
ANTI-BRIBERY AND CORRUPTION POLICY

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1. PREMISE

According to the World Economic Forum's Global Competition Report, corruption is the main obstacle to conducting business and a significant threat to sustainable growth, stability and free competition in markets. The fight against corruption must therefore be framed as one of the main strategic objectives of companies worldwide.

2. PURPOSE

This Policy is intended to disseminate within the **ADLER ORTHO Group** as well as to external interlocutors, the fundamental principles that guide the Group Companies in combating all types of corruption. One of the key factors of the reputation of the “Adler Ortho” Group is the ability to conduct its business with loyalty, fairness, honesty, integrity and transparency, and in compliance with laws, standards and guidelines, both national and foreign.

As a demonstration of adherence to the values set out above, the **ADLER ORTHO** Group has decided to adopt this Anti-Corruption Policy (hereinafter "**Policy**") which is inspired by the principles of conduct provided for in the **Code of Ethics** and aims to provide all personnel of the Group the basic rules to be followed to ensure full compliance with the applicable anti-corruption laws.

The companies of the Group, their top management, management and all employees undertake to carry out every activity within their competence with loyalty, correctness, transparency, honesty and in compliance with legality.

For this reason, the **ADLER ORTHO** Group prohibits corruption without exception, both towards public counterparties and private subjects, and undertakes to comply with the anti-corruption laws of all the countries in which the Companies operate.

In no case will the conviction of acting in favor or to the advantage of the Company and/or the Group ever justify, in any way or in part, any attempt or act of corruption or any illegal or unethical behavior.

With this in mind, a risk assessment project was carried out specifically aimed at identifying the main corruption risks to which the operations of the **ADLER ORTHO** Group are most exposed. Among these, particular attention must be paid to relations with Healthcare Professionals, also in consideration of the qualification of Public Officials or Public Service Officers that they may have in the individual countries in which they operate.

In order to ensure that its activities are carried out in compliance with the principles of integrity and the rules on anti-corruption, the Company has decided to adopt this Policy.

Therefore, the Members of the Group, starting from top management and management, are called upon to conform their conduct to the operating principles deriving from the application of the anti-corruption measures defined by this Policy.

This Policy integrates the Model 231 of Adler Ortho S.p.A. of which it forms an integral and substantial part.

3. SCOPE OF APPLICATION

This Policy applies to Group Personnel and all those who work for or on behalf of Group Companies, within the scope of the activities carried out and within the limits of their responsibilities, including the members of the Supervisory Body and the Board of Statutory Auditors, in order to adopt behaviors that do not involve the risk of committing corruption offenses in compliance with the provisions of the **Code of Ethics** and the applicable anti-corruption laws.

The Policy has been examined and approved by the Board of Directors of Adler Ortho S.p.A. and its adoption and implementation are mandatory for all its subsidiaries through a resolution of the respective Board of Directors (or of the corresponding body/function/role if the subsidiary does not provide for such a body).

All suppliers (agents, intermediaries, collaborators, Business Partners with whom the ADLER ORTHO Group works, including joint ventures, associations or temporary groupings of companies, consortia, etc.) are obliged to comply with the **Code of Ethics** established by ADLER ORTHO at Group level. The commitment to comply with the anti-corruption laws and the reference principles contained in this Policy by the aforementioned third parties must be provided for by specific contractual clauses and be subject to acceptance by the third contracting party.

The application of this Policy must always be accompanied by scrupulous compliance with the regulations in force in every single Country in which the activity is carried out.

Specific personnel training plans must be provided for the anti-corruption measures adopted by the companies belonging to the ADLER ORTHO Group.

4. DEFINITIONS

ADLER ORTHO Group

Adler Ortho S.p.A. and all subsidiaries, directly or indirectly, through:

- the majority of votes that can be exercised in the ordinary Shareholders' Meeting;
- a sufficient number of votes to exercise a dominant influence in the ordinary Shareholders' Meeting;
- a dominant influence by virtue of particular contractual ties with them.

The ADLER ORTHO Group is currently structured in:

- Company that carries out the research, development, production and sale of medical devices for orthopedics, in particular of surgical prostheses for the hip and knee,

bone reconstruction systems and surgical instruments (Parent Company Adler Ortho S.p.A.);

- Company that carries out research in the biomedical field and processing account services for sterilization and packaging;
- Companies that carry out distribution activities for ADLER ORTHO products;

Sensitive activities

Activities of the ADLER ORTHO Group at risk of crime.

Extortion

Pursuant to art. 317 of the Criminal Code, the conduct of a Public Official who, by abusing his quality or his powers, forces someone to give or unduly promise money or other benefits to him or to a third party.

Corruption

Active: any conduct aimed at offering, promising, giving, paying, authorizing someone to give or pay, directly or indirectly, an undue economic advantage or other benefit to a public official or a private individual.

Passive: any conduct aimed at requesting, agreeing or accepting undue advantages in money or otherwise on the part of public officials or private individuals.

Anti-corruption laws

The Italian Criminal Code, Law 6 November 2012 n. 190, the Legislative Decree. 231/2001 and other provisions (including international law) where applicable, including the US FCPA, the UK Bribery Act, international treaties and anti-corruption laws in force in every single country.

Business partner

A third party that has business relationships with one of the Group companies (including joint ventures, company shareholdings, collaborations, etc.), with which operational or commercial agreements are entered into, or who has a Relevant Contact in the performance of its assignment for account of the ADLER ORTHO Group.

Relevant contact

Any direct or indirect contact relating to:

- relations with Public Officials, bodies or functions belonging to the legislative, executive, administrative or judicial power;
- investigations, inspections, permits, registrations of the public administration;
- contracts with a public administration or any activity that involves an administrative body or a company owned or controlled by a public administration;
- negotiations, agreements or meetings with administrative bodies or international public organizations.

Consultant

Any natural person or independent company working on behalf of ADLER ORTHO and/or a Group company for the purpose of providing a specialist opinion or professional services of an intellectual nature, used by ADLER ORTHO and/or a Group company to support management decisions.

Development contract

Any contract stipulated between a Group company and a Healthcare Operator, concerning the granting of a license to use a patent, know-how or other intellectual property right by the Healthcare Operator to the Company, in order to be able to exploit it commercially in the scope of production, marketing and distribution of the product covered by the contract.

Facilitation Payment

Unofficial payments made in favor of a Public Official, in order to speed up, facilitate or ensure the performance of a routine activity or activity provided for as part of their duties by Public Officials.

Family members

Spouse, parents, brothers and sisters, sons and daughters, and their spouses or cohabitants, of the Public Official, the Public Service Officer or a private person.

Supplier

Anyone, be it a natural or legal person, provides a product or service to Group Companies.

Healthcare Operator

Any natural person who carries out his activity in the medical sector, including but not limited to, the General and Health Directors of the ATS [*Healthy Protection Agency*]/AO [*Hospital*], the medical, technical and administrative staff of public and private health facilities and any other person who in the field of professional activity can prescribe, dispense, purchase or administer a medicinal product and in any case any person considered a health professional according to the legislation of Italy and/or of a country in which ADLER ORTHO operates directly or indirectly.

Supervisory body

The Supervisory Body, as defined in the Organization, Management and Control Model of ADLER ORTHO S.p.A. and the subsidiary NOVAGENIT S.r.l. pursuant to Legislative Decree 231/2001, in charge of supervising the Group's activities and committed to preventing and sanctioning any corruptive conduct carried out by Group personnel.

Group staff

Directors, executives, members of corporate bodies, management, employees and collaborators of the Group companies.

Public official

- a. Anyone who exercises a public legislative, judicial or administrative function, with powers of a certification, authorization and/or decision-making nature;
- b. anyone acting in an official capacity in the interest or on behalf of (i) a national, regional or local Public Administration; (ii) an agency, office or body of the European Union or of a Public Administration; (iii) a company owned, controlled or invested in by a Public Administration; (iv) an international public organization or (v) a political party or one of its representatives;
- c. the persons in charge of the Public Service, where by public service we mean an activity regulated in the same forms as the public function, but characterized by the lack of the powers typical of the latter and with the exclusion of the performance of simple tasks of order and the provision of work merely material.

