

ORGANIZATION, MANAGEMENT AND CONTROL MODEL

PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/01

OF

MENARINI RICERCHE S.p.A.

GENERAL PRICIPLES OF CONDUCT

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**MENARINI
R I C E R C H E**

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- SPECIAL PART A -

CRIMES AGAINST THE PUBLIC ADMINISTRATION

General code of conduct

The authorities responsible for the departments, functions and services involved in the “crime risk” and/or “instrumental” areas are required, within the scope of their activity”, to respect the rules of conduct set forth below, pursuant to the principles provided by the Model and, specifically, by the Menarini Ricerche Code of Ethics (hereinafter, also 'Code of Ethics').

It is strictly forbidden to:

- engage in conduct that would include the criminal acts set forth under Articles 24 and 25 of the Decree;
- engage in any conduct that, although not specifically including any of the criminal offences set forth above, may become them in the abstract;
- engage in or facilitate transactions that would give rise to an actual or potential conflict of interest with the Company, including activities that may interfere with the ability to make impartial decisions in the best interest of the Company and fully compliant with the Code of Ethics rules;
- give, offer or promise money to government officials or persons responsible for government services, including healthcare workers (e.g., pharmacists, doctors, etc.);
- distribute, offer or promise gifts and presents whose value is not modest, in violation of the Code of Ethics and of company practice;
- agree, offer or promise other benefits, of any kind whatsoever, to government officials or persons responsible for government services, including healthcare workers;
- provide services on behalf of the Partners and/or consultants and/or suppliers that are not sufficiently justified within the context of the business relationship formed with them;
- pay fees to independent contractors that are not sufficiently justified in relation to the type of task to be conducted and the current local practices;
- present untrue or incomplete statements and/or documents and/or data and/or information to national, local or foreign governmental organizations, certainly not in order to obtain government grants, contributions or subsidized loans;
- to use amounts received from national or local governmental bodies as grants, contributions or loans, for purposes other than those for which they were originally intended.

Furthermore, for the purpose of the execution of the aforementioned conduct:

- it is necessary to ensure compliance with the provisions contained in the Menarini Ricerche Code of Ethics as well as the Farindustria Code of Ethics;

- in relationships with the Government or with parties that may be described or Government Officials or Parties Responsible for Government Services, ensure compliance with the principles of fairness, transparency and good faith;
- in at-risk areas, the relationships with parties that may qualify as Government Officials or Parties Responsible for Government Services must be managed as a unit, by appointing one or more internal managers for each action or set of operations conducted;
- within the scope of the collaboration with the scientific sector, the fairness, suitability and accountability of the actions must be ensured, and these must be based upon the promotion of science and improvement of professional knowledge and carried out in cooperation with entities of proven reliability and national standing;
- association agreements with the Partners must be made in writing, emphasizing all the conditions of the agreement – specifically in relation to the economic conditions agreed for joint participation in the tender procedure;
- tasks assigned to independent contractors must also be provided in writing, indicating the agreed fee, and must be signed in accordance with the granted powers;
- no type of in-kind payment may be made;
- the statements made to national or local public bodies for the purposes of obtaining grants, contributions or loans must only contain true information and, in the event thereof, a special statement must be released;
- those parties who exercise oversight and supervisory duties for obligations related to the execution of the aforementioned activities must pay special attention to the implementation of those obligations and immediately refer to the Supervisory Board (hereinafter, also “OdV”) any irregularities.

The OdV shall have the authority to conduct the controls considered most appropriate in relation to any operation carried out by the aforementioned parties and deemed potentially at risk of the commission of crimes, and must provide written evidence in relation thereto.

- SPECIAL PART B -

COMPUTER CRIMES AND ILLEGAL DATA PROCESSING

General code of conduct

All company resources and, specifically, those persons who hold positions relating to the use and management of information systems must base their actions upon the following code of conduct:

- **Confidentiality:** ensures that certain information is preserved from improper access and used solely by authorized parties. Confidential information must be protected during both the transmission and storage/maintenance phase so that such information is accessible solely to those persons who are authorized to review it;
- **Integrity:** ensures that any company information provided is actually that originally entered into the computer system and has only been validly modified. It should be ensured that the information is handled in a manner such that it cannot be tampered with or modified by unauthorized parties;
- **Availability:** ensures the availability of the company information in accordance with the requirements of process continuity and in compliance with the standards imposed by historical preservation.

Based upon these general principles, this special part provides that all recipients of the Model are expressly forbidden from:

- engaging in, cooperating in or causing the commission of acts that, whether considered individually or collectively, entail, directly or indirectly, the criminal offenses included among those set forth above (Art 24-bis of the Decree);
- violate the principles set forth below.

