

**DIFASS INTERNATIONAL SRL**

**INTERNAL CODE OF ETHICS**

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## 1. INTRODUCTION

In the awareness that a company operating in the nutraceuticals and medical devices sector is assessed not only on the basis of the quality of the products it presents to the medical profession, but also on the basis of its ability to comply with absolute ethical values, in any case codified by laws and regulations, DIFASS INTERNATIONAL S.R.L. through the adoption of its own Code of Ethics has:

- defined and explicated the values and principles which underpin its activities and relations with the Corporate Bodies, Personnel and in general all those who collaborate with the Company or have relations with it (collaborators, patients, suppliers, institutions and third parties in general);
- formalised its commitment to behave with integrity, loyalty and fairness;
- indicated to its collaborators the principles of conduct, values and responsibilities for which it requires prompt compliance in the performance of its business activities.

In particular, the Company intends ensuring its conduct is inspired by integrity, something which has more than just moral value, but which takes on crucial importance in ensuring the same continuity of action of the company in accordance with the provisions of Legislative Decree no. 231 dated 2001.

Achieving this objective requires absolute compliance with applicable Italian laws, as well as the compliance of individual actions with the principles of fair competition, fairness and good faith, while respecting the legitimate interests of all *stakeholders*: customers, shareholders, members of the public, employees, healthcare professionals, suppliers, business *partners*, etc.

In particular, to this end, DIFASS INTERNATIONAL S.R.L.:

- adopts with transparency and respects the models of behaviour inspired by autonomy, moral integrity and professional rigour and develops its actions, with respect to these consistent aspects;
- complies with current legislation at Community, national and regional level;
- respects the legitimate interests of those who use its products, suppliers, personnel and third-party collaborators;
- complies with the principles contained in this Code of Ethics.

Respect for company ethics is crucial for the development of the company's organisation and relations between Personnel and those who collaborate with the Company in various ways, as well as between Personnel and the general public.

Respect for company ethics also contributes to making the policies and control systems developed by the Company effective and, in any case, influences and guides any behaviour that may escape the control systems.

Finally, respect for corporate ethics is a guarantee of conduct, allowing, in addition to formal compliance with the law, also the observance of principles of fairness, equity and transparency towards employees and the various Company interlocutors.

The observance of this Code of Ethics is therefore of fundamental importance for the good functioning, reliability and reputation of the Company, as well as to avoid any involvement of the Company in any criminal behaviour by corporate bodies, executives or employees.

The requirements of the Code of Ethics are aimed at protecting the prestige and credibility of DIFASS INTERNATIONAL S.R.L. vis-à-vis the State, public opinion, pharmaceutical companies, the medical profession and health operators in general.

Under no circumstances can the conviction of acting to the advantage of DIFASS INTERNATIONAL S.R.L. justify the adoption of behaviour in contrast with these principles or with the ethical rules set out below and with the procedures governing company activities.

DIFASS INTERNATIONAL S.R.L. ensures the widespread distribution and knowledge of this Code of Ethics both inside and outside the Company.

The Code of Ethics of DIFASS INTERNATIONAL S.R.L. was approved by the Board of Directors by resolution dated 26.06.2012, and subsequent updates were approved by resolution of the Board of Directors.

### **1.1. The FARMINDUSTRIA Code of Conduct**

The Code of Conduct of Farmindustria, an association of which DIFASS INTERNATIONAL S.R.L. is not a member, is of fundamental importance in the context of indications from Trade Associations. However, it represents, in the parts referable to it, a point of reference for the business carried out by the Company in a sector very similar to that of pharmaceuticals. In particular, it codifies the ethical principles and rules of conduct which must underpin relations between pharmaceutical industries, as well as between the latter and the scientific and healthcare world.

It is precisely on these more stringent principles that DIFASS INTERNATIONAL S.R.L. wishes to base its business ethics.

This Code of Conduct, and in particular the version amended on 23 October 2012, and subsequent updates, has represented a fundamental point of reference for the drafting of this Code of Ethics.

## **1.2. The DIFASS INTERNATIONAL S.R.L. model and the aims of the Code of Ethics**

The Code of Ethics adopted by DIFASS INTERNATIONAL S.R.L. is an integral part of the Organisational Model pursuant to art. 6 of Decree 231 dated 2001 adopted by the Company, containing, among other things, the general principles and rules of conduct to which it attributes a positive ethical value and which must be complied with by all recipients of the Code, where applicable.

The Code of Ethics of DIFASS INTERNATIONAL S.R.L. is inspired by and conforms to the principles indicated in the Confindustria Guidelines issued in March 2014 and in the Farindustria Code of Conduct, in the version updated at 2 July, 2014.

## **1.3. Recipients of the Code of Ethics**

Since the main purpose of the Code of Ethics is to guide and direct the Company's business activities towards compliance with ethical principles, it is binding on all Directors, Statutory Auditors, if any, and on those working for appointed Independent Auditors, if any, as well as on all its employees, including managers, without exception (hereinafter referred to as Personnel), and on all those who, although not employees of the Company, work directly or indirectly for it (agents, collaborators in any capacity, consultants, suppliers, commercial partners, hereinafter referred to as Third-Party Recipients).

All Recipients are required to observe and, within their area of responsibility, to ensure compliance with the principles contained in the Code of Ethics. Under no circumstances shall the claim to act in the interest of the Company justify the adoption of behaviour in contrast with that set forth in this document.

The Code must also inspire the activities carried out abroad by the Company, while duly respecting the differences existing from a regulatory, social and economic point of view.

Moreover, and above all, compliance with the provisions of the Code of Ethics must be deemed an integral part of the contractual obligations of the Company's employees pursuant to and in accordance with the provisions of article 2104 et seq. of the Italian Civil Code.

Any breach of the provisions of this Code, which is deemed particularly serious, also affects the relationship of trust established with the Company and may lead to disciplinary action and claim for compensation for damages. Actions which will be

promoted and carried out in compliance with the procedures set out in art. 7 of the Workers' Statute, with collective labour agreements and any other company regulations, including those subsequently passed.

#### **1.4. Distribution of the Code of Ethics and associated training**

The Company undertakes to ensure precise internal and external distribution of the Code of Ethics.

With particular reference to the Corporate Bodies and Personnel, it ensures:

- the distribution of the Code of Ethics to all members of the Corporate Bodies and to all Staff members;
- the posting of the Code of Ethics in a place in the Company's registered office accessible to everyone, so that any report of a breach of the Code of Ethics can be checked, with assessment of the facts and application of adequate sanctions in case of any such breach;
- assistance in interpreting and clarifying the provisions contained in the Code of Ethics;
- verification of effective compliance with the Code of Ethics.

The Supervisory Board appointed pursuant to art. 6 of Legislative Decree no. 231 dated 2001, which is responsible for monitoring the effective implementation of the Model, in collaboration with the CEO, prepares and implements initiatives regarding training on the principles of the Code of Ethics, organised differently and differentiated according to the role played and the responsibilities assigned to the resources concerned. Training will be more intense and characterized by a higher level of detail for those persons qualified as top management by the decree, as well as for those who operate in the *risk areas* identified in the Model.