Group company

An ADLER ORTHO Group Company.

5. REFERENCE REGULATIONS

Violation of anti-corruption laws can cause serious harm to company operations. Legal persons may incur financial penalties (in some cases of unlimited amount), natural persons may be sentenced to prison terms or the company may be subjected to other types of sanctions, such as disqualification from contracts with public bodies, the confiscation of profit of the crime or claims for damages.

Violation of anti-corruption laws can also seriously damage the reputation of the ADLER ORTHO Group. In light of the above, the application of internal disciplinary measures is envisaged, detailed in the Organization, Management and Control Models of Adler Ortho S.p.A. and other Group companies.

Group Personnel, in carrying out their activities, are therefore required to comply with the internal regulations indicated below:

- the **Code of Ethics** which includes the fundamental values and principles that guide the activity of the ADLER ORTHO Group;
- the **Organization, Management and Control Models** adopted by Adler Ortho S.p.A. and by Novagenit S.r.l., pursuant to Legislative Decree. 231/2001;
- the **Delegations and Organizational Provisions**, and the related manuals, procedures, instructions and Policies adopted by Adler Ortho S.p.A. and by other Group companies.

The ADLER ORTHO Group must also comply with the following applicable laws:

- the **Italian Penal Code** and related laws;
- the **Legislative Decree of 8 June 2001, n. 231** and subsequent amendments;
- the **D.P.R. April 16, 2013, n. 62** containing the Code of Conduct for public employees and which extends, as far as compatible, the obligations of conduct provided for by the aforementioned code to all collaborators or consultants, with any type of contract or assignment and for any reason, as well as towards collaborators at any title of companies supplying goods or services and carrying out works in favor of the Administration;
- the national regulations in the states where the Group companies are present, which prohibit bribery of Public Officials and bribery between private individuals, such as:
 - **UK Bribery Act** of 2010 and subsequent amendments and additions;
 - **Loi Sapin II** of 2016 and subsequent amendments and additions;
 - **Belgian Sunshine Act** of 26/09/2017 and subsequent amendments and additions;
 - Chapter XXV of the Japanese Criminal Code and **Unfair Competition Prevention Act**;
 - **USA Foreign Corrupt Practices Act (FCPA)** of 1977 and subsequent amendments and additions.

The following international guidelines and regulations also contribute to constituting the anti-corruption system of the ADLER ORTHO Group:

- **UN Global Compact²** which, with specific reference to the fight against corruption (tenth principle), requires companies to adopt specific measures:
 1. **internal**, such as anti-corruption policies, procedures and programs within your organization and for all company activities;
 2. **external**, through the sharing of experiences, cases analyzed and "best practices", with other competitors³ and through communications⁴, which periodically report the progress achieved;
 3. **collective**, sharing information and joining efforts with other sectors of industry and with Stakeholders.
- **OECD Convention⁵** of 17 December 1997 on the fight against corruption of foreign public officials in international business transactions;
- **OECD Guidelines on Multinational Companies⁶**, 2011, which with specific reference to corruption phenomena recommend companies not to follow, directly or indirectly, any conduct aimed at offering, promising, granting or requesting payments or other undue benefits to obtain or maintain a certain position market or other undue advantage;
- **IFIA Compliance Code⁷** which requires its members to adhere to ethical principles of a general nature such as integrity, impartiality, confidentiality, commercial fairness and the fight against corruption.

In summary, these Guidelines take into account the reference standards shown in the following table:

Reference standard	Field of application	Body	Group company to which it applies

UN Convention against Corruption (UNCAC)	Mandatory for Member States that have ratified the convention	United Nations	<Company> Group
UN Global Compact-10th Principle	Voluntary	United Nations	<Company> Group
OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions	Mandatory for Member States that have ratified the convention	Organization for Cooperation e Economic Development	<Company> Group
OECD Guidelines For Multinational Enterprises	Voluntary	Organization for the Cooperation and Economic Development	<Company> Group
Council of Europe Convention against Corruption	Mandatory for European Member States	European Union	<Company> Group
IFIA Compliance Code and Guidelines for Implementation	Mandatory for IFIA Members	International Federation of Inspection Agencies	<company> and Group companies that provide "Testing, Inspection and Certification " (ICT), including <company> and its Subsidiaries

² www.unglobalcompact.org

³ Such as the exchange of information that takes place within the "Legal and Compliance Committee" of IFIA "International Federation of Inspection Agencies" of which <company> is a member.

⁴ Such as those provided for by the "Communication on Progress (COP)" protocol that is required to be followed by companies that voluntarily adopt the tenth principle of the UN Global Compact, ref. "Practical Guide to Communication on Progress" published by UN Global/Compact (www.unglobalcompact.org).

⁵ Organization for Economic Cooperation and Development, to which 34 Member States have joined, including Italy, and has 5 Key Partners that are not among the Member States (Brazil, China, India, Indonesia and South Africa).

⁶ *OECD Guidelines for Multinational Enterprises* (2011) www.oecd.org/corporate/mne/

⁷ International Federation of Inspection Agencies "*Compliance Code*" (3rd ed.) and "*Compliance Code Guidelines on Implementation*" (5th ed.). The list in the table takes into consideration the most relevant regulatory documents for the purposes of the activities carried out within the "Adler Ortho" Group. **This is not an exhaustive list**, other documents or regulatory requirements must be taken into consideration by the companies/functions of the Group, according to their specific activities and the countries in which they operate.

6. GENERAL PRINCIPLES

The general principles that must be observed to ensure an adequate internal control and risk management system associated with corruption offenses include the following:

Compliance with the Code of Ethics

All activities must be carried out in compliance with the behavioral principles set out in the **Code of Ethics** of Adler Ortho S.p.A. applied by all Group companies, which prohibits corruption without exception.

Segregation of duties

The performance of all company activities must be based on the principle of separation of functions, for which the authorization of an operation must be the responsibility of a person other than the one who operationally carries out or controls such operation.

Attribution of powers

Authorization and signature powers must be: i) consistent with the organizational and management responsibilities assigned; ii) clearly defined and known within the Company. The corporate roles to which the power to engage the Company in certain transactions must be defined, specifying the limits and nature of the same. The attribution of powers for a specific type of act must comply with the specific requirements that may be required by law for the performance of that act.

Transparency and traceability of processes

Each activity must be verifiable, adequately documented and properly archived.

Adequacy of internal rules

The set of company rules must be consistent with the operations carried out and the level of organizational complexity such as to guarantee the controls necessary to prevent the commission of corruption offenses.

Staff training

Specific personnel training plans must be provided for the anti-corruption measures adopted by the ADLER ORTHO Group.

7. DUTIES AND OBLIGATIONS

Adler Ortho prohibits bribery without exception.

Therefore the Company, in particular, **prohibits**

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- ✓ to **offer, promise, give, pay**, authorize someone to give or pay, directly or indirectly, an economic advantage or other benefit to a Public Official, Public Service Officer or a private individual ("active corruption"); or
 - ✓ to **accept** the request from, or solicitations from, or authorize someone to accept or solicit, directly or indirectly, an economic advantage or other benefit from a Public Official, a Public Service Officer or a private individual ("passive corruption");

when the intention is that

- ✓ to **induce** a Public Official, a Public Service Officer or a private individual to improperly perform any function of a public nature or any activity associated with a business activity of a Group company, or reward him for having performed it;
- ✓ to **influence** an official act (or omission) by a Public Official or a Public Service Officer or any decision in violation of an official duty;
- ✓ to **obtain, secure or maintain** a business or an unfair advantage in relation to the activities of a Group company; or
- ✓ in any case, to **violate** applicable laws.

Prohibited conducts include the offer to, or receipt by Group People ("direct corruption") or by anyone acting on behalf of the company ("indirect corruption"), of an economic advantage or other benefit in relation to business activities. In this latter regard ("indirect corruption"), the Members of the Group must not bribe and must not use Business Partners to commit acts of corruption.