Under the aforementioned rules, it is specifically prohibited to:

- alter electronic documents, public or private, that have evidentiary value;
- illegally access public or private computer or electronic information systems;
- illegally access one's own computer or electronic information system in order to alter and/or eliminate data and/or information;
- illegally keep or use codes, passwords or other means to access a computer or information system of competing public or private parties in order to acquire sensitive information;
- illegally keep or use codes, passwords or other means to access one's own computer or electronic information system in order to acquire confidential information;
- procure and/or produce and/or distribute equipment and/or software for the purpose of damaging a computer or electronic information system of public or private parties, the information, data or programs contained therein, or in order to interrupt, in whole or in part, or alter its operations;
- carry out fraudulent activities to intercept, impede or interrupt communications;
- modify and/or delete data, information or programs of public or private parties or of public utilities;

- damage information, data and computer or electronic information programs of third parties;
- destroy, damage or render unusable computer or electronic information systems of public utilities.

Accordingly, the above parties must:

- utilize the information, applications and equipment solely for official purposes;
- avoid introducing and/or keeping at the company (on paper, computers or by means of business tools), in any manner and for any reason, confidential documents and/or electronic media owned by third parties, except if obtained with the express authorization and for strictly work-related reasons;
- avoid transferring outside the Company and/or transmitting files, documents or any other confidential documents owned by the Company or other Group companies, if not for purposes strictly relating to the conduct of its own business;
- avoid the use of software and/or hardware designed to intercept, falsify, alter or delete the content of electronic communications and/or documents;
- utilize the internet connection for purposes and the time strictly necessary to carry out work activities;
- comply with the procedures and standards expected, providing notice immediately to the competent units of any irregular uses and/or operations of the computer resources;
- use on Company equipment solely of products officially acquired by that Company;
- refrain from making copies of data and software that have not been specifically authorized;
- refrain from using the available computer tools in a manner not in accordance with the required authorizations;
- observe any other specific rule regarding access to the systems and the protection of the data resources and applications of the Company;
- meticulously observe the company security policies for the protection and oversight of the computer systems.

- SPECIAL PART C -

ORGANIZED CRIME OFFENSES

General code of conduct

During the performance of their activities on behalf of Menarini Ricerche, the authorities of the unit involved in the “crime risk” must comply with the rules of conduct set forth below, pursuant to the principles provided by the Model and, in particular, by the Code of Ethics.

Any parties receiving the Model are forbidden from:

- engaging in, cooperating in or causing the commission of acts that include the organized criminal offenses set forth in paragraph 2;
- engaging in, cooperating in or causing the commission of acts which, although not themselves criminal offenses, may potentially become one.

It is also required that:

- any activities and operations conducted on behalf of Menarini Ricerche be characterized by maximum compliance with current law, as well as the principles of fairness, transparency, good faith and traceability of the documentation;
- the principle of separation of roles and responsibilities during business processes is respected;
- maximum conformity between the acts performed and those required in accordance with the procedures is ensured, paying particular attention to the conduct of "sensitive" activities in the "crime risk" areas set forth in paragraph 3;
- those persons who exercise the role of oversight and supervision in relation to obligations associated with the performance of the aforementioned "sensitive" activities pay particular attention to the performance of those obligations and immediately inform the Supervisory Board of any irregularities.

Furthermore, for the conduct of the above actions, the Company:

- caused the insertion into the adopted Code of Ethics of the specific provisions regarding the organized criminal offenses;
- provided for sanctions in the event of the violation of the Model also with respect to the offenses mentioned in this Special Part;
- plans and conducts appropriate communication and training activities in relation to the contents of the Code of Ethics and the Model of organization, management and oversight, which provides for, among others, the dissemination of knowledge and news regarding any crime in the region and updates regarding the evolution of risks of pollution crime and education on the law;
- provided for specific oversights regarding the selection of suppliers and, where they conduct activities for which they are required, permits, authorizations or licenses;
- introduced strict rules regarding financial transactions that envisage specific oversights wherein their traceability is ensured.

CRIMES AGAINST THE INDUSTRY AND COMMERCE, AND ON MATTERS OF INDUSTRIAL PROPERTY

General code of conduct

In the performance of their activities on behalf of Menarini Ricerche, the parties responsible for the unit involved in the “at-risk” area must comply with the rules of conduct set forth below, pursuant to the principles of the Model and, in particular, of the Code of Ethics.

All parties receiving the Model are strictly forbidden from:

- engaging in conduct included among the criminal offenses set forth under Articles 25 bis and 25 bis 1 of the Decree;
- committing any act does not in itself constitute a criminal offense included within those mentioned above, but may potentially become one;
- engaging in or facilitating operations or activities that do not comply with the Code of Ethics;
- engaging in activities that are in contravention of the procedures and principles of oversight provided for the purposes of preventing the crimes of counterfeiting of distinctive signs of intellectual property or of industrial products.

