

**ZAMBON
GROUP**

CODE OF CONDUCT

MAY 2008

CODE OF CONDUCT

GENERAL PRINCIPLES

INTRODUCTION

The industry sector in which the companies within the ZAMBON Group (hereinafter referred to as “ZAMBON Group” or “Group”) operate makes it particularly important to clearly define the values that are acknowledged, shared and promoted by the Group, which is fully cognizant of the fact that conduct based on the principles of diligence, propriety and honesty is an important “driver” for the company’s economic and social development.

The Code of Conduct, therefore, defines the general principles of behavior that should be applied, without exception, to all employees of the ZAMBON Group and anyone who works on behalf of the company in the achievement of its objectives.

More specifically, individuals in leading positions such as directors, statutory auditors and those with management functions, and all employees, collaborators and consultants and, more generally, all third parties that enter into relationships with the Group’s companies must always observe the basic principles such as honesty, moral integrity, propriety, transparency and objectivity when pursuing the company’s objectives.

The above individuals must observe the laws and regulations in effect during the course of their duties by basing their actions and behaviors on the objectives and obligations described in the Code of Conduct, and in no instance may the pursuit of the Group’s interests be a cause for conduct that is in conflict with the above regulations.

It is prohibited to display any form of discrimination or physical and psychological harassment, particularly discrimination based on race, nationality, sex, age, physical

disability, sexual orientation, political opinion, trade union membership or religious conviction.

Everyone must act with the utmost level of professionalism and perform their assigned duties to the best of their abilities within the scope of their responsibilities, and thus provide a solid contribution to the corporate objectives.

Zambon has established a Group Internal Audit department (hereinafter “IA”) in order to facilitate observance of the Code of Conduct. Zambon has also established a Supervisory Body (hereinafter “SB”) endowed with independent powers of initiative and control in the main operating companies in Italy and in the holding company.

The IA and SBs are responsible for facilitating and promoting the awareness of the Code to the entire corporate organization. Any conduct contrary to the spirit of the Code must be reported to the SB and IA and will be prosecuted in accordance with the law.

Special procedures consistent with the principals of this Code of Conduct have been adopted specifically for this purpose.

The Code of Conduct is an integral part of the Organizational Model adopted by the main Italian companies within the group in accordance with Legislative Decree 231/2001.

1. ETHICAL PRINCIPLES

1.1 *The ZAMBON Group:*

- i)** Is cognizant of the impact of its business activities on the economic and social development and the general well-being of the community at large.

For this reason, the Group intends to advance its own development in a manner that respects the environment and the needs of local and national communities, and also promote scientific, cultural and social initiatives to continuously improve its reputation and social acceptance.
- ii)** Takes the utmost care to avoid situations in which individuals involved in transactions are in a conflict of interest.

This type of situation occurs either when a collaborator tries to create an interest that differs from the corporate mission or tries to benefit “personally” from company business opportunities, or when a customer, supplier or public institution representative acts in a manner contrary to the fiduciary duties associated with his/her position.
- iii)** Ensures the confidentiality of information in its possession and refrains from seeking and handling confidential data, unless specifically and consciously authorized to do so and/or in accordance with the legal requirements in effect.

Furthermore, the Group’s collaborators are required not to use confidential information for purposes outside of their professional activities.
- iv)** Has structured its distribution/sales force so that it will *(i)* not exploit any condition of ignorance or incapacity of its contacts for its own purposes and *(ii)* will make every effort to ensure that labor contracts and obligations are executed in accordance with the terms that have been consciously and freely established by the parties.

- v)** Plans its business activities to achieve the best balance possible between economic initiatives and environmental needs, taking into consideration the rights of present and future generations.

- vi)** Counts on the high quality of its products and services and in the ability and commitment of its collaborators; recognizes, therefore, the value of free, open and fair competition and refrains from unlawful agreements, harassment and abuse of potential dominant market position.

- vii)** Attributes great importance to the physical and moral integrity of its collaborators, workplace conditions that respect the individual's dignity, and a safe and healthy working environment; in particular, does not tolerate requests or threats aimed at inducing people to act against the law, the Code of Conduct, or one's personal and moral convictions and preferences.

- viii)** Thus considers its workforce as the fundamental and irreplaceable asset responsible for the company's own success; protects and promotes the value of its human resources in order to improve and increase its own expertise.

- ix)** During the course of its business activities, acts in accordance with all laws and regulations in effect in the countries in which it is present, as well as this Code of Conduct and internal company regulations, applying them justly and fairly.

2. EXTERNAL RELATIONSHIPS

2.1 General Conditions

Labor organization members, employees and collaborators of the Group must conduct themselves with the utmost propriety and integrity in all their relationships with people and entities outside the ZAMBON Group.

It is prohibited to give gifts that may be even indirectly interpreted as exceeding the normal display of courtesy allowed in commercial practice, or which are aimed at obtaining favorable treatment.