Corruption can take a variety of forms. In fact, even common business practices or social activities - such as gifts, hospitality or sponsorships - can, in some circumstances, represent acts of corruption. For this reason, the aforementioned prohibition is not limited to payments in cash and by way of example may include, if they are made for corrupt purposes, also the following benefits:

- ✓ gifts;
- ✓ costs of attention to third parties, meals and transport (outside the normal acts of courtesy);
- ✓ contributions also in kind, such as sponsorships;
- ✓ offer of commercial activities, jobs or investment opportunities;
- ✓ granting of discounts or personal credits;
- ✓ Facilitation Payment;
- ✓ assistance or support for family members, e
- ✓ other advantages or other utilities.

In general, anti-corruption laws prohibit payments made either directly or indirectly - including payments made to anyone with the knowledge that that payment will be shared with a Public Official or with a private individual - as well as offers or promises of a payment or other benefit for purposes of corruption to Public Officials or private individuals.

A Group Company and its Directors may be held responsible for offers or payments made on behalf of the Company in connection with the business if they know or reasonably should have known that such offer or payment is being made improperly.

Anti-corruption laws require companies to equip themselves and keep books, records and accounting records that, with reasonable detail, accurately and correctly reflect the operations, expenses (even if not "significant" from an accounting point of view), acquisitions and disposals of assets. Even inaccuracies in reporting non-corrupt payments are violations. False or incorrect registrations can result in tax and other legal liabilities.

All Group personnel are expressly obliged to:

- to behave correctly and transparently, in compliance with the law and internal company procedures/provisions, in particular when carrying out activities that involve the Public Administration or third parties;
- provide its collaborators with directives on the methods of conduct to be adopted in formal and informal contacts with public entities and third parties, transferring knowledge of the rules and awareness of situations at risk of crime.

It is strictly forbidden for all Personnel and all persons acting in the name and on behalf of a Group Company to:

- carry out actions or behaviors that can, even if only, be interpreted as practices of corruption and illegitimate favors, or that can bring privilege for oneself and/or others, for example during the phases of:
 - ✓ management of offers and contracts in which the counterpart is the Public Administration, on the occasion of private negotiations with the Public Administration or in the case of participation in tenders of any kind organized by the Public Administration;
 - ✓ obtaining authorizations and acknowledgments from Authorities; or
 - ✓ granting of a subsidized loan to the Company.
- accept promises, money or other advantages that are not due to perform or omit an act relating to the exercise of one's duties, for example when carrying out certification activities in regulated areas, carried out on delegation or authorization of the competent state authority ;
- carry out actions or behave that can, even if only, be interpreted as an abuse of one's position in order to force people to procure money, favors or other benefits for themselves or others, for example during:
 - ✓ carrying out its technical activity in the verification phase of drawings or projects;

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- ✓ carrying out the inspection or auditor activity;
 - ✓ carrying out one's own activity which in any case involves an opinion that could influence the Public Administration.
 - to ensure favors of any kind to persons appointed to carry out a public service, including through third parties, such as to influence the free development of their business;
 - carry out arbitrary entertainment expenses that go beyond the objectives of the Company;
 - admit, for external collaborators, fees that are not related to the type of assignment they perform on a contractual basis;
 - make donations of money to public officials;
 - offer gifts or free services outside the provisions of company practice. In particular, any gift, donation or free service that may appear to be connected with the employment relationship with the ADLER ORTHO Group or aimed at influencing the independence of judgment or inducing to ensure any advantage for the companies of the Group. Any gifts allowed must always be of low value and must be managed according to procedure;
 - granting advantages of any kind, such as promises of employment, in favor of representatives of the Public Administration or their relatives;
 - perform services and pay compensation in favor of subjects that are not adequately justified in the context of the contractual relationship established with them;
 - make payments for the purpose of speeding up, encouraging or ensuring the carrying out of a routine activity or in any case envisaged as part of the duties of the public entities with which the Group companies deal.

The above-described obligations and prohibitions also constitute a reference for corrupt conduct aimed at private individuals. In particular, in addition to the prohibitions listed above, it is absolutely forbidden to:

- give or promise money or other benefits to representatives, employees or collaborators of another company so that they choose Adler Ortho S.p.A. or Group company as its supplier;
- receive, demand, pay and offer, directly or indirectly, compensation of any nature, gifts, economic advantages or other benefits from or to a private person, except as provided below.

8. SENSITIVE ACTIVITIES

The risk management system of the ADLER ORTHO Group is based on prevention and control principles such as to determine, in particular for the following sensitive activities, the measures necessary to mitigate the risk of corruption.

8.1. *Gifts and entertainment expenses*

Any form of donation such as gifts, payments or other benefits can be made or received if they fall within the context of acts of normal commercial courtesy and are such as not to compromise the integrity and/or reputation of one of the parties and such that they cannot be interpreted by an impartial observer as aimed at creating an obligation of gratitude or acquiring advantages improperly.

Any gift, advantage or benefit, made or received, must have the following characteristics:

- must not consist of a cash payment;
- must be carried out in relation to legitimate business purposes and in good faith;
- must not be motivated by the desire to exercise illicit influence or by the expectation of reciprocity;
- must comply with applicable local laws and regulations.

If required by commercial practices, the purchase of goods or services to be offered as a gift to third parties is only admissible if all the following conditions are met:

- it is carried out with the aim of improving or promoting the Group's image and maintaining commercial and/or institutional relations, reasonably in good faith;
- does not exceed the unit cost of Euro 100.00 (or equivalent sum) for each gift that cannot be repeated more than 2 times during the year;
- is carried out by formally delegated subjects, within the authorized spending limits, within a predefined budget and following the normal procedure envisaged for the purchase of goods or services;
- is adequately documented and a track is kept of the recipients (name and surname, company/institution to which they belong) and the reason for the expenditure

In the event that Group Personnel receive gifts of a value greater than Euro 100.00 (or equivalent sum) in a single solution, they are required to report it to their superior and to the Supervisory Body, indicating the name of the bidder, the relationship with it (supplier, consultant, etc.), the company/body to which it belongs, a description of "what" was received and the presumed value. The statements must be recorded accurately and transparently in a specific register. This register must be kept at the level of the individual Company.

The expenses incurred for gifts and entertainment must be represented truthfully and correctly in the accounting system of the company that incurred them and the applicable tax regulations must be respected.

The incurring of expenses for business lunches/dinners, as well as for hospitality is admissible only under the following conditions:

- they are carried out within a budget and authorized on the basis of the powers defined internally;
- are adequately documented and the name, company/organization of the recipients is kept.

Any gift, hospitality or other benefit for a family member or a person indicated by a Business Partner, or by a Public Official, or by a private individual that has been proposed at the request of a Partner, or Public Official, or in relation to the beneficiary relationship with a Partner or Public Official, must be treated as a utility provided to that Partner or Public Official and is therefore subject to the above limitations.

In any case, any form of donation from and to third parties (public or private) that could influence the independence of judgment of the recipient or induce him to ensure any undue advantage is prohibited.

8.2. Political contributions

Political contributions can constitute a bribery offense as they are misused as a means of bribery to maintain or obtain a business advantage, such as winning a contract, obtaining a permit or license, etc.

Due to these risks, this Policy does not allow any direct or indirect contribution in any form to political parties, movements, committees, political and trade union organizations, or to their representatives and candidates, except for those considered mandatory by applicable laws and regulations.

8.3. Charitable contributions and donations

Forms of donations, such as charitable contributions and donations, are aimed at carrying out Corporate Social Responsibility initiatives linked to the business and strategies of the ADLER ORTHO Group, and capable of improving its image.

Donations to charities, entities and administrative bodies present the risk that funds or assets of value will be diverted for the personal use or benefit of a public official or private individual. Even if a public official or private individual does not receive a direct economic advantage, a legitimate charitable contribution, made in exchange for obtaining or maintaining a business or to secure an illegal advantage, can be considered an illegal payment based on to anti-corruption laws.