And, it is also required that:

- all activities and operations carried out on behalf of Menarini Ricerche be based upon maximum compliance with current law as well as the principles of fairness, transparency, good faith and traceability of the documentation;
- maximum conformity between the acts performed and those required pursuant to the internal procedures is ensured, paying particular attention to the conduct of “sensitive” activities in the “crime risk” areas set forth in paragraph 2;
- those persons who exercise the role of oversight and supervision in relation to obligations associated with the performance of the aforementioned “sensitive” activities pay particular attention to the performance of those obligations and immediately inform the Supervisory Board of any irregularities.

Furthermore, in order to perform the above actions, the Entity:

- included in the Code of Ethics adopted by Menarini Ricerche specific provisions relating to industry and trade crimes and the violation of industrial property rights;
- provided for sanctions in the event of the violation of the Model also for the offenses mentioned in this Special Part;

- provided for the conduct of communications and training regarding the contents of the Code of Ethics and the Model of organization, management and oversight;
- has rules regarding the use of materials protected by industrial property rights;
- ensure the oversight, also through the assistance of consultants, of the conformity with laws regarding marketing/publicity material presented overseas.

The OdV shall have authority to carry out the oversights deemed most appropriate over any operations carried out by the aforementioned parties and potentially deemed at risk of the commission of criminal offenses.

- SPECIAL PART E -

CORPORATE CRIMES

General code of conduct

It necessary that all operations carried out as part of the “sensitive” activities receive suitable evidence.

In the performance of such operations, compliance with the code of conduct set forth below must be ensured:

- refraining from engaging in acts included among the criminal offenses described in this Special Part E;
- ensuring compliance with the rules of conduct set forth in the Menarini Ricerche Code of Ethics, with particular regard to the requirement to ensure that any operation and transaction be correctly recorded, authorized, verifiable, valid, consistent and appropriate;
- maintaining appropriate and transparent conduct, compliant with the current law and regulations, in the performance of all the activities related to the preparation of the balance sheet and other corporate communications, in order to provide members and third parties true and correct information regarding the income statements, balance sheets and financial reports of the company;
- maintaining appropriate and transparent conduct, compliant with current law and regulations, in the acquisition, preparation and presentation of the data and information necessary for arrival at a legal opinion relating to the balance sheets, income statements and financial reports of the Company;
- ensuring observance of the principles of integrity, fairness and transparency, so as to permit recipients to arrive at a well-grounded and informed opinion regarding the income statements, balance sheets and financial reports of the Company and the conduct of its activities, as well as regarding the financial and related products;

- observing the requirements imposed by law for the protection of the integrity and efficacy of the share capital and to act in compliance with internal company procedures based upon those standards, so as not to jeopardize the rights of creditors and third parties in general in this regard;
- refraining from taking any action or initiative if a conflict of interest exists, or if there is, also on behalf of third parties, a conflict of interest with those of the Company;
- ensuring the ordinary operation of the Company and of the corporate bodies, guaranteeing and facilitating any form of internal oversight of the company management provided by law, as well as the free assembly of the meeting;
- refraining from engaging in sham or otherwise fraudulent transactions, as well as from disseminating false and/or incorrect and/or misleading news that might generate changes in the price of the financial instruments;
- handling with the utmost fairness and transparency the relationship with Government Authorities, including Oversight Authorities;
- making promptly, fairly and in good faith all the communications required by law and regulations to the Government Oversight Authority, not impeding the exercise of the oversight duties conducted thereby;
- behaving fairly and truthfully with press and information organizations;
- basing the activities and relationships with the other Group Companies on maximum fairness, integrity and transparency, so as to ensure compliance with the laws and regulations currently in force.

The Supervisory Board may use oversights, for which written evidence must be provided, in relation to any operations carried out by the aforementioned parties and potentially considered at risk of the commission of crimes.

In each case, the following provisions must be considered in relation to the specific criminal offenses set forth below.

False corporate communications

In order to prevent crimes relating to the preparation of communications addressed to the general public and for the purpose of preparing the balance sheets, it is necessary that the company procedure contain oversight tools so as to permit:

- compliance with the principles for compiling accounting documents pursuant to Articles 2423, 2423 bis, 2423 ter of the Civil Code;
- compliance with the principle of completeness of the financial statements by means of the description of all the data required pursuant to current law (cfr Articles 2424 et seq of the Civil Code);
- a summary of the data and news that each interested company unit must provide, description of the other company units to which data must be sent, the criteria for their preparation, the timing of the delivery;

- the electronic transmission of the data to the unit responsible so that there is a record of the various steps and the parties who have worked may be identified;
- the timing of the transmission to the members of the Board of Directors and the Board of Auditors of the draft balance sheet and of the report of the auditing firm, guaranteeing the appropriate registration of the transmission;
- the justification of any changes to the assessment criteria adopted for the preparation of the aforementioned accounting documents and of the related methods for their application. Such conditions must, in any case, be promptly communicated to the OdV;
- the prior approval by the competent corporate bodies of the corporate operations that might be relevant for purpose of the Decree, if they are characterized by a discretion in assessment that might imply significant impact on the equity or tax position;
- the traceability of the operations that involve the transfer and/or referral of credit positions.