With particular reference to Third-Party Recipients and in any case to any other interlocutor, the Company also:

- informs such persons of the commitments and obligations imposed by the Code of Ethics, by providing them with a copy of same;
- posts the Code of Ethics on the Company's Internet network;
- requires them to comply with the Code of Ethics;
- has them sign clauses and/or statements (so-called third party submission clause) contained and/or attached to the relative contracts signed, aimed on the one hand at formalising the commitment to comply with the Model and the Code of Ethics, and on the other hand at regulating the contractual sanctions to be applied in the event of any breach of such commitment. The definition and constant

improvement of these clauses will be the responsibility of the CEO, if necessary at the suggestion of the Supervisory Board;

- adopts, if necessary, the contractual resolution *ipso iure* in the event of the Third-Party Recipients, in the performance of their activities, not having complied with the ethical rules, in any case according to the provisions of the third-party submission clauses.

Any doubts regarding the application of this Code of Ethics shall be promptly discussed with the Supervisory Board.

## **1.5 Structure of the Code of Ethics**

The Code of Ethics consists of three sections:

- the first section outlines the ethical principles of reference, i.e. the values to which DIFASS INTERNATIONAL S.R.L gives prominence in the context of its business activities and which must be respected by all Recipients of the Code;
- the second section codifies the rules and principles of conduct which individuals have to comply with, including the Third-Party recipients required to comply with this Code;
- the third section regulates the ways in which the Supervisory Board ensures the implementation and control of compliance with the Code.

The Code of Ethics undergoes continuous changes, supplements and implementations. The Board of Directors is the competent body for making such changes, introduced by means of specific Board resolutions, also adopted on the basis of suggestions and indications that may come from the Supervisory Board.

## **2. THE ETHICAL PRINCIPLES OF REFERENCE**

The ethical principles of reference for all Recipients are defined below. It should be reiterated that under no circumstances can the conviction of acting to the benefit of DIFASS INTERNATIONAL S.R.L justify behaviour in conflict with the principles of this Code of Ethics, which must be recognised as a primary and absolute value.

### **2.1. Responsibility and compliance with the law**

DIFASS INTERNATIONAL S.R.L undertakes to observe the laws, regulations and, in general, the rules in force in Italy and in all countries with which it has any relations.

The company also undertakes to comply, where applicable, with the regulations and ethical and deontological principles required by trade associations and in particular those

codified in the Farindustria Code of Conduct, promptly incorporated in this Code of Ethics.

The Directors, Statutory Auditors, Independent Auditors, Personnel and Third-Party Recipients of DIFASS INTERNATIONAL S.R.L are required to comply with the regulations in force both in Italy and in the other countries with which the Company has any business connections. In compliance with applicable regulations and the procedures established by the Company, they must perform their services with diligence, efficiency and correctness, making the most of their professionalism and assuming the responsibilities associated with their obligations.

Under no circumstances may the Company's interests be pursued or realised in violation of laws or ethical principles. This applies both with reference to business activities carried out within Italy, and any such activities involved in relations with international operators.

## **2.2. Correctness**

All actions and operations carried out and behaviours adopted by each of the Recipients of this Code of Ethics in the performance of their duty or assignment are inspired by legitimacy in formal and substantial terms, in accordance with applicable regulations and internal procedures, as well as by fairness, loyalty and mutual respect.

Recipients are required to diligently comply with the laws in force, the Code of Ethics and internal regulations. In no case may the pursuit of the interests of DIFASS S.R.L. justify conduct which is dishonest and does not comply with applicable legislation and this Code of Ethics.

The pursuit of corporate profit is subject to the principle of fairness.

No Recipient shall accept, for him/herself or for others, or make pressures, recommendations, reports likely to cause prejudice to the company or produce undue advantages for him/herself, for the Company or for third parties; each Recipient also rejects and does not make promises and/or undue offers of money or other benefits, unless the latter are of modest value and are not associated with requests of any kind.

If a Recipient receives an offer or a request for benefits from a third party, except for commercial gifts of modest value, he/she shall not accept such offer, nor shall he/she comply with such request and shall immediately inform the Supervisory Board which will take all necessary action in this respect.

The Directors, Statutory Auditors, Chartered Accountant and Personnel of DIFASS INTERNATIONAL S.R.L must in any case act correctly in order to avoid situations of conflict of interest, meaning those situations in which the pursuit of their own interest is in conflict with the interests of the Company. In any case, situations should be avoided



in which an employee, director or other recipient can obtain an undue benefit or profit, on the basis of situation duties.

In particular, given the sensitivity and centrality of the position held, Directors, and in any case all Corporate Bodies, are required to have:

- behaviour inspired by autonomy and independence with public institutions, private individuals, economic associations and political forces, providing correct information for the definition of the legal configuration and administrative activity of the company;
- behaviour inspired by integrity, loyalty and a sense of responsibility towards DIFASS INTERNATIONAL S.R.L.;
- constant and informed participation in the Company's business activities;
- awareness of the position held;
- the assurance of pursuing the objective of caring for patients while respecting their freedom and dignity.

### **2.3. Impartiality**

- DIFASS INTERNATIONAL S.R.L. condemns and distances itself from any principle of discrimination based on sex, nationality, religion, personal and political opinions, age, health and economic conditions of its interlocutors, including suppliers.
- Any resource, whether of the company or not, which considers it has suffered discrimination can report the incident to the Supervisory Board, which will proceed to verify the actual breach of the Code of Ethics.

### **2.4. Honesty**

- The Directors, Statutory Auditors, Chartered Accountant and Personnel of DIFASS INTERNATIONAL S.R.L., as well as Third-Party Recipients, must be fully aware of the ethical and deontological significance of their actions and may not pursue personal or corporate profit in violation of the laws in force and the provisions of the Code of Ethics.
- In formulating contractual agreements with customers, it is necessary to ensure that the clauses are formulated in a completely clear and comprehensible manner. The equal status of the parties must also be ensured.

### **2.5. Integrity**

- DIFASS INTERNATIONAL S.R.L. condemns and does not permit any action of violence or threat, even if only psychological, aimed at obtaining behaviour contrary to applicable regulations, including the ethical principles codified in this Code of Ethics.

## **2.6. Transparency**

The information disseminated both inside and outside the Company must be truthful, accurate and complete. The constant compliance with these rules of conduct allows the implementation of the principle of transparency.

In compliance with the principle of transparency, each operation and/or transaction, in the broadest sense of the term, must be legitimate, authorised, consistent, appropriate, documented, recorded and verifiable over a period of ten years. In particular, each operation and/or transaction must be adequately recorded and must permit verifying the decision-making, authorisation and implementation process.

Each operation must also be accompanied by adequate documentary support in order to be able to proceed at any time with the carrying out of checks certifying the characteristics and reasons for the operation, and which permit identifying the author of the authorisation, execution, recording and checking of the operation.