Therefore, these forms of donations are allowed only when all the following conditions are met:

- they are among the Corporate Social Responsibility initiatives, for which a budget and the authorization of the Top Management must be established annually;
- they are carried out by formally delegated subjects, within the authorized spending limits and in line with an approved program;

- they are made only in favor of entities not recently established, well known, reliable and with an excellent reputation for honesty and fair business practices;
- the beneficiary institution must demonstrate that it has all the certifications and that it has satisfied all the requirements to operate in compliance with applicable laws;
- contributions must be adequately documented, truthfully and transparently in the company's books and records, and the recipients must be kept track of;
- in line with the legislative and internal provisions of the Group, payments to the beneficiary entity must be made exclusively to the account registered in the name of the beneficiary entity; it is not allowed to make payments to numbered or cash accounts, to a person other than the beneficiary entity or in a third country other than the country of the beneficiary entity;
- the beneficiary institution must undertake to record the contributions received in its books and registers in an appropriate and transparent manner.

8.4. Relations with Healthcare Professionals

The interaction between the companies of the Group and the Healthcare Professionals is a fundamental aspect to achieve the goal of making reliable, innovative and safe technologies and related services available to a large number of patients.

The development of medical devices and innovative technologies and the improvement of existing products require the collaboration of Healthcare Professionals. Innovation and creativity are essential for the development and evolution of medical technologies and/or related services.

A safe and effective use of medical technologies and related services entails the need to offer Healthcare Professionals adequate instruction, education, training, services and technical support.

Support for research and training is aimed at strengthening the clinical skills of Healthcare Professionals and thus contributes to patient safety, increasing the possibilities of access to new technologies and/or related services.

In any interaction of this kind, all Group companies must comply with the obligations established for Healthcare Professionals, in order to make impartial decisions regarding medical treatment and safeguard the circumstances in which such interaction occurs, in order to guarantee integrity of the relationship thus established.

For this purpose, the following ten general principles must always be respected, in any case of interaction with Healthcare Professionals:

1. all interactions must take place in compliance with the principle of transparency and with national and local laws, regulations or professional codes of conduct;
2. Interaction with Healthcare Professionals must not be abused to influence purchasing decisions by offering undue or improper advantages; this interaction, therefore, must

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- not be linked to the facilitation of sales, use or recommendation of the Company's or Group's products;
3. All materials and information shared with Healthcare Professionals must be accurate, balanced, fair, objective, complete, not misleading and supported by appropriate evidence;
 4. It is not permitted to provide, offer or promise anything of value to improperly influence a decision relating to the activity of the Company or the Group, including any decision relating to the purchase or supply of products. Anything of value must be given without expectation of reciprocity, explicit or implicit obligation, favor or action in return;
 5. It is always necessary to evaluate and resolve any potential conflict of interest that emerges in interactions with Healthcare Professionals. By conflict of interest we mean a situation that could affect, influence or otherwise compromise the independence or impartiality of a person's behavior, conduct or decision;
 6. interactions with Healthcare Professionals must always be due to a real, genuine and legitimate business need;
 7. Any item or service of value provided to Healthcare Professionals must be appropriate to the circumstances of the case, must have a reasonable value in relation to local market conditions and must be infrequent, taking into account all other benefits (for example, contributions to services and hospitality) cumulatively provided. The assessment of the frequency of benefits must be made on a case-by-case basis. To determine the frequency of benefits, it needs to be assessed whether the additional benefit (combined with all previously provided benefits, usually within a 12-month period) may undermine the independence and/or improperly influence the decision-making process of the recipient to the benefit of the Company or the Group. Any contribution for the services provided must not exceed their market value;
 8. any object or service of value must be attributed in an open and transparent way and must be accurately recorded in the accounting books and records. It must also be provided in such a way as not to cause negative impacts on the reputation of the Company or the Group should the news be disclosed;
 9. all payments to Healthcare Professionals must be publicly disclosed where required by applicable law;
 10. Interactions with Healthcare Professionals must be governed by a written agreement that defines, among other things, the purpose of the interaction, the services to be provided, the method of reimbursement of expenses and the compensation to be paid.

Consultancy activities, development contracts and sponsorships regarding Healthcare Professionals are subject to annual budgets and planning, approved by the Board of Directors and sent to the Supervisory Body. The assumption of commitments, the payment of fees and expenses or the stipulation of contracts relating to consultancy, development contracts or

sponsorships regarding Healthcare Professionals, outside the budget and/or the provisions of the approved annual planning, is allowed only if concerning a company need that arose during the year, following the approval of the annual planning, and in any case: (i) it must be previously authorized by the Managing Directors and (ii) it is promptly transmitted to the Supervisory Body.

8.5. *Event sponsorships*

Event sponsorship activities (or similar) aim to promote the image of the ADLER ORTHO Group and can be carried out in compliance with the following principles:

- all sponsorship activities must be carried out within an authorized budget based on the powers defined internally;
- Partners in sponsorship agreements must only be well known and trusted entities or individuals; in the case of companies, they must demonstrate that they have all the certifications and that they have met all the requirements to operate in compliance with applicable laws;
- sponsorships must be formalized in specific contracts, which must include, among other things, the beneficiary's commitment to comply with the Code of Ethics, this Policy and the anti-corruption regulations in force and the possibility of terminating the contract in case of violation of the same;
- the counterparty's commitment to use the amount paid by the Group Company exclusively as consideration for the performance of the counterparty is present in the sponsorship agreements and that these sums will never be transmitted to a Public Official or a private individual for corrupting;
- the sums of a sponsorship must not be transferred, directly or indirectly, to members of the corporate bodies, directors or employees of other Group companies;
- payments must be made exclusively as indicated in the sponsorship agreement;
- an *ex-post* evaluation must be made of the results of each initiative in order to verify that payments have been made exclusively as indicated in the sponsorship contract and that the service has actually been provided;
- expenses incurred for sponsorship activities must be represented truthfully and correctly in the accounting system of the Company that incurred them.

Activities relating to events and congresses can raise corruption issues.

In particular, these activities cannot be used for corruptive intentions in order to maintain or obtain a commercial advantage (by way of example and not limited to, awarding of contracts, obtaining permits or licenses, approval of legal reforms from which advantages may derive for their business). The subject of this section is all the activities aimed, directly or indirectly, at involving a Healthcare Professional in conferences, congresses and meetings on scientific topics at the expense of a Group

company. Events managed and organized directly by Group companies are also understood to be included.

The sponsorship activities of such events are also included in this Section, with the specification that it is allowed to have relations for this type of sponsorship only with accredited organizing bodies and it is therefore forbidden to promise or grant this type of sponsorship to individual Healthcare Professionals. The Company must also remain extraneous to any discussion with Healthcare Professionals who participate in the events as speakers or teachers both with regard to the contents of the events and with regard to the remuneration for such speakers or teachers, since such matters must be discussed and decided exclusively by the organizer of the event.

With reference to the aforementioned activities, the following prevention and control measures must be observed:

- guarantee that the business is not in any way be managed as a tool to promote the sale of Adler Ortho products nor, much less, as a direct or indirect means of paying compensation to health professionals or public employees;
- verifies that any travel and hospitality expenses are reimbursed only if proportionate, reasonable and documented;
- verify that any social, sports or leisure activities related to the event do not interfere and do not prevail over the training aspect of the event;
- verify that the place and venue of the event are not perceived as holiday or entertainment venues and that the period of stay does not exceed the duration of the event;
- verifies that the event program is consistent with the specialty in which the beneficiary Healthcare Professional operates;
- communication of participation in the event to the facility where the Healthcare Professional carries out his/her activity (e.g., Health Management), if required;
- allocation and approval of the annual budget dedicated to the sponsorship of events and the participation of Healthcare Professionals in events at the Company's expense;
- verification of the consistency of the sponsorship request with the scheduled event by a CEO and/or the Chief Financial Officer (verifying, for example, the origin of the request and the appropriateness of the share in relation to the importance of the event);
- approval of the sponsorship expenditure by the Managing Directors;
- carrying out sponsorship activities only in accordance with the approved budget and annual planning;
- destination of sponsorships only to well-known and reliable organizers;
- disbursement of the sponsorship only after drafting and signing the relative contract with the counterparty;
- prohibition of sponsorship in any way linked to product marketing results;
- guarantee that payments are made exclusively to the principal and verified subject;

- guarantee that payments are made exclusively as indicated in the sponsorship contract, subject to verification that any consideration has been made;
- recording of the amount paid in accordance with the sponsorship agreement in the books and accounting records in a correct and transparent manner;
- collection and filing of documentation certifying the effective execution of the activities;

In any case, sponsorships of clubs, associations, organizations, etc. are prohibited. attributable to a specific public body and/or customer.