Corporate management oversight

In order to prevent crimes relating to the oversight of corporate management, the following rules must be observed:

- prompt transmission to the Board of Auditors of documents relating to the items on the agenda of the Meeting and the Board of Directors and or regarding which the Board should issue an opinion;
- availability to the Board of Auditor and to the auditing Company of the Company's management documents, so as to permit such bodies to conduct the necessary oversight;
- planning of regular meeting between the Board of Auditors, the auditing Company and the OdV in order to monitor compliance with the company rules and procedures relating to corporate law by the Directors, executives and employees.

Protection of corporate capital

In order to prevent crimes relating to the management of operations regarding grants, distributions of profits or reserves, underwriting and purchase of corporate stock or shares, capital transactions, mergers and demergers, the procedure followed in the company shall provide for:

- the express approval by the Board of Directors of activities relating to the organization of new companies, purchase or sale of shareholdings as well as regarding the making of contributions, the distribution of profits or reserves, share capital operations, mergers and demergers;
- the conduct of special meetings with the Board of Auditors, the auditing firm and the OdV.

Activities subject to oversight

The preparation of communications addressed to Government Oversight Authorities must meet the following criteria:

- the parties responsible for regular reporting to the Authorities provided for or required by laws and regulations must be identified;
- all organizational actions required to ensure the correct and complete preparation of the communications and their timely delivery to the Government Oversight Authority must be taken;
- in the event of inspections by the Government Oversight Authority, the competent company unit must cooperate as appropriate.

In addition, the following must be ensured:

- the traceability of the process relating to communications to the Supervisory Board, to be made in compliance with current law (e.g., by means of documentation of meetings with representatives of the Authority);
- the establishment of regular meetings between the Board of Auditors and the OdV, also in order to monitor the observance of the corporate law/corporate governance plan as well as compliance of the resulting conduct by the Directors, officers and employees;
- the delivery by the competent units of regular reports to the Board of Directors so as to maintain the senior executives informed of the condition of the relationship with the Oversight Authorities.

Any communications sent to the Authorities must be kept available to the OdV for periodic internal review.

Conflicts of interest

As regards conflicts of interest, the company protocols must ensure the identification of those cases where there may be conflicts of interest, by requiring and/or ordering:

- the collection of a regular statement by the Company management of the absence of conflicts of interest and compliance with the Code of Ethics;
- the prompt identification of parties that must submit such statements;
- the timing and responsibilities for monitoring of such statements;
- the criteria for the identification of situations of potential conflict of interest;
- the rules of conduct to be followed in the performance of extraordinary transactions or in the preparation of extraordinary income statements, balance sheets and financial reports.

- SPECIAL PART F -

CRIMES AGAINST THE INDIVIDUAL

General code of conduct

Company resources involved in the “crime risk” areas are required, as part of their activity, to comply with the rules of conduct provided below, in accordance with the principles of the Model and, in particular, the Code of Ethics adopted by the Company.

It is strictly forbidden to:

- Engage in, promote, cooperate in or cause the commission of acts that, either individually or collectively, contribute, directly or indirectly, to the criminal offenses included within those set forth in this Special Part (Art. 25-quinquies of the Decree);
- commit any act that does not itself constitute a criminal offenses included within those mentioned above, but may potentially become one;
- use, even occasionally, the Company or its organizational unit for the purpose of permitting or facilitating the commission of crimes referred to in this Special Part.

Anyone who discovers any type of irregular management of the staff or parties in accordance to Menarini Ricerche must immediately inform the Supervisory Board of such irregularity.

- SPECIAL PART G -

HEALTH OFFENCES AND SAFETY AT WORK

ETHICAL PRINCIPLES AND RULES OF CONDUCT OF REFERENCE FOR THE COMPANY REGARDING THE SSL

The Company has adopted and implemented a policy focused on ethics.

In order to ensure full compliance with the principles referred to in the TU SSL [Testo Unico per la Tutela della Salute e Sicurezza sui Luoghi di Lavoro (Consolidated Law on the Protection of Workplace Health and Safety)] and the Decree, as recommended by the Confindustria Guidelines, the principles of the Code of Ethics are included and refer to employee health and safety, under the following principles:

The Company agrees, as provided by current law, to ensure compliance with the legislation relating to the protection of employee health and safety, as well as to ensure, generally, a safe, healthy and fit working environment in the execution of work activity, including through:

- the assessment of health and safety risks;
- the planning of the prevention, aiming at a whole that, in prevention, consistently includes the technical, company production conditions as well as the influence of environmental factors and work-flow organization;

