



## **CODE OF ETHICS**

*pursuant to Legislative Decree 231/2001*

Approved on

by resolution of the Sole Director.

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## **1 COMPANY**

GMM Farma was founded in 2014 as importer for the registration, marketing and distribution of European-branded drugs in Italy.

GMM Farma is the holder of the marketing authorization for generic medicines and high-quality healthcare products from EU countries. In Europe, GMM Farma operates in the parallel trade sector, a legal practice adopted throughout the European community.

GMM Farma markets imported products on the basis of a parallel import authorization (AIP) issued by AIFA (Italian Medicines Agency); products are re-labeled or repackaged to be suitable for marketing in Italy. This process is required to make "parallel" pharmaceutical products compliant with those already on the market, in full compliance with current legislation.

## **2 PURPOSE AND SCOPE OF APPLICATION**

The Code of Ethics serves as the corporate "Charter of Values": due to the complexity of the situations in which GMM (hereinafter, "the Company") is operating, it is important to clearly define the set of values that the Company recognizes, accepts and shares all the responsibilities the Company assumes both internally and externally. For this reason, we prepared a Code of Ethics (hereinafter, also the Code), compliance with which by Shareholders, Sole Director and employees who work at all corporate levels is of strategic importance for proper operation, reliability and reputation, goals that are particularly important for the Company. The Code reflects its attention for and respect of lawful principles that drive business choices and have induced the Company to equip itself with an instrument aimed at orienting its activities according to a clear perspective of prevention of offenses, in compliance with the provisions of Legislative Decree no. 231 of 8 June, 2001, as it pertains to the liability of entities involved in a crime. The drafting of this Code of Ethics thus marks a fundamental step in the decision-making process that has led the Company to formulate its own Organizational, Management and Control Model aimed at preventing crimes (hereinafter, referred to as the OMCM): a system of prevention measures in the which this Code finds its role as a source of guidance for ethical business activity.

### **2.1 Recipients**

Recipients are all company representatives, with no exceptions - starting with Shareholders, Sole Director - and all those who, directly or indirectly, permanently or temporarily, establish relationships or relations with the Company and endeavor to pursue their objectives.

Every corporate member, external collaborator, consultant, supplier, etc. is expected to comply with this Code of Ethics, whose acceptance may take place explicitly by signature, depending on

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the specific professional relationship at hand.

Compliance with the principles set out below is an essential part of the contractual obligations of all employees, pursuant to Art. 2104, <sup>1</sup>2105 <sup>2</sup>, 2106 <sup>3</sup>of the Civil Code and, for non-subordinate workers, by the relevant contract.

The Company also requires its employees, consultants, main suppliers and partners to behave in line with the general principles of this Code, as it considers this requirement of fundamental importance to pursue an ethically responsible business model. To this end, in the event of non-compliance, and pursuant to Art. 1456 of the Italian Civil Code<sup>4</sup>, the Company shall apply specific termination clauses contained in the relevant employment agreements<sup>5</sup>.

Company representatives are required to be aware of the principles set forth in the Code of Ethics, refraining from any behavior deemed contrary to them, and contacting their manager or Supervisory Board, for any clarification or complaints, also providing their support in order to identify any violations.

In all business relationships, the counterparties must be informed of the existence of these principles of behavior and must comply with them.

When deemed necessary, the Company will make changes to the Code of Ethics in order to adapt it to evolving civil sensibility and applicable laws.

In particular, the Sole Director is required to comply with the Code of Ethics in proposing, managing and implementing the Company's projects, actions and investments, and when defining business objectives.

Those who hold positions of responsibility (Top Management) are required to be an example for their employees and direct them to comply with the Code of Ethics and the OMCM, encouraging compliance.

Each employee is required to know the Code, actively contribute to its implementation and report

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<sup>1</sup> **Art. 2104 of the Civil Code - Diligence of Employee** Employees must apply the diligence required by the nature of services to be provided, as well as the interest of the company and the greater interest of national production. They must also comply with the provisions to execute and regulate work activities, as provided by the employer and his associates, to whom employees must report".

<sup>2</sup> **Art. 2105 of the Italian Civil Code - Loyalty obligation** Employees must not conduct business, either on their own account or with third parties, that is in competition with the employer, or divulge information pertaining to the organization and production methods of the company, or make use of them in such a manner as to cause it harm.