8.6. Consulting activity

It is allowed to benefit from the collaboration of a Healthcare Professional in the capacity of Consultant for services relating to the development of new products or the improvement of existing ones; clinical follow-up of patients and presentation of clinical results; as well as the training activities of doctors and room staff required to use the products developed by the Company.

This collaboration must be carried out in full compliance with the criteria and measures set out in the previous paragraph and in this section.

The assignment of consultancy tasks to the Healthcare Professional must also take place in compliance with the procedures, authorizations and controls adopted by the Company and provided for by the applicable legislation for entrusting consultancy to third parties, as well as professional codes of conduct.

The agreement by which the consulting engagement is conferred must in no way be subordinated to the purchase, recommendation, prescription, use, supply or procurement, past, present or future, of the Company's or Group's products or services by the Healthcare Professional.

The CEOs and the Chief Financial Officer determine in advance the portion of the Company's annual budget reserved for consultancy activities for Healthcare Professionals, and the related annual planning, to be submitted for approval by the Board of Directors.

The CEOs, together with the Research and Development Managers and/or the Marketing Manager, also identify the types of services to be assigned to the Healthcare Operator, with the appropriate requirements of professionalism and competence, paying particular attention to avoiding cases of conflict of interest defined by the deontological rules of the medical profession and by the ethical principles of the Company.

With reference to consultancy activities, the Company also adopts the following prevention and control measures:

1. attribution of the powers of proposal and stipulation of the contract with the potential Consultant to the CEOs;
2. attribution of the power to manage the contractual relationship to the Research Manager and/or the Development Manager and/or the Marketing Manager, assisted by the CEOs;

3. assignment of the assignment only in the face of a real need for these services, to be identified in advance;
4. verifies that the number of consultations activated does not exceed the number of consultations reasonably necessary to meet the identified needs;
5. verifies that the Consultant has the knowledge and experience necessary to perform the assigned task;
6. drafting in writing of the consultancy contract, which must specify which compensation and reimbursement of expenses can be claimed by the individual in relation to the provision of services;
7. verifies that the selection of the Consultant is proportionate and appropriate with respect to the value of all the benefits (including payments for services rendered) that the Consultant has already received from a Group company in the same calendar year;
8. verifies that the consideration paid under the contract is reasonable and adequate for the service requested, corresponds to the provisions of the stipulated contract and is recorded correctly and transparently in the accounting books and records;
9. verify that payments comply with applicable tax and legal requirements;
10. selection of the Consultant among subjects who declare that they do not perform (or have not performed in the previous three years) the role of Public Official or Public Service Officer exercising authoritative or negotiating powers on behalf of Public Administrations towards the interested Group company;
11. collection and verification of adequate evidence regarding the necessary opinions, clearances or authorizations of the healthcare facility to which they belong for the performance of non-employment activities by doctors;
12. elaboration of a written assignment proposal, which sets out the reasons, the object, the duration, the area/country in which the activity covered by the contract should take place and the justifications regarding the adequacy of the remuneration with respect to the services that the Consultant must provide;
13. guarantee that payments are made exclusively on condition that the service has been rendered and/or the conditions set out in the contract relating to payment of the consideration or reimbursement of expenses have been met;
14. guarantee that payments are made by bank transfer to the account opened in the country where the Consultant practices his profession, unless otherwise stipulated in the contract and duly motivated;
15. when required by applicable law, communication of the report to the facility where the Healthcare Professional carries out his/her business;
16. preparation of an adequate verification note specifying compliance with the previous points of the Consultant's selection and engagement process, as per the checklist in **Annex 1**;
17. transmission of the documentation note to the Supervisory Body;
18. monitoring the regular performance of the consultancy relationship;

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19. archiving of all documentation relating to the consultancy and conservation assignment for an appropriate period of time.

8.7. Development Agreements and Payment of Royalties

As regards the development of new products, the Company may make use of Healthcare Professionals, as well as through consultancy agreements, through the stipulation of know-how license agreements and the payment of royalties.

Healthcare professionals can in fact make valuable contributions, which improve medical products or technologies, through the development of patents, know-how or other materials subject to intellectual property rights. This may also take place under a product or technology development contract or know-how license.

A Development Agreement can be stipulated between a Group company and a Healthcare professional only if the Healthcare Professional has already made or can foresee making an innovative and significant contribution, for example, to the development of a product, a technology, a process or method, such that the Healthcare professional can be considered the sole owner or co-owner of a patent, know-how or other intellectual property right pursuant to applicable legislation. With reference to the stipulation of Development Contracts, the following requirements must be observed:

1. attribution of the powers of proposal and stipulation of the contract with the potential Consultant to the CEOs;
2. attribution of the power to manage the contractual relationship to the Research Manager and/or the Development Manager and/or the Marketing Manager, assisted by the CEOs;
3. drafting the contract in writing;
4. verify that the consideration paid under the contract is reasonable and adequate for the requested service, corresponds to the provisions of the stipulated contract and is recorded correctly and transparently in the Company's books and records;
5. verify that payments are made by bank transfer to the account opened in the country where the Healthcare Professional exercises his/her profession, unless otherwise contracted and duly motivated;
6. verify that royalties paid for intellectual property rights are not subject to the condition that the Healthcare Professional purchases, orders or recommends any product, service or medical technology of a Group company, or any product or technology that is the result of the development project;
7. exclusion from the calculation of royalties the number of units purchased, prescribed, used or ordered directly by the Healthcare Professional or by the facility in which the same provides his/her professional activity;
8. selection of the Healthcare Professional among subjects who declare that they do not perform (or have not performed in the previous three years) the role of Public Official or Public

Service Officer exercising authoritative or negotiating powers on behalf of public administrations towards the Group company interested;

9. acquisition and verification of adequate evidence regarding the necessary opinions, clearances or authorizations of the healthcare facility to which they belong for the performance of non-employment activities carried out by doctors;
10. when required by applicable law, communication of the report to the facility where the Healthcare Professional carries out his/her professional activity;
11. preparation of a written proposal for a Development Agreement, which sets out the reasons, the purpose, the duration, and the justifications regarding the appropriateness of the remuneration with respect to the purpose of the Development Agreement;
12. check that payments are made exclusively on condition that the service has been rendered and/or the conditions set out in the contract relating to the payment of the consideration or reimbursement of expenses have been met;
13. preparation of an adequate verification note specifying compliance with the previous points of the Consultant selection process, as per the checklist referred to in **Annex 1**;
14. transmission of the documentation to the Supervisory Body;
15. monitoring of the regular performance of the Development Agreement;
16. archiving of all documentation relating to the Development Agreement and storage for a suitable period of time.

8.8. Accounting procedures

All Group companies must maintain detailed and complete accounting records of every business transaction.

All costs and charges, incomes and receipts, revenues, payments and expense commitments must be promptly entered in the financial information, in a complete and accurate manner and have adequate supporting documents, issued in accordance with all applicable laws and the related provisions of the internal control system.

In accordance with the above principles, all payments and transactions for the purchase and sale of goods and services must be accurately recorded in the relevant books and records of the Company, so that the books, records and accounting of the “Adler Ortho” accurately and correctly reflect such transactions in reasonable detail.