The Recipients, and in general all persons who make any purchase of goods and/or services, including consultancy services, on behalf of the Company, must act in accordance with the principles of fairness, economy, quality and lawfulness and operate with the diligence of a good family man.

The supplier will also be chosen in consideration of its ability to guarantee:

- compliance with this Code of Ethics;
- the implementation of adequate company quality systems;
- the availability of suitable means and adequate organisational structures;
- compliance with labour regulations.

## **2.7. Responsibility towards patients**

The business activity of DIFASS INTERNATIONAL S.R.L., and its own corporate purpose, mean that the Company assumes a specific responsibility, including ethical responsibility, towards patients or persons who take nutraceuticals to obtain certain health effects.

In order to better implement and respect the ethical commitment towards patients, DIFASS INTERNATIONAL S.R.L. undertakes to:

- guarantee to patients and customers the marketing of highly specialized pharmaceuticals, nutraceuticals, medical devices and cosmetics which are the result of serious scientific studies;
- market these products in compliance with the rules for the protection of the physical integrity and health of patients and customers.

## **2.8. Efficiency**

Each Recipient of this Code is required to show professionalism, dedication, loyalty, spirit of collaboration, and mutual respect. The management efficiency pursued by DIFASS INTERNATIONAL S.R.L. is achieved through the professional and organisational contribution which each of the human resources involved provides in compliance with the principles of professionalism, transparency, fairness and honesty.

Management efficiency is also pursued in constant compliance with the highest quality standards and, if necessary, also at the expense of the cost efficiency of the management itself.

DIFASS INTERNATIONAL S.R.L. also undertakes to:

- safeguard and look after the company's resources and assets, as well as manage its assets and capital by adopting all the necessary precautions to ensure full compliance with the laws and regulations in force.

## **2.9. Fair competition**

The free market imposes a situation of competition with other nutraceutical producers, and with pharmaceutical companies; this competition, however, must be constantly inspired by the principles of fairness, fair competition and transparency towards operators on the market.

DIFASS INTERNATIONAL S.R.L. also undertakes not to unduly damage the image of competitors and their products. This is also achieved through compliance with the Code of Conduct for Commercial Communications with which it complies, after FEDERSALUS, of which the Company is a member, joined the IAP (Advertising Self-Regulation Institute).

## **2.10. Protection of privacy**

DIFASS INTERNATIONAL S.R.L. protects the privacy of Directors, Statutory Auditors, Chartered Accountants, Personnel and Third-Party recipients in compliance with applicable legislation in order to prevent the communication or dissemination of personal data without the consent of the data subject.

The acquisition, processing and storage of information and personal data of employees and other entities whose data are available to the Company takes place in accordance with specific procedures designed to ensure that unauthorised persons and/or institutions do not become acquainted with such data. These procedures are in compliance with applicable regulations.

### **2.11. Spirit of service**

The Directors, the Statutory Auditors, the Chartered Accountant, the Personnel and the Third-Party Recipients, must maintain their conduct within the limits of their respective areas of competence and responsibilities in the pursuit of the main corporate objectives aimed at providing a service of high social value and usefulness for the community which must be able to count on and benefit from the best quality standards.

### **2.12 Value of human resources**

Human resources are the main factor on which company development is based. Human resources management is based on respect for the personality and professionalism of each individual.

DIFASS INTERNATIONAL S.R.L. is aware that the high level of professionalism of its collaborators and their dedication to the Company are essential and decisive factors for the pursuit of the Company's objectives.

For this reason, the Company protects professional growth and development, functional to the growth of the wealth of knowledge and skills possessed, in compliance with applicable legislation and the rights of individuals, with particular regard to the moral and physical integrity of employees.

DIFASS INTERNATIONAL S.R.L. condemns all forms of recommendation and patronage.

Personnel selection is carried out on the basis of the correspondence of the candidates' profiles and their skills with the highest technical professionalism and the utmost attention for respect of the Company's ethical principles.

In particular, staff members are hired following a strict selection based on the curriculum vitae of each candidate, without any discrimination of sex, or based on professional, human or character characteristics, as well as on the individual's aptitude to comply with the principles codified in this Code of Ethics. As regards, on the other hand, the possible stipulation of agency contracts with Medical Sales Representatives (hereinafter MSR) and/or agents or collaborators with other professional characteristics, particular attention is paid to their technical and scientific preparation, their human qualities, their moral integrity and their ability to comply with the principles codified in this Code.

Staff members are hired only on the basis of regular employment contracts.

The Company undertakes to ensure that in its corporate organisation the annual objectives set are such as not to induce unlawful conduct and are instead focused on a possible, specific and concrete result, measurable and related to the time required to achieve it.

The recognition of salary increases or other incentive instruments and access to higher roles or positions are linked not only to the rules established by law or by the collective labour contract, but also to the individual merits of employees, among whom there is above all the ability to express organisational behaviour and skills based on the ethical principles of reference of the Company, indicated in this Code.

### **2.13. Relations with public institutions and local authorities**

DIFASS INTERNATIONAL S.R.L. in cases of direct contact with the Public Administration, pursues the objective of maximum integrity and fairness. This in order to ensure maximum clarity in institutional relations.

In their relations with public officials, Directors, Managers and all Personnel must behave with the utmost fairness and integrity, avoiding even simply giving the impression of wanting to improperly influence decisions or request preferential treatment.

Illegal payments in relations with institutions or Public Officials are prohibited. All Recipients must refrain from making payments of any kind in order to obtain illicit benefits in representing the Company before the public administration.

The Company expressly prohibits practices of corruption, favouritism, collusion, direct and/or indirect solicitation, including through promises of personal benefits to any person belonging to the public administration.

In particular, the following conduct is expressly prohibited

- paying or offering, directly or indirectly, payments and material benefits of any entity to public officials or persons in charge of a public service in order to influence or compensate for an act of their office and/or the omission of an act of their office;
- offering gifts or other gratuities that may constitute forms of payment to officials or employees of the public administration;
- collecting and then processing requests for money, favours, benefits from individuals or legal entities which intend entering into business relations with DIFASS INTERNATIONAL S.R.L. as well as from any person belonging to the public administration.

Acts of courtesy, such as gifts, are permitted only when they are of modest value and in any case not such as to compromise the integrity or reputation of one of the parties and in any case such as not to be interpreted by an impartial observer as aimed at acquiring improper benefits.

Without prejudice to all the obligations imposed by applicable legislation, the Recipients shall refrain, in the course of any business negotiations, requests or business relations with public institutions or public officials, from undertaking the following actions:

- examining or proposing employment and/or commercial opportunities that may benefit employees of the Institutions or Public Officials in a personal capacity;
- offering or in any way providing, accepting or encouraging gifts, favours or business or behavioural practices which are not based on the most open transparency, fairness and loyalty and which in any case do not comply with applicable legislation;
- soliciting or obtaining confidential information that may compromise the integrity or reputation of both parties or that otherwise violates the procedures of public evidence put in place during relations with the public administration.

Relations with institutional interlocutors are maintained exclusively through the persons appointed to do so, including because of the position they hold.