<sup>3</sup> **Art. 2106 of the Italian Civil Code - Disciplinary Sanctions** Failure to comply with the provisions contained in Articles 2104 and 2105 of the Civil Code may give rise to the application of disciplinary sanctions, depending on the gravity of the violation.

<sup>4</sup> **Art. 1456 of the Italian Civil Code - Express Termination Clause** The contracting parties may expressly agree that a work agreement shall be terminated in the event that a particular obligation is not fulfilled as established.

<sup>5</sup> In this case, termination is automatic when the concerned party declares to the other that he/he intends to apply the termination clause.

any shortcomings. The Company undertakes to facilitate and promote knowledge of the Code by employees and their constructive contribution to its contents. Any behavior contrary to the letter and the spirit of the Code will be sanctioned in compliance with the provisions of the Code itself. The Company will carefully monitor compliance with the Code, preparing adequate information, prevention and control tools and ensuring the transparency of operations and behaviors implemented, intervening with corrective actions, if deemed necessary. The Code is brought to the attention of all those with whom GMM entertains commercial relations.

## **2.2 Establishment of the Body Responsible for Monitoring**

The Company undertakes to enforce the ethical principles also through the establishment of the Supervisory Body (hereinafter "Supervisory Board"), as envisaged by Legislative Decree 231/2001 which is entrusted with the task of monitoring and overseeing the correct application of the Code of Ethics by all recipients.

Pursuant to the provisions of Legislative Decree no. 231/01, the SB is entrusted with:

- constantly monitoring the application of the Code of Ethics;
- reporting any violations of the Code of Ethics and of the 231 Regulations;
- issuing binding opinions on the possible revision of the Code of Ethics and related documents, in order to guarantee its adequacy in relation to the provisions of the law and the rules of internal crime prevention prepared by the Company.

## **2.3 Reporting Violations of the Code of Ethics**

The SB must also:

- report to the COFIMA Sole Director any violations of the Code of Ethics committed by the Sole Director;
- report to corporate personnel in charge of applying disciplinary sanctions, any violations of the Code of Ethics committed by any employees, also proposing the adoption of adequate disciplinary measures;
- report any violations committed by external collaborators, consultants and suppliers, proposing the possible termination of contract relationships with such subjects.

The Company establishes suitable communication channels through which interested parties can submit their reports on the failure and/or incorrect application of or on violations of the Code of Ethics. Alternatively, all concerned parties can report, in writing and anonymously, any violation or suspected violation of the Code of Ethics to the Supervisory Board, to the dedicated email address of the SB, which, in such case, shall:

- review the report, possibly hearing directly from the reporting party and the alleged violator;
- act in such a way as to protect those who report against any kind of retaliation, where retaliation is understood as an act that may engender even the sole suspicion of being a form of discrimination or punishment;
- ensure the confidentiality of the identity of the reporting individual (in the case of non-anonymous reporting), without prejudice to legal obligations;
- in case of ascertained violation of the Code of Ethics, report the information received and any relevant recommendation to Top Management or concerned individuals, according to the severity of the violation.
- Top Management or departments involved will define the measures to be adopted according to the regulations in force, the disciplinary system adopted by the Company or in application of the termination clause contained in work agreements with third parties; the SB will take care of penalty implementation, reporting the outcome to the SB.

#### **2.4 Commitments of GMM Farma**

The Company undertakes to promote and guarantee adequate knowledge of the Code of Ethics and the OMCM, disseminating them to the Recipients through appropriate information/training activities. In particular, the Company ensures:

- maximum dissemination of the Code among employees and stakeholders<sup>6</sup>,
- further development and updating of the Code in order to adapt it to evolving civil sensibility and new statutory provisions relevant to the Code;
- make available any possible knowledge and clarification tool regarding the interpretation and implementation of the rules contained in the Code;
- perform all investigations concerning reports of violation of the provisions of the Code of Ethics;
- evaluate facts and, in case of ascertained violation, implement adequate sanctions;
- ensure that no one suffers retaliation of any kind for providing information on possible violations of the Code or the relevant regulations.

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<sup>6</sup> where “Stakeholders” refers to all those who are bearers of interests towards the Company.

## 2.5 Obligations of Personnel

The Company requires that each employee have knowledge of the provisions contained in the Code and the reference protocols that govern activities carried out by each in the corporate functions, as detailed in the OMCM; personnel must:

- refrain from behaviors contrary to these regulations and protocols;
- contact their supervisor, or the Supervisory Body, in case of need for clarification on how to apply such regulations and protocols;
- promptly report to the Supervisory Body:
  - any news regarding possible violations, whether through direct or third-party knowledge;
  - any request for committing violations;

cooperate with corporate department responsible for investigating violations.