8.9. Management of financial resources

The management of financial resources must comply with the principles of transparency, verifiability, traceability and inherence to the business activity. Among other things, the following principles must be respected:

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- make payments within the limits of an authorized budget on the basis of the powers defined internally;
 - use only qualified operators who certify that they are equipped with manual and IT and/or telematic controls designed to prevent illegal corruption and money laundering phenomena;
 - implement adequate tools for planning income and expenses as well as periodic reports to verify the consistency between what was planned and what was finalized;
 - carry out and trace the checks on the counterparties to which the payments are directed to verify the full correspondence between the name of the supplier/customer and the header of the account on which to send/from which to accept the payment;
 - ensure that financial transactions are always authorized by persons with adequate powers to support each financial transaction with adequate supporting documentation;
 - ensure that the cash register (where present) maintains the defined stock level and provide for periodic checks (at least monthly) on the stocks themselves in order to make the movements that have taken place traceable and reconstructed.

It is also forbidden to:

- carry out transactions with unregistered counterparties or on the basis of incompletely detected information (e.g. in the absence of identification data);
- acquire incoming payments for which adequate supporting documentation is missing (e.g. absence of sales invoice);
- adopt payment methods that are anomalous with respect to the nature of the transactions or split payments in a manner different from what was contractually agreed;
- make payments in countries other than the one in which the supplier has established its legal/operational/commercial headquarters;
- make payments to third parties that are not adequately justified in the context of the contractual relationship established with them;
- use cash or other bearer financial instruments as well as current accounts or savings books anonymously or with a fictitious name;
- carry out the so-called facilitation payments ("informal" payments in favor of public entities to facilitate or speed up the approval of a specific transaction or commercial activity): it is not acceptable to use these types of payments in any circumstance.

8.10. Sales and purchases

The general principle governing the sales and purchase processes of goods and services is represented by the fact that they must be managed with loyalty, fairness and impartiality.

The sales management activity must be carried out according to the following principles:

- the offer must be defined in a congruous, transparent and correct manner and must be authorized by persons with power;

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- the process of preparing offers, determining the price and any discounts must be traceable and include a comparison between the price charged and the economic market values of the asset sold;
 - counterparties must be qualified in advance, according to company procedures. In particular, the possible presence of the counterpart in international anti-money laundering and terrorist financing blacklists must be verified.

With regard to purchases of goods or services, Group Companies are required to:

- use only qualified suppliers based on technical, economic, legal, health, safety and environmental criteria and included in a special register, updated periodically;
- use only consultants and professionals whose high requirements of professionalism, competence and organization have been verified;
- examine the international anti-money laundering and counter terrorist financing blacklists to verify the presence of suppliers;
- carry out an objective and documented selection activity which includes the request for an offer to at least three suppliers to ensure an objective comparison between them;
- motivate the use of a single supplier or direct assignment, deriving from any specific needs;
- ensure that contracts and purchase orders are always formalized and signed exclusively by persons with delegation or proxy;
- ensure the presence in such contracts/orders of safeguard clauses, in relation to the counterparty's commitment to respect the Code of Ethics, this Policy and the anti-corruption regulations in force, and the right to terminate the commercial relationship in case of violation, leaving to the ADLER ORTHO Group the right to exercise this right or not;
- ensure that the purchasing process is managed in compliance with the principle of segregation of roles, whenever possible;
- verify the correctness of the invoices received and their compliance with what was contractually agreed and with the service actually received;
- verify the adequacy of the consideration paid with respect to the service performed and to market conditions;
- verify that the performances provided by the suppliers comply with the contractual provisions.

It is also forbidden to:

- arbitrarily exclude potential suppliers who meet the required requirements from tenders or requests for offers;
- use suppliers who may be in conflict of interest with the purchasing company;
- make payments for the performance of a supplier in countries other than the one in which it has established its legal/operational/commercial headquarters.

8.11. Relations with specific counterparties

In addition to the above general principles, in carrying out specific activities characteristic of the Group's business and in relations with specific categories of counterparties involved in the aforementioned activities, it is required to observe the rules of conduct and implement the controls indicated in the summary sheets referred to Annex 2 of this Policy.

These rules of conduct and controls relate, in particular, to: (i) sale of products; (ii) relations with public authorities; (iii) sales force.

In carrying out the activities and relationships described in this annex, particular attention must be paid to certain facts or circumstances that constitute alarm signals in relation to the risk of corruption (so-called "red flags"). These red flags exist whenever a fact or circumstance suggests that the particular transaction, relationship or commitment involves a probable risk of corruption.

An exemplary and non-exhaustive catalog of possible red flags in the presence of which a risk of corruption may be considered is shown in Annex 3.

8.12. Staff

The recruitment activity must be carried out taking into account, among other things, the following principles:

- the need for a new hiring must be proven by specific plans or contingent needs authorized by subjects with power;
- candidates must be evaluated by separate persons and the results of the entire evaluation process must be adequately tracked;
- checks must be made on candidates' references including, during the selection phase, questions regarding any personal or economic relationships with representatives of the Institutions which must be assessed internally if present, any personal relationship with Public Officials, any civil or administrative sanctions or ongoing investigation that relate to the subject's unethical or illegal activities, consistent with and to the extent permitted by applicable laws, any criminal record or imputation of the subject;
- compliance with the laws of the country in which the recruitment takes place must be guaranteed (e.g. regarding mandatory recruitment, presence and validity of residence permits, etc.).

In relation to the staff, the following measures must be implemented:

- application of disciplinary sanctions;
- protection of anyone who reports, even anonymously, facts contrary to the laws or internal regulations of the Company;

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- obligation to declare any conflicts of interest arising in the performance of the professional activity;
 - definition of the methods and criteria for evaluating performance and staff incentives, with reference to higher-level positions, and verification of consistency of the assessments and provision of incentives made;
 - provision of written rules on reimbursement of expenses.

8.13. Business Partners

The commitment to compliance with the Laws and the reference principles of the **Code of Ethics** by third parties having contractual relationships with Adler Ortho S.p.A. and/or other Group companies must be provided for by specific contractual clauses and subject to acceptance by the third-party contractor.

In particular, contracts with Business Partners must include the Business Partner's commitment to:

- comply with anti-corruption laws, the Code of Ethics and this Policy;
- to maintain, in the execution of what has been agreed with the Group Company and for the entire duration of the contract, its management and control tools to ensure compliance with anti-corruption and money laundering laws;
- ensure, in the case of an intermediary, that the currency and the amount of the consideration are commensurate with the subject of the contract, the experience of the intermediary and the country where the service is performed;
- provide for prior authorization for any subcontract (such as sub-agents, representatives, consultants or similar figures);
- ensure that each subcontractor or sub-contractor, who performs services in reference to the contract, performs them exclusively on the basis of a written contract, which imposes on the subcontractor or sub-contractor equivalent conditions compared to those imposed on the Business Partner;
- promptly report any request or request relating to any undue payment or money or other benefits, in relation to the execution of the contract;
- allow Adler Ortho S.p.A. and/or the Group Company to carry out an internal audit, in the event that there is a reasonable suspicion that the Business Partner may have violated the provisions of the contract;
- provide for the right of Adler Ortho S.p.A. and/or the Group Company to terminate the contract, or to suspend the execution of the contract and to receive compensation for damages in the event of breach of contractual obligations, including declarations and guarantees of non-violation of anti-corruption laws.

8.14. Acquisitions and mergers

The ADLER ORTHO Group has adopted regulatory instruments that govern acquisitions and mergers with other companies.

In the case of acquisitions, mergers and joint ventures, it is mandatory to carry out an adequate preventive check of the potential partner with regard also to compliance with anti-corruption laws, in order to have a true and complete representation of the status of the same and to ascertain the commercial and professional reliability.

Upon the appearance of any risk factors (so-called "Red Flags"), external or internal legal consultants engaged in an acquisition must inform the Supervisory Body of Adler Ortho S.p.A. the existence of any new anti-corruption risk or the increase of a pre-existing risk, so that the related processes, regulatory instruments and models can be adequately reviewed in order to protect the ADLER ORTHO Group from the new risk.

A plan for compliance with this Policy must also be provided as an integral part of the post-acquisition integration plan.

9. TRAINING AND INFORMATION

The Group Personnel is informed and trained, at the time of hiring and through refresher courses, in order to understand the risks and responsibilities that the Personnel themselves, in addition to the Group Companies, could incur in the performance of their functions.