DIFASS INTERNATIONAL S.R.L. shall not be represented, in relations with Institutions or Public Officials, by a person, director or other delegate, with reference to whom a conflict of interest may be created.

In this regard, the Company prohibits the appointment as its representatives of persons who:

- have been accused of unlawful business conduct;
- are in such a conflict of interest as to be able to unlawfully influence the decisions of any person belonging to the relevant public administration.

DIFASS INTERNATIONAL S.R.L. may use consultants, attorneys or third parties as its representatives in relations with the Public Administration only if these are of impeccable ethical and professional rigour, tested over years of collaboration, or only if they have been previously authorised, from time to time, to carry out individual operations.

## **2.14. Relations with the community and environmental protection**

DIFASS INTERNATIONAL S.R.L. does not have its own manufacturing sites, since its business activity, in addition to providing administrative and scientific services for the benefit of subsidiaries, has as its purpose, on the one hand, the design of nutraceuticals

and medical devices, and on the other hand, the marketing of finished products, manufactured by specialized third-party companies, the environmental compliance of which is monitored during periodic audits. No concrete need therefore exists to find industrial solutions with lower environmental impact.

The fact is that the Company recognises that protecting the environment is of crucial importance, so it will never seek advantages that may be related to the breach of environmental regulations.

### **2.15. Relations with associations, trade unions and political parties**

DIFASS INTERNATIONAL S.R.L. refrains from financing political parties, movements, committees and political and trade-union organisations, or their representatives or candidates.

Nor does it finance associations or sponsor events or congresses the purpose of which is political propaganda.

DIFASS INTERNATIONAL S.R.L. acknowledges contributions and donations in favour of entities with social, moral, scientific and cultural aims.

### **2.16. Relations with international operators**

DIFASS INTERNATIONAL S.R.L. undertakes to ensure that all the relations it has, including those of a commercial nature and with parties operating at an international level, are conducted in full compliance with applicable laws and regulations.

The Company undertakes to take all necessary precautions to verify the reliability of these operators and the legitimate origin of the capital and means used by them in their relations with the Company.

### **2.17. Protection of the individual**

DIFASS INTERNATIONAL S.R.L. recognises the need to protect individual freedom in all its forms and rejects any manifestation of violence, especially if aimed at limiting personal freedom. The Company undertakes to promote the sharing of the same principles among its employees, collaborators, suppliers and partners within the scope of its business activities.

### **2.18. Protection of share capital, creditors and the market**

One of the central aspects that ethically qualify the conduct of DIFASS INTERNATIONAL S.R.L. is the respect of principles of conduct aimed at ensuring the integrity of the share

capital, the protection of creditors and third parties who establish relations with the Company, the regular performance of the market, the exercising of the functions of the public Supervisory Authorities and, in general, the transparency and correctness of the Company's activities from an economic and financial point of view. DIFASS INTERNATIONAL S.R.L. therefore, intends to ensure the dissemination and observance of rules of conduct meant to safeguard the aforesaid values, including in order to prevent the committing of corporate offences.

## **2.19. Accounts auditing and transparency**

All Recipients undertake to ensure that the acts relating to the management of the company are correctly and truthfully represented in the accounts of DIFASS INTERNATIONAL S.R.L.

All operations carried out are inspired by the following principles:

- maximum management honesty;
- completeness and transparency of the information;
- legitimacy in terms of substance and form;
- clarity and truthfulness of accounting entries in accordance with applicable regulations and internal procedures.

The Company requires its Personnel to devote a great deal of time and effort to ensuring that management events and operations carried out in the course of its activities are correctly and promptly represented in the accounts.

Each accounting operation must be supported by suitable documentation attesting to the activity, so as to allow:

- easy accounting entry;
- identification of the origin and formation of the documents;
- identification of the economic destination of the operation;
- the accounting and mathematical reconstruction of the operations.

The accounting documents must correspond to the principles mentioned above and must be easily traceable and sorted according to logical criteria.

The Company requires that all items (such as receivables, inventories, equity investments, charges) be entered in the financial statements in full compliance with all applicable regulations on the preparation and assessment of financial statements. In so doing, the company prevents the creation of false, incomplete or misleading records and ensures that no secret or unrecorded funds are set up or deposited in personal accounts or that invoices are issued for non-existent operations.



The documents proving the account recording activity must be such as to allow the rapid reconstruction of the accounting operation and the identification of any error.

The internal company procedures regulate the carrying out of every economic operation and transaction, including the reimbursement of expenses to employees, external collaborators in various capacities and to professionals, from which it must be possible to ascertain, in relation to the financial resources to be used or used, the legitimacy, authorisation, consistency, congruity, correct recording and verifiability.

The company may grant contributions or sponsorships to private individuals and non-profit public bodies, especially if aimed at social, cultural, accounting, balance sheet and fiscal objectives, with procedures of absolute transparency, with particular reference to the criteria adopted and the adequacy of the relative commitments.

### **3. RULES OF CONDUCT**

#### **3.1. Rules of conduct for the members of the Corporate Bodies**

The Corporate Bodies of DIFASS INTERNATIONAL S.R.L., aware of their responsibilities, as well as in compliance with the law, applicable legislation and the Articles of Association, are required to comply with the provisions of this Code of Ethics, ensuring that their activities, aimed at pursuing a profit for the Company, are based on values of honesty, integrity, loyalty, fairness, respect for people and rules, and collaboration with the Organisation's other top managers.

The entire Board of Directors is committed to the responsible management of the Company in the pursuit of the objectives of patient care, respect for the dignity of patients, the supply of nutraceuticals, medical devices and highly qualified pharmaceuticals, all objectives to which the pursuit of corporate profit must be subordinated.

Members of the Corporate Bodies are required:

- to behave in an autonomous, independent and fair manner with public institutions, private individuals, economic associations, political forces, as well as with any other national and international operator;
- to behave with integrity, loyalty and sense of responsibility towards the Company;
- to ensure constant and informed participation in the meetings and activities of the Corporate bodies;
- to ensure the sharing of the corporate mission and the exercising of a critical spirit, in order to ensure a significant personal contribution in awareness of the position held;

- to assess situations of conflict of interest or incompatibility of functions, offices or positions outside and within the Company, refraining from performing acts in situations of conflict of interest within the scope of its activities;
- to make confidential use of the information of which they become aware for official reasons, avoiding using their position to obtain personal advantages, both direct and indirect. All external communication activities must comply with the laws and practices of conduct and must be such as to safeguard sensitive information and industrial secrecy;
- to comply, within their sphere of competence and limits of their responsibilities, with the rules of conduct laid down for DIFASS INTERNATIONAL S.R.L. Personnel, as set out in the following paragraph.

It is the precise duty of the Corporate Bodies to promote the image and prestige of DIFASS INTERNATIONAL S.R.L. Such duty must be carried out assuming as main point of reference the respect and protection of the care needs of patients, of the users of company products, the marketing of pharmaceuticals and scientifically advanced products, objectives implemented with the help of technically trained staff constantly striving to respect ethical values, as promoted by this Code of Ethics.