## 2.6 Additional obligations for Managers of Business Units/Functions

Each Unit Manager/Business Function must:

- behave in such a way as to serve as an example of moral integrity for Personnel under his/her supervision;
- direct the aforementioned Personnel to comply with the Code;
- endeavor so that employees understand that compliance with the rules of the Code is an essential part of the quality of work performance;
- to the extent under his/her purview, carefully select employees and external collaborators to prevent that assignments be tasked to individuals who do not fully rely on their commitment to comply with the Code;
- promptly report to his/her supervisor or the Supervisory Body, on the basis of what was learned directly or through others, information provided by other employees about possible violations of the Code's rules or the requirements of the OMCM;
- take immediate corrective measures when required by the situation;
- prevent any kind of retaliation against employees who have disclosed violations of the Code of Ethics;
- comply with internal procedures aimed at carrying out operational activities that allow the achievement of adequate levels of efficiency. It is therefore of fundamental importance

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that all procedures defined by the Company are complied with and codified in specific internal documentation, to be understood as referred to in this Code<sup>7</sup>.

## **2.7 Applicability of the Code of Ethics to Third Parties**

With regard to "Third parties" - meaning Customers, Suppliers, Agents, Public Administration and any other type of stakeholders other than Shareholders, Directors and Employees - the Company must:

- ✓ inform them adequately about commitments and obligations imposed by the Code in professional relations for which they are responsible;
- ✓ demand compliance with requirements that directly affect their activity;
- ✓ take appropriate steps, in the event of non-compliance by third parties, with the obligation to comply with the Code, as it pertains to matters concerning them.

## **3 FUNDAMENTAL ETHICAL PRINCIPLES**

GMM binds the work of the Company as a whole and of all the recipients of this Code to the strictest respect of the following principles:

### **3.1 Principle of Legality**

The Company undertakes to comply with all laws, regulations and, in general, statutory provisions in force in Italy and in other countries in which it operates, as well as the ethical principles set forth by trade associations and, in particular, those codified in the Farmindustria Code of Conduct<sup>8</sup>.

In particular, in all offices, warehouses and local units, the Company is required to comply with the laws governing the wholesale distribution and marketing of drugs, over-the-counter pharmaceuticals, foodstuffs and similar products.

The following are the main sector regulations applicable to the Company:

- Regulations for the distribution of medicinal products for human use (Ministry of Health Decree 06/07/99, Legislative Decree 219/2006, Legislative Decree 274/2007);
- Regulations for the distribution of narcotics (Presidential Decree 309/1990, as amended and supplemented);

<sup>7</sup> By way of example, we cite: a) Quality Manual; b) Operational Manual; c) Organizational Manual and professional system, in versions updated at the date of adoption of this Code.

<sup>8</sup> Code published at the following link:

[http://www.farmindustria.it/index.php?option=com\\_jdownloads&Itemid=0&view=finish&cid=115477&catid=39](http://www.farmindustria.it/index.php?option=com_jdownloads&Itemid=0&view=finish&cid=115477&catid=39)

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- Regulations for the conservation and distribution of food and food supplements (Ministry of Health Memorandum No. 1/1998 - Manual of good hygiene practice, EC Regulation 852/2004 on the hygiene of food products);
- Regulations for the distribution of Medical Devices (Legislative Decree 46/1997, as amended, Legislative Decree No. 172/2004 and Ministry of Health Decree of 20/2/2007 for the national classification of medical devices)
- Regulations for the distribution of Medical Surgical Devices (Presidential Decree 392/1998 "Regulations containing rules for the simplification of procedures for authorizing the production and marketing of medical-surgical devices").

### **3.2 Principle of Responsibility**

GMM continuously pursues the following measurable objectives:

- maximum satisfaction of its customers through quality of products and services offered at competitive prices, in compliance with applicable laws;
- constant selection of new products, to meet the needs of pharmacies, guaranteeing concrete and professional rapid distribution support;
- correct conservation, distribution and delivery of products and optimization of logistics and procurement systems to guarantee the wide and quick fulfillment of pharmacies' orders;
- investment in human resources, materials and equipment, with a view to continuous technological and IT innovation to improve customer services, as well as the traceability and integrity of pharmaceutical products.