In particular, all Group Personnel are required to carry out an e-learning training program that provides the necessary knowledge of the applicable anti-corruption laws and regulations and instructions for managing sensitive activities.

New hires are given an information set that contains, among the information of primary importance, the Code of Ethics, the Model and/or Management, Organization and Control System applicable to the individual Company, and this Policy. New hires are required to issue a signed declaration stating that they have received the information set. Finally, the new employee is required to attend a training course.

The ***Code of Ethics*** and this ***Anti-Bribery and Corruption Policy*** are also brought to the attention of all those who have contractual relationships with the ADLER ORTHO Group and published on the Group's website.

10. SUPERVISORY BODIES

Within the ADLER ORTHO Group, the following bodies have control tasks regarding the application of this Policy:

Supervisory Body

The Supervisory Body is an entity endowed with autonomous powers of initiative and control which has the task of supervising the functioning and observance of the Organizational Model of Adler Ortho S.p.A. and Novagenit S.r.l.

The Supervisory Body of Adler Ortho S.p.A. it is the reference body of all Group companies in the field of anti-corruption legislation. To this end, the Supervisory Bodies of the subsidiaries must keep the Supervisory Body of Adler Ortho S.p.A. informed. regarding presumed or ascertained violations of the Code of Ethics and of this Policy, as well as all events that could represent a risk of violation of the anti-corruption laws.

Dedicated information channels have been set up to facilitate the flow of communication and information between the various Supervisory Bodies of the Adler Ortho Group

The Supervisory Body of Adler Ortho S.p.A. will periodically examine and independently assess the corporate control system in order to verify that all Group companies comply with the requirements of this Policy, where necessary by adopting the most appropriate corrective and/or sanctioning measures.

11. VIOLATION REPORTING SYSTEM

Any known or suspected violation of anti-corruption laws, including any direct or indirect request by a Public Official or a private individual for illegal payments, donations or any other benefit, must be reported immediately to your direct superior and to the Supervisory Body. Competent supervision, through specific dedicated channels as indicated in the Organizational Management and Control Model.

Adler Ortho S.p.A. and all Group companies promote responsible use of a similar reporting system, ensuring not only the anonymity of the reporting party, but also a timely evaluation and verification of the information received.

Adler Ortho S.p.A. and all the companies of the Group undertake to protect the reporting subject, guaranteeing protection from any oppressive or discriminatory behavior or which may in any case be an obstacle to one's working activity.

In the event of a breach of the contractual obligations assumed by a Business Partner, with a significant impact in terms of anti-corruption legislation, the Legal Department of the competent Company will promptly inform the Supervisory Body of Adler Ortho S.p.A. who will conduct appropriate checks.

The Supervisory Body of Adler Ortho S.p.A. will report annually to the Board of Directors and the Board of Statutory Auditors on the implementation of this Policy and any violation thereof by Group Personnel or a Business Partner.

If, following the verification activities carried out, the Supervisory Body of Adler Ortho S.p.A. should it identify significant critical issues, it will adopt the necessary corrective and/or sanctioning measures and any update of this Policy.

12. DISCIPLINARY AND CONTRACTUAL MEASURES

The ADLER ORTHO Group makes every effort to prevent any conduct that violates the Code of Ethics, the anti-corruption laws and this Policy, sanctioning any contrary conduct by the Group Personnel.

In the event of significant violations, the ADLER ORTHO Group will adopt adequate disciplinary measures in line with the provisions of the Organizational Model pursuant to Legislative Decree 231/2001 and the applicable national employment contract or name.

The ADLER ORTHO Group will also take appropriate measures, including, where appropriate, the termination of the contract and the request for damages against Suppliers and Business Partners whose actions are discovered in violation of the Anti-Corruption Laws, the Code of Ethics or this Policy.

13. CONTINUOUS MONITORING AND IMPROVEMENT

The Supervisory Body monitors the implementation and effective application of this Policy by the Company.

To this end, the corporate functions responsible for adopting anti-corruption measures periodically communicate the performance of the activities envisaged by this Policy.

The Supervisory Body meets periodically for

- ✓ monitor all existing relationships;

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- ✓ verify the correctness of the related contracts and the adequacy of the activities and of the compensation/reimbursement of expenses;
 - ✓ monitor the regular progress of relations;
 - ✓ verify that adequate evidence has been received regarding the opinions, clearances or authorizations of the health facility to which they belong, where necessary according to current legislation;
 - ✓ verify the regularity of the payments made by way of sponsorship.

The Supervisory Body recommends policy improvements in the event that gaps, or critical issues are identified.

In the event that a violation is identified, the Supervisory Body assesses whether any revisions of this Policy could help prevent the repetition of the violation and any disciplinary or contractual actions to be taken against anyone who has acted in violation of this Policy.

Annex 1

Checklist for the Consultant selection process

Check	Activity	Note
	Preliminary verification of the need to stipulate the contract and collection of the related material (i.e., resolutions, previous consulting contracts, other justifications for the need)	
	Verification of the consistency of the proposal with the approved budget and annual planning	
	Verification of the Consultant's qualification	
	Collection of the declaration of previous positions signed by the Consultant	
	Collection of opinions, clearances or authorizations of the health facility to which the Consultant belongs, necessary for the performance of extra employment activities	
	Written drafting of the proposal and contract, sufficiently detailed in relation to the subject, the reasons, as well as the appropriateness of the remuneration with respect to the performance	
	Communication of the relationship to the structure where the Consultant carries out his professional activity, where required by applicable regulations	
	Collection of documentation of the activity carried out by the Consultant in execution of the contract	
	Documentation on the criteria adopted for the determination of royalties	
	Filing of documentation	
	Transmission of the documentation to the Supervisory Body	

Annex 2

Rules of conduct and controls relating to specific activities and relations with specific counterparties

SUMMARY SHEETS

Sale of products

In terms of **product sales** (including sales abroad) and in particular relations with public hospitals, clinics and private hospitals, whether affiliated or not, and third-party distributors (in Italy and abroad), in addition to the general principles referred to in paragraph 8, the following rules of conduct must be observed.

GENERAL RULES AND CONTROLS

1. **prohibition to give or offer sums of money or other benefits** for any amount and for any reason in order to facilitate the sale of products;
2. clear **identification**, through a system of proxies and powers of attorney, of the subjects appointed to negotiate and stipulate contracts with the Public Administration, as well as of the subjects who may represent the Company before the Public Administration;
3. **compliance with the tasks, roles and responsibilities defined by the company organization chart** and by the authorization system in the negotiation and stipulation of contracts with the Public Administration;
4. **formal authorization**, in compliance with the proxies in place, to start the activities for the preparation of the offer proposal;
5. in the case of private negotiations, **formal authorization**, in compliance with existing proxies, of **any changes to the offer following the negotiation with the customer**;
6. **formal signing** of the contract, in compliance with the proxies and powers of attorney in place;
7. **obligation to trace and document every meeting with Public Officials or Public Service Officers** that is held in the context of the negotiation and stipulation of contracts with the Public Administration;
8. **filing of the documentation** produced in relation to the negotiation and stipulation of contracts with the Public Administration, also in order to guarantee the traceability of the process

RULES AND CONTROLS RELATING TO RELATIONS WITH PUBLIC HOSPITALS, CLINICS AND PRIVATE HOSPITALS

1. execution of all specific obligations, checks and controls provided for in the paragraph for relations with health professionals;
2. **monitoring** of product flows aimed at checking the relationship between **what is estimated** in the tender notice and **what is actually ordered by the relevant health facility** at the outcome of the tender;
3. **establishment of a register of assets** granted on consignment and loan for use to each health facility and the assets purchased by the same, such as to allow a timely check on the consistency between sales and turnover;

4. **correct description of the technical specifications** of the products and the **clinical benefits deriving from the use of the Company's products**;
5. **obligation of immediate communication to the top management of the receipt of information relating to the tenders**, such as the contents and/or the results of the tender procedures.

