conduct referred to therein is compulsory for all those concerned, to all intents and purposes.

Therefore, prompt and consistent compliance is mandatory, and any infringements represent a failure to comply and, as such, are punishable under this Code.

The Model, including the Code of Ethics and the Disciplinary Code, is published both on the Company website (www.molmed.com) and on the Company intranet.

The Disciplinary code is brought to the attention of all employees, contract staff, heads of function, and to all Bodies, suppliers and third parties in general who, due to the relationship being established or already established with MolMed, are required to comply with its contents. The Disciplinary code is also posted on the Company bulletin board.

Copy of the Model, including the Code of Ethics and the Disciplinary code, is available at any time at the offices of both Corporate Secretary and Human Resources.

2. PRINCIPLES OF THE DISCIPLINARY CODE

The Disciplinary code is based on the following principles:

- 1) it implements the will of the law by means of the disciplinary powers expressly granted to the Company;
- 2) it is based, as regards graduation of applicable sanctions, on the provisions in Article 2106 of the Civil Code, which correlates their application to the role and function covered by the person concerned, the seriousness of conduct, the actual way the infringement is committed, the intent, and recurrence of the infringement within two years;
- 3) for non-executive employees, it extends - in matter of sanctions - the provisions in the disciplinary code of the National collective labour contract for the chemical and pharmaceutical sector to violations of the provisions contained in the Model and the Code of Ethics;
- 4) it sets specific sanctions for all those to whom the aforementioned collective contract is not applicable;
- 5) as regards conduct, it refers to the content of the Model and the Code of Ethics;

6) it does not limit the Company's right to require the offender to indemnify all damage suffered as a result of the infringement committed.

3. RECIPIENTS OF THE DISCIPLINARY CODE

The rules of this code are addressed to:

- a) members of the Board of Directors;
- b) statutory auditors
- c) persons acting on behalf of the appointed independent auditing firm;
- d) the general manager and executives having financial and/or functional autonomy, (referred to as "top executives");
- e) procurators who have Company power of attorney;
- f) employees;
- g) contract staff;
- h) persons who have contract relations with the company, or who - although "third parties" - carry out activities and/or functions in the area of health and safety.

One of the duties of all those who, by reason of their office, carry out activities that involve the direct or indirect management of contract staff is to ensure they comply with the Model and the present Code.

4. NON-COMPLIANCE, CONTENTION AND SANCTIONS

Non-compliance with provisions contained in the Model and, in particular, the Guidelines of Conduct and the Code of Ethics, is an infringement that is punishable. Non-compliance comprises any conduct, commission or omission (including negligence) likely to harm the effectiveness of the Model as a tool for preventing the commission of crimes under Legislative Decree 231/01.

In case of non-compliance, in order to ascertain the actual course of events, the Company will inform the person concerned of the incident and will invite his/her feedback. This must be received by the Company within the compulsory period of 7 days, starting from the time of receipt of the letter of notification.

This contention procedure be implemented in accordance with the provisions in the National collective contract and of Article 7 of Law 300/1970 only as regards non-executive employees.

Because of the different types of relations that exist between the recipients and the Company, there are different dispute procedures and sanctions, the material application of which is graded in accordance with the aforementioned principle of proportionality.

Therefore, account will be taken of the seriousness of the conduct and the resulting event, the violation (negligent/intentional) committed, and the circumstances under which and the way in which it was committed.

For Board members, Statutory Auditors and independent Auditors

In cases of violations by these persons, the Supervisory Body will send to the Board of Directors and the Board of Statutory Auditors a detailed report on the events. These bodies will set a congruous deadline for convening and hearing the person concerned.

The Board will then decide, jointly or by delegation, the penalty to be imposed, if any, from the following sanctions:

- a) written censure;
- b) a warning to comply with the Model;
- c) the curtailment of emoluments or audit fees of up to 50%;
- d) termination of mandate even without just cause.

For top executives

In cases of violations by these persons, the Supervisory Body will defer to the Board of Directors and the Board of Auditors, but then the procedure provided for by existing legislation (workers bylaws and collective contract) will be followed as regards the possible application of one of the following sanctions:

- a) verbal warning;
- b) written warning;
- c) the maximum fine under the applicable collective contract;
- d) suspension from work and pay for the maximum amount of time permitted by the relevant collective contract applicable to the case;
- e) dismissal with or without notice.

For non-executive employees

In cases of violations by these persons, the Supervisory Body will inform the Board of Directors, the Board of Statutory Auditors and the Director of Human Resources; then, the procedure as under current legislation in matter of salaried employment will be followed in view of applying, if any, one of the following sanctions:

- a) verbal warning;
- b) written warning;
- c) a fine of up to 3 (three) hours' pay;
- d) suspension from work and pay for up to 3 (three) days and, in any event, the maximum amount permitted by the relevant collective contract applicable to the case;
- e) dismissal with or without notice.

For contract staff and freelance workers

In case of violations by such persons, the Supervisory Body will send a report detailing the events to the Board of Directors, the Board of Statutory Auditors and the executive responsible for the contract. The latter will set congruous terms to convene and hear the person concerned, reply and then decide - in agreement with the General Manager

or, depending on the matter or value, the Board of Directors - imposition of one of the following sanctions:

- a) written censure;
- b) a formal notice to comply with the Model;
- c) a penalty of an amount of no more than 20% of the agreed fee;
- d) termination of the contract with or without notice, as under the terms of temporary contracts.