### **3.3 Principle of Impartiality**

In decisions that affect relations with its stakeholders (e.g., regarding the choice of customers to be served, selection and management of personnel and work organization, selection and management of suppliers, relations with the community at large and institutions representing it), the Company rejects any form of discrimination based on age, sex, sexual orientation, health status, race, nationality, political opinions and religious beliefs of its interlocutors.

### **3.4 Principle of Honesty**

The Company promotes honesty in interpersonal behavior and business conduct as a key principle for conducting business. In particular, it repudiates any conduct or fraudulent behavior in relations with client pharmacies, among recipients and towards all stakeholders, and ensures the integration of ethical principles in decision-making processes and in the working practices of all directors, managers, agents and employees. In no case, may the pursuit of GMM's interest justify

dishonest behavior that is contrary to the law by one of the recipients of this Code.

### **3.5 Principle of Transparency**

The Company promotes the fundamental value of correct corporate information addressed to shareholders, corporate bodies and competent functions, concerning significant corporate facts and accounting management, and, in no way, justifies the actions of its members to hinder the control by the corporate bodies in charge. Therefore, the recipients of this code, where required by law, are required to provide complete, transparent, understandable and accurate information, so that, when dealing with the Company, all stakeholders involved can make independent and informed decisions based on their interests and relevant consequences.

Therefore, the Company explicitly prohibits employees, senior managers, consultants and third parties carrying out activities in its name or on its behalf from:

- exposing material facts that do not correspond to the truth;
- omitting information, whose communication is required by law, on the Company's economic, equity or financial situation;
- concealing data or news in a manner suitable for misleading the recipients thereof;
- preventing or, otherwise, hindering the performance of control or audit activities legally attributed to Shareholders or other corporate bodies.

### **3.6 Principle of Confidentiality**

The Company adopts systems suitable to guarantee the confidentiality of the information in its possession and refrains from seeking or providing to third parties data that are not indispensable for the management of services, in compliance with current legal provisions on the protection of personal data. Recipients also ensure the confidentiality of information known during operations carried out on behalf of the Company. Recipients are also required to process corporate data and information exclusively in the context and for the purposes of their work and, in any case, not to disclose in any way sensitive personal data without the explicit consent of the interested parties, or confidential company information without authorization.

### **3.7 Principle of Competitive Loyalty and Rejection of Counterfeiting**

In relations with competitors, the Company defined its behavior on principles of loyalty and fairness, refraining from collusive and predatory behavior, or abuse of its dominant position, in the belief that fair and correct competition improves market functioning and advantages for pharmacies/customers and for citizens/consumers.

### **3.8 Value of Corporate Reputation and Credibility**

In light of the principles enumerated above, GMM considers good reputation, good name and credibility as intangible objective values to be preserved and guaranteed in each corporate activity.

Therefore, the recipients of this Code must refrain from having any conduct that may harm, compromise or simply expose the Company's good name and ethical and commercial credibility, also endeavoring to consolidate such reputation in the outside world.

GMM is aware of the influence, even indirect, that its activities can have on conditions, economic and social development and general wellbeing of the community, as well as the importance of keeping at high level the social acceptance in the communities in which the Company operates.

### **3.9 Fight against Corruption and Conflicts of Interest**

The Company, in line with values of legality, honesty and transparency set out above, establishes, through the OMCM and other corporate actions, measures aimed at preventing and avoiding phenomena of corruption and conflict of interest, monitoring them to update them as warranted by circumstances.

In particular, it does not permit payment of sums of money or other forms of corruption in order to provide direct or indirect benefits to the Company, prohibiting the payment of gifts, emoluments and/or royalties to third parties that go beyond normal standard hospitality and courtesy.

All recipients of the Code must avoid any situation that could generate conflict with the Company's interests; in particular, any conflict of interest between the personal and family financial activities and duties held in the Company must be avoided.

This requirement applies both if an administrator, employee, collaborator or consultant pursues an interest other than corporate purposes or personally benefits from a business opportunity offered by the Company, and in the event that legal representatives of customers, suppliers or the Public Administration behave in a manner running contrary to duties of trust inherent in their public or private position<sup>9</sup>.