RULES AND CONTROLS RELATING TO THIRD PARTY DISTRIBUTORS

1. verification of the reliability of the subjects who are distributors and who intend to appoint as distributors;
2. selection of the distributor **among subjects who declare that they do not perform (or have not performed in the three previous years) the role of Public Official exercising authoritative or negotiating powers over the Company on behalf of Public Administrations**;
3. **drafting** of the distribution contract **in writing**;
4. verifies that **the fees** provided for in the contract are **reasonable and adequate for the services** requested,
5. verifies that **the payments** in favor of the distributor **correspond to the provisions of the stipulated contract** and are recorded correctly and transparently in the accounting books and records;
6. **contractual obligation** for the distributor **to comply with this Policy and the anti-corruption regulations**.

Relations with Public Authorities

With regard to **relations with Public Authorities**, and in particular the CE mark, device registration and participation in tenders to obtain public grants, the following rules of conduct, in addition to the general principles referred to in paragraph 8, must be observed.

GENERAL RULES

1. **prohibition to give or offer sums of money or other benefits** for any amount and for any reason to facilitate relations with public authorities;
2. **prohibition to make**, directly or indirectly (through a third party), **donations or promises of money or other benefits** of any kind to Public Officials or Public Service Officers, even if such services are requested and presented as "customary" or in any case conforming to an "accepted practice";
3. **prohibition to make**, directly or indirectly (through a third party), **donations or promises of money or other benefits** of any nature towards Public Officials or Public Service Officers, in order to speed up, facilitate or simply ensure the execution of a "routine activity or any other lawful and legitimate activity in the context of the duties of a public official (so-called "Facilitation Payment");

4. **prohibition to indulge any solicitation of Public Officials or Public Service Officers** to give or promise them money or other benefits;
5. **prohibition to be represented by a third party who is not adequately and formally authorized**, and in any case in the event that situations of conflict of interest may arise;
6. **prohibition to unduly interfere** for any reason **in relations with representatives of the Public Administration** entertained by the Company;
7. **ban on making promises of any kind and species** (employment, internship, etc.) **or granting advantages of any kind in favor of Public Officials and/or persons in charge of a Public Service** as well as for the benefit of other individuals or legal entities in any case related to their sphere of interest;
8. **prohibition of exerting pressure or solicitation** on representatives of the Public Administration in view of the performance of activities related to the office.

RULES RELATING TO THE CE MARK

1. **prohibition to provide, compile or deliver data or documents with inaccurate, incorrect, incomplete, missing and/or false contents**, in order to obtain the relative authorizations;
2. **prohibition of influencing** in any form and by any means **the freedom of determination of subjects who, in any capacity, are called to make statements before the Public Authority.**

RULES AND CONTROLS RELATING TO PARTICIPATION IN TENDERS FOR OBTAINING PUBLIC CONTRIBUTIONS

1. verification of the reliability of any consultants to whom it is intended to entrust the performance of activities relating to this specific area;
2. selection of these consultants **from individuals who declare that they do not perform (or have not performed in the three previous years) the role of Public Official exercising authoritative or negotiating powers towards the Company on behalf of Public Administrations;**
3. **formal approval** of the selection of consultants and the signing of the consultancy contract;
4. **drafting** of the consultancy contract **in writing;**
5. **prohibition to allocate sums received as grants, contributions or loans for purposes other than those** for which they were intended;
6. clear **identification**, through a system of proxies and powers of attorney, **of the persons appointed to represent the Company** towards the lender in the context of the management of public contributions;
7. definition of **roles, responsibilities, activities, operating procedures and controls** relating to **the management of public contributions;**
8. **traceability and evidence of relationships**, of any nature (contacts, meetings, etc.), held with the lender;
9. verification of the **completeness, accuracy and truthfulness of the documentation** relating to the various phases of request and management of contributions;
10. verification aimed at guaranteeing **the correct collection and accounting of contributions as well as their exclusive and total destination for the prescribed purposes.**

Sales Force

RULES AND PREVENTIVE CHECKS:

1. verification of the reliability of the subjects who are agents and who are intended to be appointed as agents;
2. verifies that the **consideration** provided for in the contract **is reasonable and adequate for the requested service**;
3. selection of agents from individuals who declare that they **do not perform (or have not performed in the previous three years) the role of Public Official exercising authoritative or negotiating powers over the Company on behalf of Public Administrations**;
4. stipulation of a **written contract** with the agent.

COMMITMENTS OF THE AGENT:

The following contractual commitments must be included in new contracts with agents or, for existing contracts, must be the subject of a specific supplementary declaration by the agent:

1. **obligation** to ensure that any **sum of money** due to the agent will be used solely as **consideration for his professional service** and that no part of that will be paid to a Public Official or private person or to one of his relatives for corruption purposes or to the counterparty with which the Company intends to conclude the deal;
2. **prohibition for the agent to transfer**, directly or indirectly, **the consideration to directors, managers, members of the corporate bodies or employees of the Company** or their relatives;
3. **obligation** of the agent to promptly **report any request or question relating to any undue payment** (of money or other benefits) received in relation to the execution of the contract;
4. **non-transferability** of the agency contract by the agent and **non-delegable nature** of the services;
5. provision of **rules on reimbursement of expenses** that provide for the reimbursement of only expenses authorized by the company and documented with the presentation of suitable supporting documents.

CHECKS ON THE AGENCY RELATIONS IN PROGRESS:

After starting a relationship with an agent and for the duration of the related contract, the following checks must be carried out:

1. preventive verification that the **payments of fees are made exclusively on condition that the service has been rendered**;
2. preventive verification of **payments of fees and reimbursement of expenses, aimed at ascertaining: (a) the consistency between the invoice issued by the agent** (to which the billing data is previously provided by the company), **the activities carried out and what has been contractually agreed; (b) that the invoice has been approved in compliance with the proxies in place; (c) that the payment amount is consistent with the invoice amount; (d)**

that the expense reimbursements are consistent with the relative rules established by the contract and with the supporting documents provided by the agent.

Annex 3

Red Flags

- ✓ use of non-traceable or inadequately documented payment instruments;
- ✓ relationships with consultants or suppliers who are not qualified or who do not have the experience, organization and resources necessary to perform the services for which they were hired;
- ✓ relations with a third party which is a newly incorporated company or with poor transparency of the shareholding structure or from which historical information cannot be found, or which has been involved in previous cases of corruption or other violations of the law;
- ✓ reiterated presence of appealing against calls for tender by competitors excluded by definition of illegitimate and discriminatory exclusion requirements or more generally of anomalous technical requirements and/or specifications that may benefit a specific competitor;
- ✓ presence of documents without dates and/or signature;
- ✓ existence of relationships (for example commercial relationships) with recipients of donations made by the company;
- ✓ disbursements with general reasons regarding the purposes and recipients;
- ✓ conferment of orders or assignments or stipulation of contracts with the object of the generic service;
- ✓ recognition to third parties of expenses not provided for in the contract;
- ✓ unusually high payments or payments that appear excessive and unreasonable in relation to the consideration;
- ✓ consultancy assignments with untrue reasons;
- ✓ receiving/giving gifts of no modest value;
- ✓ receiving/giving of gifts of modest value repeated which overall assume a high value;
- ✓ reimbursement of entertainment expenses made by subjects not authorized to bear them;
- ✓ statement of entertainment expenses incurred not reconciled with the account statement;
- ✓ selection of personnel apparently lacking in requisites and/or professional skills required/necessary;
- ✓ refusal and/or reticence to declare the absence of conflicts of interest and/or causes of non-transferability, incompatibility;
- ✓ awarding bonuses to the same subject on a recurring basis and awarding bonuses and incentives in the absence of formalized performance assessments;
- ✓ failure to formalize the awards and incentives granted;
- ✓ assignment of objectives that are not proportionate to the professional classification and the role covered and not adequately motivated;

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- ✓ definition of objectives that do not meet the criteria of efficiency, effectiveness and cost-effectiveness, or aimed not at achieving the corporate mission but at rewarding particular interests;
 - ✓ finding that there is no need for consultancy/supply