- the elimination of risks or, if not possible, their reduction to a minimum – and, then, their management – based upon knowledge acquired through technical progress;
- the observance of ergonomic principles of the work-flow organization in workplace design, in the selection of the equipment and determination of the work and production methodology, also in order to minimize monotonous and repetitive work;
- the reduction of risk at the source;
- the replacement of the dangerous with the non- or less dangerous;
- the limitation to a minimum of the number of Employees who are, or who may be, exposed to risks;
- compatibly with their type of company activity, limited use of chemical, physical and biological agents in the workplace;
- the definition of appropriate measures for collective and individual protection, provided that the first must take priority over the second;
- health monitoring of the Employees based upon specific risks;
- the removal of an Employee from exposure to the risks for health reasons related to his persons and, where possible, assignment to another job;
- the appropriate communication and involvement of the Recipients, within their roles, functions and responsibilities, in matters related to workplace health and safety, in this context, particular significance is granted to prior consultation of the interested parties regarding the identification and assessment of the risks and the establishment of preventive measures;
- adequate training of the Recipients, within the respective roles, functions and responsibilities, with respect to issues related to employee health and safety, in order to ensure awareness of the importance of conformity of actions with the Model and of the possible consequences of behavior deviating from the rules provided therein; to this end, particular significance is given to training the parties who carry out tasks that might affect employee health and safety;
- the formalization of appropriate Employee instructions;
- the establishment of appropriate sanitation measures as well as appropriate emergency measures to be implemented in the event of emergencies, fire prevention, Employee evacuation and grave and immediate danger;
- the use of safety warning signs;
- the regular maintenance of the premises, equipment, machines and facilities, with particular attention to safety devices in accordance with manufacturer instructions

The reference principles and rules of conduct for Recipients

In the conduct of their activities and within the scope of their respective duties, functions and responsibilities, the recipients must comply with, in addition to the provisions and the requirements of the model adopted by the Company:

- The current legislation on health and safety at work;
- The code of ethics of Menarini Ricerche;
- The business procedures in force in the field of health and safety at work.

The duties and tasks of Third Party Recipients

As can also be seen in the Code of Ethics of the company, third parties that come into contact with the Company must cooperate to the best of their powers and responsibilities in order to promote actions that ensure the health and safety of workers.

The duties and tasks of Contractors

Contractors must:

- Ensure technical and professional eligibility in relation to the work to be carried out as part of a tender contract or service or works contract;
- Incorporate the information provided by the Employer about the specific risks existing in the environment in which they are intended to operate on the prevention and emergency measures taken by the employer;
- Cooperate with the employer for the implementation of preventative and protective measures against risks on the job and accidents during operational or administration contracts;
- Coordinate protection interventions and prevention with the Employer against risks to which workers are exposed.

The duties and tasks of Suppliers

Suppliers must comply with the ban on the manufacture and sale, rent and licensing of work equipment, personal protective equipment and plants that are not in accordance with the applicable laws and regulations relating to health and safety at work.

In the case of leasing of goods subject to conformity procedures, the documentation for the same must be provided by the grantor.

The duties and tasks of Project Managers

Site Project Managers, for works and facilities, must comply with the general principles of prevention in health and safety at work when implementing project management choices and techniques, and choosing equipment, components and protective devices that are compliant with laws and regulations.

The duties and tasks of Installers

Installers must, within their powers, comply with the rules of safety and health at work, as well as the instructions provided by the respective manufacturers.

- SPECIAL PART H -

CRIMES OF RECEIVING STOLEN GOODS, MONEY LAUNDERING, USE OF MONEY, GOODS OR UTILITIES OF ILLEGAL ORIGIN AND SELF-MONEY LAUNDERING

General code of conduct

The authorities responsible for the departments, functions and services involved in the “crime risk” areas must, within the scope of their activity”, respect the rules of conduct set forth below, pursuant to the principles provided by the Model and, specifically, by the Code of Ethics adopted by the Company.

It is strictly forbidden to:

- engage in conduct that would include the criminal offenses set forth under Art. 25 *octies* of the Decree;
- engage in any conduct that, although not specifically including the criminal offenses set forth above, may become them in the abstract;
- engage in or facilitate operations or activities that do not comply with the standards of the Code of Ethics;
- engage in activities that are inconsistent with the oversight procedures and principles for the prevention of the crimes of receiving of stolen goods, money laundering and use of money, good or benefits of unlawful origin.