### **3.2. Rules of conduct for Personnel**

Personnel must adapt their conduct, both in internal and external relations, to applicable regulations, to Farindustria's Code of Conduct, where this is also referable to the Company's business activities, as well to of the principles expressed in this Code of Ethics, and to the rules of conduct indicated below, in compliance with the Model and applicable company procedures.

In particular, company personnel are required to:

- maintain a conduct inspired by integrity, loyalty and a sense of responsibility towards the Company;
- comply with the laws governing the nutraceutical sector (this generic term means the rules governing food supplements, cosmetics, medical devices and food for special medical purposes), pharmaceuticals and healthcare;
- comply with the laws on correct and transparent corporate management.

It is legitimate for Personnel to express positions that differ from those of the Corporate Bodies, provided that this is exclusively functional to the need to improve the quality of the services provided. The information received for Office reasons shall be deemed confidential and any use thereof not deriving from the institutional performance of functions is prohibited.

External and internal persons dealing with regulatory affairs, pharmacovigilance and scientific information activities are also required to:

- prepare directives for subordinates and agents aimed at achieving the objectives of the sector of scientific support to marketing, the sector of clinical trials and the sector of registration activities in compliance with applicable health laws with particular reference to the proper dissemination of medical and scientific knowledge regarding the company's products;
- always be adequately and constantly updated on applicable health laws and directives and protocols disseminated by Federsalus and, when necessary, also by Farmindustria.

With specific reference to the respect and effective implementation of the Model, the Personnel, considered as a whole, must in any case:

- avoid engaging in, originating or contributing to behaviours which could constitute the types of offence referred to in Decree no. 231 dated 2001;
- assist the Supervisory Board in the course of the verification and supervision activities carried out by it, providing the information, data and news requested by it;
- make the communications required by this Code of Ethics to the Supervisory Board;
- report to the Supervisory Board any dysfunctions or breaches of the Model and/or the Code of Ethics, in compliance with the provisions of this Code and the Model.

Personnel may at any time request explanations from the Supervisory Board, either in writing (by internal mail or at the email address [odv@difass.com](mailto:odv@difass.com)) or verbally, regarding the correct interpretation of the Code of Ethics or protocols relating to the Model, on the legitimacy of concrete behaviours or conducts, and more generally on the conformity of certain conduct with the Model or the Code of Ethics.

Personnel are in any case obliged to comply with the principles and rules of conduct indicated below:

#### *Conflict of interest*

Personnel must avoid carrying out or facilitating operations in conflict of interest, whether actual or potential, with the Company, and any activity that may interfere with the ability to make impartial decisions in the interest of the Company and in compliance with the provisions of this Code.

Personnel are obliged to disclose to their superiors any interest on their own behalf or on behalf of third parties that they may have in an operation in which they are involved. Such communication shall be precise and shall specify the nature, terms and origin of the advantage. Pending the company's decisions on this point, they shall refrain from carrying out any operation.

#### *Relations with Public Authorities*

All relations with persons who may be qualified as public officials or persons in charge of a public service must be conducted in full compliance with applicable laws and regulations, as well as with the Model and this Code of Ethics, in order to ensure the absolute legitimacy of the Company's operations.

DIFASS INTERNATIONAL S.R.L. forbids Personnel and Third parties from accepting, offering or promising, including indirectly, money, gifts, goods, services, or favours (including in terms of employment opportunities) as regards relations with public officials and public service officers, aimed at influencing their decisions, with a view to obtaining more favourable treatment or unlawful services or for any other purpose.

Any requests or offers of money, gifts (with the exception of those of modest value, meaning those customary in relation to the circumstances), favours of any kind, made or received by Personnel or Third parties, must be promptly brought to the attention of any hierarchical superior and, in any case, of the Supervisory Board.

Gifts and acts of courtesy towards public officials or public employees are permitted only when, being of modest value, they do not compromise in any way the integrity and independence of the parties and cannot be interpreted as a tool for obtaining improper advantages.

In any case, during negotiations or any other relationship with the Public Administration, Personnel must refrain from undertaking, directly or indirectly, actions aimed at:

- proposing employment and/or commercial opportunities from which advantages may derive, for themselves or others, to public employees or their relatives or relatives by marriage;
- soliciting or obtaining confidential information that may compromise the integrity or reputation of both parties.

In the case of investigations, inspections or requests by the Public Authority, the Personnel are required to ensure due cooperation.

#### *Relations with customers and suppliers*

Personnel must base their relations with suppliers and customers (e.g. pharmacists, healthcare professionals, wholesalers, healthcare institutions and bodies) on the utmost fairness and transparency in compliance with applicable laws and regulations, as well as with the Model, this Code of Ethics and the Advertising Self-Regulation Code, and with internal procedures, with particular reference to those relating to relations with customers and to those relating to the purchase and selection of suppliers.

#### *Direct scientific information*

##### *General principles*

Personnel are required to comply with current regulations, and in particular with the provisions contained in Legislative Decree no. 219 dated 2006, in Farindustria's Code of Conduct, where these refer to the Company's business activities, in the Advertising Self-Regulation Code and in applicable company procedures, with particular regard to scientific information and promotional initiatives concerning the products of DIFASS INTERNATIONAL S.R.L.

The contents of the information must always be documented and documentable. Exaggerated statements and universal and hyperbolic statements, and comparisons that cannot be demonstrated and lack a clear objective basis are not allowed.

##### *Direct verbal information to doctors*

Medical Sales Representatives (MSRs) and Agents must present themselves to healthcare professionals by qualifying themselves in their function.

MSRs and Agents must not exercise health or paramedical professions, or professions in any way related to the use of any marketed pharmaceutical products, including those not remunerated, or any other ongoing activity that involves the employment contract.

The Company undertakes to put the MSRs and Agents in a position, as it does in fact put the MSRs and Agents in a position, to provide healthcare operators with information on the properties and characteristics of any marketed pharmaceutical product itself, so as to allow its correct therapeutic application.

The Company undertakes to put the MSRs and Agents in a position, as it does in fact put the MSRs and Agents in a position, to collect information on its own pharmaceutical and nutraceutical products, in order to ensure a more in-depth knowledge of the marketed products.

##### *Informative material*

Informative material concerning any pharmaceutical or homeopathic products placed on the market by DIFASS INTERNATIONAL S.R.L. prepared and used by the Company as part of its scientific information activities with doctors, must refer to the official documentation provided by AIFA at the time of registration of the products or in that

subsequently approved by the same Agency in accordance with applicable laws on the subject. The informative material concerning so-called nutraceutical products, on the other hand, must refer to the documentation provided by EFSA.

Irrespective of ministerial authorisation, no all-inclusive statements such as the *drug of choice*, *absolutely harmless* or *perfectly tolerated*, are allowed, and it should not be categorically stated that a product is free of side effects or risks of toxicity.

As regards nutraceuticals, the informative material must necessarily have more complete data compared to the few elements which the law requires have to be notified to the Ministry of Health. This does not mean that the informative material used, albeit in a more discursive version, must not be truthful and correct and therefore be compliant with the principles and rules which govern the health-property claims.