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<sup>9</sup> By way of example, the following situations may engender a conflict of interest:

- perform top management functions (managing director, director, function manager) and have economic interests with suppliers, customers, or competitors (possession of shares, professional appointments, etc.) also through their family members;
- take care of relationships with suppliers and carry out work at a supplier's location, even through family members.
- accept money or favors from people or companies that are or intend to enter into business relationships with the Company.

### **3.10 Relations with Public Administration**

In the relations with members of the Public Administration, search and establishment of personal relationships aimed at favoring, influencing or conditioning, directly or indirectly, the outcome of business relations are forbidden.

In the course of business aimed at obtaining any administrative provision or in the course of commercial relations with the Public Administration, in Italy or abroad, the Recipients of this Code undertake to:

- not offer job and/or commercial opportunities for public personnel involved in the negotiation, in the business relationship, or to their relatives and relatives;
- not improperly influence the decisions of officials or persons in charge of decision-making or who are involved in negotiations on behalf of the Public Administration;
- not offer gifts, goods or utilities of any kind that can be understood as directed to the search of undue favors, or that are intended as compensation for an act due or contrary to their official duties, to officials or persons in charge of the Public Administration, or their family members and similar.

### **3.11 Free gifts, royalties and other forms of benefits given to Public Administration representatives**

The Company does not allow improper payments, or any direct or indirect form of free or promised, offered or received gift or benefit, which can be interpreted as exceeding normal commercial or courtesy practices, or aimed at acquiring favorable treatment in the conduct of any transaction relating to corporate business. No exceptions are allowed, including in those countries in which offering valuable gifts to business partners is customary.

### **3.12 Fight against Corruption in relations with Private Individuals**

With a view to stifling corruption in relationships between individuals, "bad management" and cases of deviation from good corporate performance, it is forbidden to make promises or donation of money, goods or other benefits to subjects other than members of the Public Administration, whether or not they are carried out in compliance with duties of the office or fidelity obligations, and entail a detriment to the Company to which the beneficiary belongs, or distortion in the acquisition of assets and/or services by the Company.

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#### **4 SPECIFIC BEHAVIOR RULES**

Below we are presenting the entirety of rights, duties and responsibilities that the Company undertakes to implement on an ethical and reciprocal basis in relations with its main "stakeholders": corporate bodies, employees, customers, suppliers and the community at large.

##### **4.1 Rules of Conduct for Corporate Bodies**

Shareholders and administrators are required to:

- behave in a manner inspired by integrity, loyalty and a sense of responsibility in mutual relations and in relation to the Company as a whole;
- behave in a manner inspired by autonomy, independence and correctness with public institutions, private subjects (including social creditors), economic associations, trade unions and any other stakeholder of top levels;
- guarantee assiduous and informed participation in meetings and activities of the corporate bodies;
- assess situations of conflict of interests or incompatibility of functions and offices on the basis of cases referred to in Article 2.9 of this Code, and inform other corporate members to which they belong, in accordance with the procedure laid down for the Directors by Art. 2391 of the Civil Code;
- make a reserved use of the information of which they become aware, avoiding the use of their position to obtain direct or indirect personal advantages;
- ensure that the Company's ethical mission is shared with employees.

##### **4.2 Rules of Conduct in Relations with Employees**

The Company considers Human Resources a primary value for the achievement of corporate objectives, by virtue of the professional contribution made by each Resource, in the context of interpersonal relationships based on loyalty, correctness, mutual trust and full respect for the individual, regardless of internal hierarchies.

All relations with Personnel are characterized by transparency and fairness, and any discrimination (by race, sexuality or sex, nationality, religion, language, union or political affiliation) is forbidden. As part of the work relationship established with the Company, each employee must perform his/her duties in compliance with laws, applicable collective agreements, regulations and work instructions issued within the Company, and with the provisions of this Code, on the basis of a rigorous personal commitment to honesty and loyalty towards Company and colleagues.

Since the work of individuals is geared towards mutual satisfaction and the professional growth of personnel, all decisions taken in the context of management, career development and compensation are based on considerations of merit and/or correspondence between job descriptions and candidates' and employees' professional qualifications.

The Company organizes the use of human resources in warehouse and offices where the activity is located, standardizing its decision-making processes on the basis of maximum efficiency and achievement of objectives. To this end, human resources are used according to criteria of merit, effectiveness and organizational efficiency, in compliance with the law, as well as applied collective bargaining and reference ethical principles. The Company also promotes and enhances its system of professional training and enhancement also in terms of corporate ethics.