Furthermore, in order to perform the above actions:

- compliance with the provisions contained in the Code of Ethics must be ensured;
- with respect to relationships with consultants, suppliers, business partners and, in generally, with contract counterparties (even in the case of foreign counterparties and/or imports/exports), compliance with the principles of fairness, transparency and good faith must be ensured;
- with respect to the commercial/professional reliability of the suppliers and of the partners, any information required must be requested, using the tools provided by external consultants;

- the tasks assigned to any services companies and/or individuals that oversee the economic/financial interests of the Company must also be prepared in writing, in the description of the contents and of the agreed economic conditions;
- it is necessary that the competent units ensure oversight of the regularity of the payments to all counterparties (including Group Companies); specifically, conformity between the party to whom the order is made and the party collecting the relative sum must be accurately reviewed;
- the oversight, whether formal or substantive (review the registered legal address of the counterpart company, review the credit institutions used, review of the use of trust companies), must be ensured with respect to company financial flows and payments through third parties and through Group companies;
- the minimum requirements established for selecting bidders for goods and/or services the Company intends to purchase must be strictly observed;
- criteria for the assessment of the tenders must be established;
- in the event of the negotiation of agreements/joint venture finalized upon the execution of investments, the utmost transparency must be ensured;
- maximum conformity between the acts performed and those required pursuant to the internal procedures is ensured, paying particular attention to the conduct of “sensitive” activities in the areas designated “crime risk”;
- those persons who exercise the role of oversight and supervision in relation to obligations associated with the performance of the aforementioned activities must pay particular attention to the performance of those obligations and immediately inform the Supervisory Board of any irregularities.

The OdV shall have authority to carry out the oversight measures deemed most appropriate over any operations carried out by the aforementioned parties and potentially deemed in risk of the commission of criminal offenses; written evidence of such oversight must be provided.

- SPECIAL PART I -

CRIMES REGARDING INFRINGEMENT OF COPYRIGHT

General code of conduct

In the performance of their activities on behalf of Menarini Ricerche, the parties responsible for the unit involved in the “at-risk” area must comply with the rules of conduct set forth below, pursuant to the principles of the Model and, in particular, of the Code of Ethics.

All parties receiving the Model are strictly forbidden from:

- engaging in conduct including among the criminal offenses set forth under Articles 25 novies of the Decree;
- committing any act that, although not themselves the aforementioned criminal offenses, may become one in the abstract;
- copying, importing, distributing, selling, leasing, disseminating/transmitting to the public, holding for commercial purposes or, in any case, for profit, without authority, computer programs, protected databases or any works protected by copyright or associated rights, including literary, musical, multimedia, cinematic [or] artistic works;
- unauthorized dissemination through computer networks of any original work or part thereof;
- engaging in file-sharing through the exchange and/or sharing of any type of file by means of a peer to peer platform.

And, it is also necessary:

- that all activities and operations carried out on behalf of Menarini Ricerche – including those relating to the contacts for relations with Group companies - be based upon utmost compliance with current law, particularly with respect to current law regarding breach of copyright, as well as the principles of fairness, transparency, good faith and traceability of the documentation;
- that the principle of separation of roles and responsibilities during the internal processes of the Entity be respected;
- that maximum conformity between the acts performed and those required pursuant to the internal procedures is ensured, paying particular attention to the conduct of “sensitive” activities in the “crime risk” areas set forth in paragraph 2;
- that those persons who exercise the role of oversight and supervision in relation to the obligations associated with the performance of the aforementioned “sensitive” activities pay particular attention to the performance of those obligations and immediately inform the Supervisory Board of any irregularities.

Furthermore, in order to perform the above actions, Menarini Ricerche:

- included in the rules of conduct (or Code of Ethics) adopted by the Entity specific provisions relating to crimes violating copyright;
- provided for sanctions in the event of the violation of the Model also for the offenses mentioned in this Special Part;
- provided for the conduct of appropriate communications and training regarding the contents of the Code of Ethics and the Model of organization, management and oversight;
- has rules regarding the use of copyright-protected material;

- provided for the formalization of research agreements and specific clauses for the management of copyrights;
- provided for the prohibition on the installation and unauthorized use of file sharing systems.

The OdV shall have authority to carry out the oversights deemed most appropriate with respect to any operations carried out by the aforementioned parties and potentially deemed at risk of the commission of criminal offenses

- SPECIAL PART L -

CRIME OF INDUCING TO WITHHOLD STATEMENTS OR TO MAKE FALSE STATEMENTS TO JUDICIAL AUTHORITIES

General code of conduct

The authorities responsible for the departments, functions and services involved in the “crime risk” areas must, within the scope of their activity, comply with the rules of conduct set forth below, pursuant to the principles provided by the Model and, in particular, by the Menarini Ricerche Code of Ethics.

It is strictly forbidden to:

- engage in conduct that would include the criminal offenses set forth under Art. 25 decies of the Decree;
- coerce, in any manner and by any means, the will of parties summoned to make statements to appear before the Judicial Authority or to cause such parties to exercise their right to not appear;
- cause, in any way, subjects summoned to make statements before the Judicial Authority, to make untrue statements;
- give, offer or promise money, gifts, presents or other benefits to persons summoned to make statements before the Judicial Authority;

- engage in any conduct that does not in itself specifically include the criminal offenses set forth above, but may become them in the abstract;
- engage in or facilitate operations or activities that do not comply with the standards of the Code of Ethics.