The scientific quotations must accurately reflect the meaning which the author intended conveying.

The texts, tables and other illustrations taken from medical journals or scientific works must be reproduced in full and faithfully, with the exact indication of the source. No quotations are allowed which, outside the context from which they are taken, may be partial and/or contradictory with respect to the author's intentions.

#### *Promotional material*

In the context of scientific information, product presentation and promotional activities carried out with doctors or pharmacists, granting, offering or promising prizes, pecuniary advantages or benefits in kind are forbidden.

It follows that any promotional material which DIFASS INTERNATIONAL S.R.L. might acquire, concerning so-called nutraceutical and pharmaceutical products and/or their use must be of modest value, must be non-functional and in any case must not be related to the activity performed by the doctor by the pharmacist or by the health professionals concerned. This material must also clearly indicate the name of the Company which owns the Marketing Authorisation and/or the promoted product.

With respect to nutraceuticals, the Company has two promotional itineraries, both based on the accounting principle of dual relevance: for the company and for the doctor. A first promotional itinerary is characterized by the limit of modest value and is represented by objects and goods related to the activity of the doctor and the company. A second promotional itinerary, contained within the promotional budget of the Agents, is focused on the training and updating of doctors and paramedics through conferences, conventions and professional master courses.

Offering economic incentives aimed at compensating for the time taken away by health workers from their normal professional activity and dedicated to participation in congresses is forbidden. This without prejudice to the lawfulness of sustaining the costs

of participating in congresses and professional master courses, including travel, board and lodging expenses.

Moreover, as established by law, participation in observational studies and scientific studies may also be encouraged by reimbursement of expenses. Case studies and analyses which must stand out in terms of the methodological quality, integrity and accuracy of data and result management.

Diligence as regards the use of promotional material is expressed through adequate training of Pharmaceutical Representatives in compliance with the applicable rules of the Advertising Self-Regulation and the Farmindustria Code of Conduct, where applicable. The above training is necessary in view of the fact that the recipients are represented by doctors, pharmacists and any health professionals involved.

The promotional material intended for doctors and pharmacists is exclusively that, if any, made available by the Company to the Pharmaceutical Representatives. It is therefore forbidden for anyone to produce promotional material which has not been approved by the Company.

#### *Professional updating and scientific collaboration*

Scientific books and subscriptions to scientific journals, not specifically related to the product to be marketed, may be transferred free of charge, provided that these are initiatives of high scientific value, aimed at qualifying therapeutic services. The distribution of such material tends to be in favour of public health facilities and must be kept in such facilities and made available to all employees. Such material may also be addressed to the individual doctor as promotional material, following the principles and internal rules governing the promotional activity. Such material is purchased by the Company at centralized level, as provided for by specific company procedures.

With regard to donations and gifts concerning instruments strictly related to the medical profession, these may be made within the limits provided for by company procedures.

The Company strongly believes in the value of research and, when possible, will devote part of its investment efforts to supporting basic and scientific research through, for example, funding or co-financing of scholarships, research grants or research contracts.

#### *Advertising in newspapers and magazines*

As far as advertising in newspapers and magazines is concerned, DIFASS INTERNATIONAL S.R.L. complies with the rules of transparency, ensuring a clear distinction between information and advertising and making sure the reader is able to immediately recognise the promotional message, whether in discursive, editorial or tabular form.

#### *Congresses, conventions and scientific meetings*

### *General principles*

Personnel must comply with applicable regulations and with the provisions of Farindustria's Code of Conduct, wherever referable to the concrete business activity, and applicable business procedures, in the context of conferences, congresses and scientific meetings representing opportunities for industry and health operators to meet and which are addressed to a plurality of participants.

When inviting a physician to a conference or congress, Personnel must also obtain the physician's express consent to the processing of his/her personal data (consisting of his/her name and the indication of the specialization achieved) at the same time as he/she accepts the invitation.

The Company's participation in congresses must be linked to the role assigned to it by the corporate purpose, and must be inspired by criteria of ethics, scientific inquiry and economic viability.

Staging conferences and congresses abroad, which have as their theme studies related to medicinal products, organized directly by the Company in which mainly Italian doctors participate, is forbidden.

The invitation of doctors or other health professionals to conferences and congresses is subject to the existence of a specific relationship between the subject matter of the conference and the scope of activities carried out by the health operator or the specialization of participating doctors.

The primary objective of participating in or organising international, national and regional conferences and congresses must be to develop scientific collaboration with the medical profession.

With respect to doctors and other persons working in health-care professions, the organisation of scientific initiatives, the purpose of which also includes tourism type aims, is forbidden.

After participating in the updating initiative, the doctor must send the Company a report concerning the scientific contents of the conference meeting.

The events organized directly or indirectly by the Company must be held in locations and places, the choice of which is based on logistical, scientific and organisational grounds and must be characterised by a qualifying scientific programme. The geographical area of origin of the participants must be international, national or at least regional. The Company is strictly forbidden from organising events far from the company branches, were such events to take place in locations with an exclusive tourist vocation in the following periods:

- from 1 June to 30 September as regards seaside resorts;



- from 1 December to 31 March and from 1 July to 31 August as regards mountain resorts.

The purpose of scientific meetings at local level is to complete the activity of scientific information regarding products and pharmaceuticals.

#### *International, national and regional events*

The hospitality offered by DIFASS INTERNATIONAL S.R.L. with reference to congress events cannot have characteristics such as to prevail over the technical and scientific purposes of the event. Furthermore, the period of hospitality provided may not exceed a period of time between 12 hours before the start of the Congress and 12 hours after the end of the Congress.

It is forbidden to organise autonomous social, cultural or tourist initiatives as side events to the Congress or in any case which are not organised by the Congress for the participants as a whole.

Hospitality for accompanying persons at any level and in any form is also excluded.

#### *Scientific meetings at local level*

Scientific meetings at local level can only be sponsored if they are scientifically qualifying and educational. These meetings must be held in locations such as hospitals, pharmacies, universities, scientific foundations or conference rooms that ensure scientific dignity.

Participants in a local scientific meeting may be provided with board and lodging.

#### *Refresher courses*

The rules laid down for congresses, conventions and scientific meetings are also valid with reference to medical-scientific refresher courses organised at any area level.

Organising and sponsoring the participation of operators in refresher courses not having a specific medical-scientific purpose, such as foreign language courses, computer courses, tax courses or similar initiatives is forbidden.

#### *Investigators' meetings*

*Investigators' meetings*, i.e. investigators' study meetings, centred on pre-clinical, clinical or observational studies, organised by the Company, must provide for a number of participants proportionate to the number of Centres involved in the study.

The duration of the initiative must be in accordance with the work programme, with the exclusion of any tourist-leisure time aspects and hospitality expenses for accompanying persons at any level.

The choice of locations must be made according to the same criteria identified for conferences and congresses.