#### **4.3 Rights, Duties and Responsibilities of Personnel**

Employees are required to comply with the behavioral principles contained in this Code and in the Company's internal regulations. In particular, compliance with the rules of the Code must be considered an essential part of the contractual duties of fairness, good faith and diligence in the performance of duties.

Anyone who believes to have been victimized by offenses against their person or discrimination in the workplace can report the incident to Management or the competent functions which, as warranted by circumstances, will transfer the information to the Supervisory Body, for further investigation of facts and the application of consequent measures. Disparities based on objective criteria that do not conflict with the law or with applied collective bargaining agreements do not fall within the concept of discrimination.

Requests or threats aimed at inducing people to act against the law and the Code of Ethics, or adopt behaviors that harm the moral and personal convictions of each person shall not be tolerated, and, therefore, shall be subject to sanctions.

#### **4.4 Health and Safety at Work**

GMM recognizes health, environmental health and safety in the workplace as a fundamental right of all recipients of this Code and a core principle of corporate culture and strategy.

It follows that all decisions concerning work processes must include health and safety at work, in accordance with applicable laws. Therefore, the Company adopts an effective health and safety at work policy based on preventive measures, both individual and collective, to minimize the potential risks of accidents at the workplace. All workers are required to actively contribute to maintaining an optimal standard of health and safety, refraining from illegal or otherwise

dangerous behavior and promptly reporting to Management any gaps in the safety system, or activities carried out to the detriment of assets or human resources, of which personnel may become aware of during their work activities.

Each Recipient of this Code is prohibited from:

- ✓ serving under the effects of alcohol, drugs or substances of similar effect;
- ✓ consuming or distributing narcotics in any way.

#### **4.5 Protection of Corporate Assets**

Each recipient of this Code is required to work diligently to protect corporate assets, through responsible behavior and in line with the operating procedures set by the Company to regulate its use, documenting their use truthfully and correctly. In particular, each recipient must:

- use the goods entrusted to him/her with care and in accordance with the use;
- avoid improper use of corporate assets that may cause damage or reduce efficiency, or in any case in contrast with the Company's interests.

Each employee is responsible for the protection of the assets entrusted to him/her and has the duty to promptly inform the Units in charge of any threats or events harmful to the Company.

The Company reserves the right to prevent misuse of its goods and infrastructures through the use of detection, analysis and risk prevention systems, without prejudice to compliance with applicable laws (privacy law, workers' statute, etc.).

#### **4.6 Use of IT tools**

Each corporate member who is the recipient of this Code to whom a computer workstation is assigned is required to:

- scrupulously adopt the provisions of corporate security policies, in order not to compromise the functionality and protection of IT systems;
- not send threatening or insulting e-mail messages, express inappropriate comments in electronic communications that could cause offense to persons and/or damage the corporate image;
- not browse Internet sites with disgraceful and offensive contents;
- not engage in any conduct that falls under cyber crimes, and, in particular, those computer crimes that may result in liability for the Company, pursuant to Legislative Decree 231/2001, such as unauthorized access to IT or electronic systems or improper detention of system access credentials.

#### 4.7 Relations with Customers

GMM pursues the maximum satisfaction of its customers through the offer of parallel import drugs and over-the-counter pharmaceuticals with certified origin and provenance, at competitive conditions and in compliance with all regulations for the protection of fair competition, as well as regulations impacting pharmaceutical distribution, as referred to in par. 2.1 of this Code.

For this reason, in relations with customers, the Company conforms its conduct to the fundamental ethical principles codified in par. 2 *et al.* of this Code (in particular, the principles of responsibility, honesty, transparency, competitive loyalty and repudiation of counterfeiting).

Therefore, all the recipients involved in direct or indirect relationships with customers (e.g., Commercial and Marketing area and agents) are required to:

- provide customers (current or potential) accurate and exhaustive information on the terms and conditions of the service offered, as well as any changes to the economic conditions of delivery of distribution services or the outcome of any verification requested by the customer;
- provide, with efficiency, promptness and courtesy, within the limits of the contractual provisions, high quality products and services that meet or exceed the reasonable expectations and/or needs of the customer;
- be truthful in advertising, marketing or other communications to customers.

#### 4.8 Relations with Suppliers

GMM:

- is supplied by European wholesalers for the parallel importation of medicines;
- stipulates transport contracts with primary carriers authorized to transport medicines and similar products;
- establishes contractual relationships with agents and consultants a variety of services supporting medicine distribution (e.g., development of sales network, etc.).