Furthermore, in order to perform the above actions:

- ensure compliance with the provisions contained in the Menarini Ricerche Code of Ethics;
- in relations with the Judicial Authority, it must be ensured that the defendants or suspects in a criminal proceeding, especially with respect to those procedures wherein Menarini Ricerche may be directly or directly involved, are free to express their representations of facts when deciding to submit questions;
- ensure that the Supervisory Board be advised of any violence or threats, pressure, offers or promises of money or other benefits, received for the purpose of altering the statements to be made to the Judicial Authority or to not make them;
- those persons who exercise the role of oversight and supervision in relation to the obligations associated with the performance of the aforementioned activities must pay particular attention to the performance of those obligations and immediately inform the Supervisory Board of any irregularities.

- SPECIAL PART M -

ENVIRONMENTAL CRIMES

General code of conduct

In the performance of their activities on behalf of Menarini Ricerche, the recipients of the Model must comply with the rules of conduct set forth below, pursuant to the principles of the Model and, in particular, the Code of Ethics.

Any parties receiving the Model, particularly, are strictly forbidden from:

- engaging in, promoting, cooperating in or causing the commission of conduct that, either individually or collectively, contribute, directly or indirectly, to the criminal offenses included within those set forth in Article 25 undecies of the Decree;
- committing any that does not in itself constitute a criminal offense included within those mentioned above, but may potentially become one.

The recipients of the Model shall also adhere to the following principles:

- always consider predominant the need to protect the environment as compared to any economic consideration;
- contribute, in accordance with their own competence, to the fulfillment of the duties included within the protection of the environment;
- always assess the effects of their conduct in relation to the risk of damage to the environment: any action that may have an impact upon the environment must aim at reducing to a minimum the real or potential damage that may be caused to the environment;
- pursuant to their training and experience, as well as the instructions and means provided or arranged by the employer, not engage in improper actions that might cause damage to the environment;
- refrain from undertaking on their own operations or actions that are not included within their own duties or, in any case, may cause damage to the environment;
- the measures provided by the company procedures to prevent the production and to reduce the harmfulness of waste must be respected;
- protection of the soil and subsoil, conservation of the territory as well as the protection of surface, marine and underground waters must be ensured;
- all the precautions necessary to hold air pollution to a minimum and to keep emissions below the limits established by law must be taken;
- the temporary storage and subsequent delivery of waste must be carried out under safe conditions and in compliance with current law;
- the procedures whose purpose is the prevention of environmental problems and limiting the damages in the event of their occurrence must be followed.

The Supervisory Board shall have the power to perform the oversights deemed most appropriate with respect to any operation carried out by the aforementioned parties and potentially deemed at risk of the commission of crimes.

- SPECIAL PART N -

CRIMES OF EMPLOYING THIRD COUNTRY

CITIZENS WHO ARE PRESENT ILLEGALLY

General code of conduct

In the performance of its activities on behalf of Menarini Ricerche, the recipients of the Model must comply with the rules of conduct set forth below, pursuant to the principles of the Model and, in particular, of the Code of Ethics.

All parties receiving the Model, particularly, are strictly forbidden from:

- engaging in, promoting, cooperating or causing the commission of conduct that, either individually or collectively, contribute, directly or indirectly, to the criminal offenses included within those set forth in Article 25 duodecies of the Decree;
- committing any act that does not in itself constitute a criminal offense included within those mentioned above, but may potentially become one;

In addition, they must:

- always consider predominant the protection of the workers over any economic considerations;
- in the event that recourse is made to temporary labor by means of special agencies, ensure that such parties use workers who are compliant with legislation relating to residency permits and expressly request commitment to the Model;
- ensure by means of specific contractual clauses that any third parties working in collaboration with the Company (suppliers, consultants, etc.) use workers who are in compliance with legislation relating to residency permits and expressly request commitment to the Model;
- comply with measures provided by the company procedures for the prevention of the use of illegal labor and the protection of workers;
- not use, in any manner, child labor or work in conjunction with parties using such labor;
- maintain a proper system for the proxies and powers of attorney related to the employment of labor;
- implement a system for monitoring the events related to residency permits (expirations, renewals, etc.).

- SPECIAL PART O -

TRANSNATIONAL CRIMES

General code of conduct

In the performance of their activities on behalf of Menarini Ricerche, the parties involved in the “crime risk” areas, as part of their activity, must comply with the standards of conduct set forth below, in accordance with the principles of the Model and, in particular, the Code of Ethics.

All of the aforementioned parties are forbidden from:

- engaging in, cooperating in or causing the commission of acts that include the transnational criminal offenses mentioned in paragraph 2;

- engaging in, cooperating in or causing the commission of any act that does not in itself not a constitute a criminal offense, but may potentially become one.