#### *The industry's relations with the scientific and healthcare world*

##### *Scholarships and scientific advice*

As part of the scientific cooperation activities between DIFASS INTERNATIONAL S.R.L. and the scientific world, Personnel must comply with applicable legislation, the provisions of Farindustria's Code of Conduct, where applicable to the Company's activities, and applicable company procedures.

Collaboration may also be activated through scholarships and scientific advice, provided that the appropriateness, adequacy and documentability of the initiative is ensured.

##### *Relations with scientific societies*

Collaboration with Scientific Societies and Medical Associations is inspired by the dissemination of scientific knowledge and the improvement of professional knowledge, and is carried out in collaboration with bodies of proven reliability and national standing, whose mission is well known.

##### *Experimentation and investigations related to pharmaceuticals and other products*

In the post-marketing authorisation phase of medicinal products, only clinical trials authorised in accordance with the relevant applicable legislation shall be allowed.

The implementation of *Investigations relating to pharmaceuticals*, otherwise defined as *non-interventional clinical studies* or *observational or epidemiological studies* are subject to compliance with the provisions of the circular of the Ministry of Health no. 6 dated 2 September, 2002, "*Activities of the Ethics Committees established under ministerial decree dated 18.3.98*".

In the event, for the purposes of the study or for the purposes of a training initiative carried out directly or indirectly by the Company, of its becoming necessary to use instrumental supports exclusively aimed at such studies or initiatives, the distribution of the instruments to doctors must be carried out through the body or bodies involved in the study (Local Health Units, Universities, Hospitals and IRCCS – Institutes for Treatment and Research) and their use must be regulated by a specific agreement between the Company and said Bodies.

In any case, the use must be ensured of fixed-term instruments exclusively for the purpose of completing the study or training initiative, their withdrawal at the end of the study or initiative and, finally, the prohibition of their re-use in immediately subsequent investigations carried out by the Company with such Bodies.

Withdrawal must be expressly documented.

In any case, the use of computer equipment (such as portable and non-laptop computers, palmtops and similar products) is prohibited.

### *Participation in tenders*

DIFASS INTERNATIONAL S.R.L. in the event of participation in tender procedures, requires:

- acting in accordance with the principles of fairness, transparency and good faith;
- assessing, during the examination phase of the call for tenders, the suitability and feasibility of the required services;
- providing all the data, information and news requested during the selection of participants and officials for the awarding of the tender;
- in the case of public tenders, maintaining clear and correct relations with the public officials in charge, avoiding any behaviour that might compromise the freedom of judgment of the competent officials.

In case of tender award, in relations with the customer it is necessary:

- to ensure the development of contractual and commercial relations in a clear and correct manner;
- to ensure the diligent fulfilment of contractual obligations.

### *Obligation to update*

In carrying out their activities on behalf of DIFASS INTERNATIONAL S.R.L. all employees are required to maintain a high level of professionalism at all times.

All employees, in relation to their specific area of competence, are required to be constantly updated.

### *Confidentiality*

Personnel must treat data, news and information in their possession with absolute confidentiality, even after the employment relationship has ended. In particular, the

dissemination of such information or its use for own or third-party speculative purposes must be avoided. Information of a confidential nature may be disclosed only to the Supervisory Board or Judicial Authority.

#### *Diligence in the use of company assets*

Personnel must protect and safeguard the values and assets of the Company entrusted to them, and help protect the Company's assets in general, avoiding situations that could negatively affect the integrity and safety of such assets.

In any case, Personnel must avoid using resources, assets or materials of the Company for personal advantage, or in any case for improper purposes.

#### *Protection of share capital, creditors, the market and public supervisory functions*

Corporate Bodies, Employees and External Collaborators are required to:

- behave in a correct, transparent and collaborative manner, in compliance with the law and internal company procedures, in all activities aimed at preparing the financial statements and other corporate communications required by law and addressed to shareholders or the public, in order to provide truthful and correct information on the economic, equity and financial situation of the Company;
- in the event of the preparation of information leaflets or documents to be published pursuant to art. 2623 of the Italian Civil Code, behave correctly, in compliance with the provisions of the law, for the protection of investors' assets, as well as for the efficiency and transparency of the capital market;
- strictly observe the rules laid down by law to protect the integrity and effectiveness of the share capital (e.g.: mergers, demergers, acquisitions of companies, distribution of profits and reserves, etc.) and always act in compliance with internal company procedures, which are based on these rules, in order not to damage the guarantees of creditors and third parties in general;
- carry out any operations relating to the liquidation of the Company taking into account the overriding interest of the company's creditors; it is therefore forbidden to divert the company's assets from their destination to creditors, allocating them among the shareholders before paying any entitled creditors, or setting aside the sums necessary to satisfy them.

Furthermore, DIFASS INTERNATIONAL S.R.L.:

- ensures the regular functioning of its corporate bodies, guaranteeing and facilitating all forms of corporate management control required by law, as well as the free and correct formation of the will of the shareholders' meeting; therefore, strict

compliance is required with the internal procedures prepared for this purpose by the Company and/or, in any case, the adoption is required of behaviours consistent with this principle;

- does not permit the carrying out of any fraudulent activity meant to alter the formation of the price of financial instruments on the market. To this end, the Corporate Bodies, Employees and external Collaborators are required to observe the rules governing the correct formation of the price of financial instruments, strictly avoiding conduct that could cause a significant alteration as regards the actual market situation or the financial destabilization of the banking system;
- does not permit activities or omissions which could constitute an obstacle to the performance of the functions of the public Supervisory Authorities charged with monitoring the business sectors in which the Company operates. To this end, Corporate Bodies, the Management, Employees and External Collaborators are required to promptly, correctly and in good faith make all the communications required by law and regulations to the public Supervisory Authorities, without hindering the exercising of their functions.

In particular, with reference to the preparation of the financial statements, DIFASS INTERNATIONAL S.R.L. considers the truthfulness, correctness and transparency of the accounts, financial statements, reports and other corporate communications required by law and addressed to shareholders or the public to be an essential principle in the conduct of business and a guarantee of fair competition. This requires that the validity, accuracy and completeness of the basic information for accounting entries be examined in depth. Consequently, no concealment of information or any partial or misleading representation of economic, equity or financial data by the Board of Directors or the persons under their control is permitted. Therefore, the Board of Directors and all internal and external collaborators involved in the production, processing and accounting of such data are responsible for the transparency of the Company's accounts and financial statements. All operations of economic, financial or patrimonial importance must be adequately recorded and for each recording must be supported by adequate documentation, in order to be able to proceed, at any time, to carry out controls certifying the characteristics and the motivations of the operation and permit identifying who has authorized, carried out, recorded and verified the operation itself.

#### *Health, safety and the environment*

DIFASS INTERNATIONAL S.R.L. faces the future having safety and environmental protection policies as its primary values. The long-term goal is to reduce to zero operational accidents, work accidents and impact on the environment.

With regard to workers' and work environment safety and health, the Company is committed to increasingly encourage employees to comply substantially with the provisions of Legislative Decree no. 81 dated 2008 as amended by Legislative Decree no. 106 dated 2009.