Therefore, suppliers are an important resource whose contribution to the Company's business must be based on maximum clarity, fairness and transparency. For this reason, internal Resources involved in the procurement processes of goods or services (e.g., Purchasing Area) must:

- comply with internal procedures for the selection and management of relationships with suppliers, and promote commercial relations only with suppliers that give adequate guarantees of compliance with the Company's own quality standards;

- secure the cooperation of suppliers to ensure the satisfaction of customer needs in terms of quality, cost and timing of distribution and delivery, in a manner that is, at minimum, consistent with their expectations;
- observe (and have suppliers observe) the contractually agreed conditions;
- maintain frank and open dialogue with suppliers, in line with good commercial practices.

The Company complies with high ethical standards in all negotiations with suppliers and prohibits bribery, attempts at bribery or other undue conduct in dealings with suppliers.

#### **4.9 Relationship with Revenue Agency, Community at large, and the Environment**

The Company is committed to the strictest compliance with tax regulations in financial transactions, as well as the rigorous application of accounting principles and the timely fulfillment of obligations relating to the payment of taxes and fees.

In meeting the community's need in terms of health, the Company promotes constructive and transparent relationships with local interlocutors, Pharmacies, Local Health Authorities and the entire primary care system, the network of social-health services and the tertiary sector in general.

The Company facilitates processes of scientific dissemination, maintains an attitude of openness and interest in scientific progress and stands ready to undertake partnerships and agreements with universities and scientific research centers.

Corporate activities are conducted in compliance with laws on the protection of the environment, and the Company undertakes to promote, within all its facilities and warehouse, rational use of resources, waste disposal and attention to the search for innovative solutions to guarantee energy savings.

### **5. SANCTIONS**

Ascertained violations of this Code will result in the application of sanctions against violators, which will be applied by the competent corporate bodies, in compliance with the disciplinary system established by the Company's OMCM and in full compliance with the law, applicable national bargaining agreements, and their related contract provisions.

#### **5.1 Determination of Penalties**

The violation of the principles established in this Code will damage the relationship of trust between the Company and the violator, and will be promptly addressed through appropriate and proportionate disciplinary procedures, regardless of the possible criminal relevance of the conduct at hand and/or the conduct of criminal proceedings where a crime may have occurred.

In particular, compliance with the Code of Ethics is an integral part of the mandate given to corporate bodies, the Sole Director, and proxies - who are subject to disciplinary sanctions proportionate to the severity of the non-compliance - as well as the contract obligations of workers, also pursuant to and by effect of Art. 2104 (Diligence of Employees), 2105 (Fidelity Obligation) and 2106 (Disciplinary Sanctions) of the Civil Code.

It should be noted that any violation could be a source of serious economic damage to the Company, as it pertains to general principles regarding liability, as well as a result of the possible application of sanctions provided for by Legislative Decree 231/01 governing the liability of legal persons for administrative offenses resulting from a crime.

Therefore, in addition to the application of disciplinary sanctions, the Company reserves the right to take any other action necessary to protect its interests, including request for compensation for damages suffered as a result of the criminal conduct.

## **5.2 Methods of Application of Penalties**

Any violation of this Code committed by employees, will result in the adoption of disciplinary measures, proportionate to the severity or recidivism or the degree of the violation, in compliance with the provisions contained in the applicable employment contracts, the national collective labor agreements applicable to the Company, and the regulations set forth in Art. 7 of Law no. 300 of 20 May, 1970, (Workers' Charter).

With regard to the Sole Director and other Senior Executives, violation of this Code involves the adoption of measures commensurate with the severity, recidivism or degree of the violation, up to termination for cause. As regards the other recipients of the Code, violation of the provisions included therein involves the adoption of measures commensurate with the severity, recidivism or degree of the violation, up to contract termination.

## **5.3 Right to Defense**

In any case, corporate bodies entrusted with the application of disciplinary sanctions must ensure that the violator receives adequate, timely and confidential communication of the ascertained offenses and is provided with a reasonable deadline, not less than 15 days, to prepare his/her defense and request a hearing.

## **5.4 Forfeiture**

A disciplinary procedure can not be initiated after more than three years from the violation have elapsed, and, in any case, can not last more than twelve months from the time a fact has become

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known. The procedure is closed in any case with a written decision, motivated and signed by the deliberating body.