It is also necessary that:

- compliance with the Code of Ethics is ensured;
- any activities and operations conducted on behalf of Menarini Ricerche – including matters relating to intergroup transactions with foreign companies – are characterized by maximum compliance with current law, as well as the principles of fairness, transparency, good faith and traceability of the documentation;
- the principle of separation of roles and responsibilities during business processes is respected;
- compliance with current law as well as company procedures and protocols regarding management and use of resources and company assets, including matters relating to the performance of the necessary oversights, including precautionary ones, on foreign assets and resources is ensured;
- full cooperation with Judicial Authorities is ensured, even by means of the refusal to influence any parties called to make statements or by requesting that such parties exercise the right not to respond;
- maximum conformity between the acts performed and those required pursuant to the procedures is ensured, paying particular attention to the conduct of “sensitive” activities in the “crime risk” areas set forth in paragraph 2;
- those persons who exercise the role of oversight and supervision in relation to obligations associated with the performance of the aforementioned “sensitive” activities pay particular attention to the performance of those obligations and immediately inform the Supervisory Board of any irregularities.

- SPECIAL PART P -

PRIVATE BRIBERY

General code of conduct

The authorities responsible for the unit involved in the “crime risk” and/or “instrumental” areas must comply with the rules of conduct set forth below, pursuant to the principles provided by the Model and, specifically, by the Code of Ethics.

All parties receiving the Model are forbidden from:

- engaging in, cooperating in or causing the commission of conduct that would constitute acts of corruption between private parties described in paragraph 1;
- engaging in, cooperating in or causing the commission of conduct, which does not in itself constitute a crime, but may potentially become one.

Specifically, it is forbidden to:

- offer or make cash donations or other benefits (hospitality, entertainment, etc.) to representatives of private entities and companies for the commission (or also omission) of acts of their office, in violation of duties of loyalty in order to receive a benefit of any kind for the company and/or for him or herself, regardless of whether the act is than performed;
- In any case, the gifts or presents or expenses must be appropriately documented in order to permit their review by the Supervisory Board;
- agree upon, directly or indirectly, benefits of any kind for the representatives of the private entities, agencies, suppliers or clients (or made in such manner) that would be a violation of the principles set forth in the Model;
- carry out services on behalf of or pay compensation to consultants, representatives of agencies, suppliers or clients that for which there is no appropriate support in the context of the contractual relationship established therewith.

Furthermore, in addition to the commission of the above acts:

- any recruitment of personnel as well as the management thereof must comply with the company rules that provide:
 - a resource planning process to be undertaken that takes into account the requirement;
 - the identification of the minimum needs required to cover the role and the relative level of remuneration in compliance with the provisions of the CCNL [Contratto Collettivo Nazionale di Lavoro (National Collective Labor Agreement)] (if applicable) and consistent with the compensation charts of reference;
 - the establishment of a personnel selection process that governs: (i) the research of multiple candidates based upon the complexity of the position to be held; (ii) the management of conflicts of interest between the selecting party and the selected party; (iii) the review, through various screening phases, of the conformity of the candidate with the established profile.
 - the conduct of pre-employment checks whose purpose to the prevention of adverse situations that expose the Company to the risk of committing the crime;
 - authorization to reimbursement at appropriate levels;
 - systems that ensure the traceability of the review of attendance and the fairness of the compensation paid.
- the contracts among the Company and the representatives of the agencies, suppliers, consultants and clients must be made in writing with all their terms and conditions and in compliance with the following provisions:
 - all third party contracts (with agencies, consultants, distributors, etc.) must contain a special clause governing the consequences of breach by such parties of the standards mentioned in the Model;

- the agencies or their representatives, suppliers, distributors and, generally, third parties must be selected using transparent methods and according to previously-determined qualitative and quantitative criteria;
 - approval of the contract in accordance with appropriate authorizing levels.
- in addition, management of the contracts must provide for the review of consistence of the order with the parameters of the contract itself regarding the completeness and accuracy of the invoice and its consistency with legal prerequisites, just as provided by the company procedures;
 - in relationships with companies, foundations, associations and other private entities, the types of relationships and the related management methods as well as the methods of collection, review and approval of the documents to be transmitted to the representatives of the companies, foundations, associations and other private entities must be identified;
 - the procedures for the oversight of the financial flows and the traceability of the payments must be observed;
 - any situations giving rise to conflicts of interest that may arise in relation to corporate parties must be promptly identified;
 - those parties who exercise oversight and supervisory duties for obligations related to the execution of the aforementioned activities must pay special attention to the implementation of those obligations and immediately refer to the OdV any irregularities or anomalies.

The officials and/or representatives of the Company that operates in the risk areas and sensitive activities evidenced above must provide proof and keep track of the operations conducted.