All Company personnel, within the scope of their duties, participate in the process of risk prevention, environmental protection and health and safety protection with respect to themselves, their colleagues and third parties.

### **3.3. Rules of conduct for Third-Party Recipients**

This Code of Ethics applies not only to Corporate Bodies and Personnel, but also to Third-Party Recipients. These are understood to mean entities outside the Company who operate, directly or indirectly, on behalf of the Company (purely by way of example, agents, collaborators in any capacity, consultants, suppliers, business partners).

Third-Party Recipients, like other entities, are obliged to comply with the provisions of the Model and the Code of Ethics and in particular with the ethical principles of reference and the rules of conduct which personnel are required to follow.

The express commitment to comply with the rules of this Code of Ethics is an indispensable condition for concluding and/or continuing contractual relations with Third-Party Recipients. To this end, the insertion of specific clauses in the letters of appointment and/or in the negotiation agreements (so-called third-party submission clause) is envisaged, aimed at confirming the obligation of the Third-Party Recipient to fully comply with this Code, as well as at providing, in the event of any breach, for a warning to punctually comply with the Model or the application of penalties or, in the most serious cases, the termination of the contractual agreement.

For contractual relations already in place at the time of the coming into force of this Code of Ethics, DIFASS INTERNATIONAL S.R.L. shall ensure that the Third-Party Recipient signs a special supplementary agreement containing the above provisions.

### **3.4. Obligation to notify the Supervisory Board**

The members of Corporate Bodies, Personnel and Third-Party Recipients are required to promptly inform the Supervisory Board of any breaches, even if only potential, of laws or regulations, of the Model, of this Code of Ethics and of the internal procedures of which they may become aware in the performance of their duties and functions.

In any case, the following information must be sent to the Supervisory Board:

- 1) information on any breaches of the Model, even if only potential, including (by way of example):

- any orders received from a superior and considered to be in conflict with the law, regulations, internal rules, or the Model;
- any requests or gift offers (exceeding a modest value), pharmaceuticals or other benefits from public officials or persons in charge of a public service;
- any significant and unjustified deviations from the budget or anomalies in expenditure;
- any omissions, negligence or falsification in the keeping of the accounts or in the storage of the documentation on which the accounting records are based;
- provisions and/or information from the judicial police or any other authority indicating that investigations are being carried out which involve, including indirectly, the Company, its employees or members of the corporate bodies;
- requests for legal assistance sent to the company by employees pursuant to the National Labour Contract, in the event of the starting of any criminal proceedings against them;
- information relating to ongoing disciplinary proceedings and any sanctions imposed or the reason for their closure;

2) information relating to the Company's organisation and business activities, such as to influence the performance of the duties assigned to the Supervisory Board, including (by way of example):

- reports prepared by the Internal Managers within the scope of their activities;
- information relating to organisational changes;
- updating of the powers and proxies' system;
- any communications from Independent Auditors concerning aspects that may indicate a lack of internal controls;
- decisions relating to the application, disbursement and use of public funds;
- leaflets summarising any public or public tenders at national/local level in which the Company has participated and in relation to which it has obtained a job order; as well as leaflets summarising any job orders obtained as a result of private negotiations.

Communications to the Supervisory Board may be made either by email (to the address [odv@difass.com](mailto:odv@difass.com)) or in writing to the address of the company headquarters in Via Ausa no. 181, Coriano di Rimini, Cerasolo.

In any case, the Supervisory Board ensures that the person making the communication, if identified or identifiable, is not subject to retaliation, discrimination or, in any case, penalties.

## 4. IMPLEMENTATION AND CONTROL OF COMPLIANCE WITH THE CODE OF ETHICS

### 4.1 Duties of the Supervisory Board

Control over the implementation of and compliance with the Model and the Code of Ethics is entrusted to the Supervisory Board, for the identification and appointment of which reference should be made to the specific section of the Model.

Without prejudice to the provisions of the specific document called "Supervisory Board's Statute" (which is an integral part of the Model), some of the duties of the Supervisory Board, for example, are described below, with specific reference to this Protocol. This Body must, among other things:

- develop control and monitoring systems aimed at enabling compliance with the Model and the Code of Ethics, with a view to reducing the risk of committing the offences provided for by the Decree;
- make its own observations regarding both the ethical problems that may arise in the context of company decisions and the alleged breaches of the Code of Ethics of which it becomes aware;
- make available any possible instrument of knowledge and clarification on the correct interpretation and implementation of the provisions contained in the Model or in the Code of Ethics;
- investigate and propose the necessary updates to the Code of Ethics and internal procedures in order to adapt them to changes in the company and risk areas in the light of applicable legislation on the subject;
- prepare and approve the communication and ethical training plan;
- report any breaches of the Model or the Code of Ethics to the competent corporate bodies, suggesting the sanction to be imposed and verifying the effective application of any measures imposed.

### 4.2. Breaches of the Code of Ethics and related sanctions



Compliance with the provisions of the Code of Ethics must be deemed an essential part of the duties incumbent on the Company's Corporate Bodies and Personnel, as well as an essential part of the contractual obligations assumed by Third-Party Recipients.

Any breach of the rules of the Code of Ethics will result in the application of the sanctions provided for in the Disciplinary System (to which reference is made) and/or, as regards Third-Party Recipients, in the clauses included in contractual relations.

With reference to Directors and Statutory Auditors, different types of sanctions are provided for, ranging from a written warning to the revocation of the appointment. If the Company's Managing Director is accused of the breach, the sanctions provided for executives shall apply.

Different types of sanctions may be applied to top management, ranging, in ascending order of severity, from a written warning to dismissal without notice.

Different types of sanctions may be applied to employees, ranging, in increasing order of severity, from a verbal reprimand to dismissal without notice.

Finally, with regard to Third-Party Recipients who are required to comply with the Model and the Code of Ethics by virtue of specific clauses included in the relevant contracts, failure to comply with the rules contained in the Model and the Code of Ethics may result in the imposition of sanctions consisting, in increasing order of severity, in a warning, the application of a penalty or the termination of the contract.

### **4.3. Reporting any breaches of the Code of Ethics**

If an entity required to comply with the Model and this Code of Ethics becomes aware of a fact or circumstance likely to constitute a risk of their breach, it shall be required to promptly report this to the Supervisory Board.

The Company has activated appropriate dedicated communication channels, in order to facilitate the process of reporting to the Supervisory Board.

In particular, a special electronic mailbox has been activated ([odv@difass.com](mailto:odv@difass.com)), to which any reports of failure to comply with the provisions of this Code can be sent and which will also be used to receive reports of an anonymous nature, or those in which it is not possible to trace the identity of the sender.

In addition, reports may be made in writing, by sending an appropriate communication, including in anonymous form, to the address: Supervisory Board, Via AUSA n. 181, Coriano di Rimini, locality Cerasolo.

In any case, the Supervisory Board shall ensure that those who have made the report do not undergo retaliation, discrimination or, in any case, penalties, ensuring the appropriate confidentiality of such entities.