Only gifts and gratuities of negligible value are permitted, providing they are not even indirectly aimed at obtaining the above type of treatment. Gratuities given to organizations governed by specific procedures may not be aimed at obtaining favorable treatment.

In accordance with publicly available information or current regulations, the following must be avoided when initiating commercial relationships with new customers and managing already existing relationships:

- Having relationships with individuals involved in unlawful activities, particularly the trafficking of arms and narcotic substances, money-laundering and terrorism, and with individuals who lack the requisite commercial conscientiousness and reliability;
- Maintaining financial and commercial relationships with individuals who even indirectly hinder individual development and violate basic human rights (for example, by employing minors, promoting sex tourism, etc.).

2.2 Relationships with third parties

Professionalism, competency, propriety and courtesy are the guiding principles that the recipients of this Code of Conduct are required to observe in their relationships with third parties and/or controlled companies.

To safeguard the image and reputation of the ZAMBON Group, all relationships with third parties must be marked by:

- Complete transparency and propriety;
- Full compliance with the law, particularly with reference to the regulations regarding offences against the Public Administration;
- Independence in the face of any form of either internal or external influence.

2.3 *Relationships with suppliers and management of financial resources*

Individuals involved in purchasing goods and/or services must:

- Be impartial and independent when performing their duties and functions;
- Have no personal obligations toward suppliers and consultants;
- Maintain relationships and conduct negotiations in order to create a solid basis for mutually suitable and long-term relationships in the interests of the ZAMBON Group;
- Provide immediate notification of any attempt or an unjustified change in normal commercial relationships to the SB/IA or the individual who is responsible for directing, managing and verifying the business activities of the company, so that it achieves its objectives in a proper, transparent manner;
- Refuse goods or services from internal or external individuals that have been offered to obtain confidential information or initiate actions or conduct aimed at favoring these individuals, even if there are no direct repercussions on the company.

Financial resources must be managed strictly in accordance with the level of authority of each individual as determined by the Board of Directors, as well as any special

authorization that may be granted to accomplish specific operations or specific types of operations.

2.3.1 Selection criteria

The purchasing process should obtain the maximum competitive advantage for the ZAMBON Group and yet remain fair and impartial.

Specifically, anyone who manages this process in the name of and on behalf of the ZAMBON Group, must operate in a manner that:

- Allows anyone who has the requisite qualifications established by company standards the opportunity to compete fairly in bids;
- Creates the appropriate competitive conditions for all bids.

The ZAMBON Group also has collaborative relationships with scientific organizations, universities, hospitals and professionals. Quality and scientific expertise are the only selection criteria that apply when conducting these relationships.

For certain types of goods/services the following must also be taken into consideration in addition to the normal selection criteria:

- The stated and documented availability of means, including financial, organizational, design capability and resources, know-how, etc.;
- The actual existence of adequate corporate quality systems;
- The ability of the supplier to generate added value if the supply contract includes know-how or third-party rights.

2.3.2 Recording and use of accounting information

Accounting transparency is based on the existence, accuracy and completeness of the basic information relative to the accounting records. All executives, directors and employees,

collaborators and service providers must ensure that the company operations are accounted for correctly and in a timely manner.

The appropriate supporting documentation must be kept with the records for all activities performed so that the:

- Accounts can be easily recorded;
- Various levels of responsibility can be identified;
- Operations can be accurately reconstructed to minimize the possibility of errors of interpretation.

Each record must reflect exactly the information that is derived from the supporting documentation. Every individual involved must ensure that the documentation can be easily traced and is logically organized.

All individuals must notify their superiors in a timely manner and through the appropriate communication channels if they encounter any omissions, falsifications or negligence in the accounts or the documentation used for the accounting records.

The IA and SB must also be notified.

2.4 Transparency, completeness and traceability of information in relationships with Public Authorities

The ZAMBON Group ensures full transparency and completeness of information in the arrangement of communications, prospects and announcements directed at Public Authorities, suppliers, consultants, employees and collaborators.

There must be an appropriate record of operations implemented by the companies within the Group, as well as the main contacts with the Public Authorities; it must be possible to verify the relative decision-making, authorization and execution process for each record.

Each operation must be appropriately documented so that audits can be performed at any time to (i) verify the nature of and the reasons for the operation and (ii) identify the individuals who have authorized, performed, recorded and verified the operation itself.

2.5 Public Authorities

- For the purposes of this Code of Conduct, in addition to any public entity or publicly owned company, a Public Authority is also any independent administrative agency or physical or legal person that acts as a public official or is charged with performing a public service either as a committee member of the European Community, a civil servant of the European Community, or a civil servant of a foreign country.

Again for the purposes of this Code, the definition of Public Entity also includes those private individuals who perform a publicity function aimed at protecting the general interest, mainly for political and economic reasons.

- Employees and collaborators are prohibited from offering or promising money or compensation in any form, either directly or indirectly or through an intermediary, or unlawfully placing undue pressure on, or promising any item, service or favor to directors, civil servants and employees of Public Authorities, or to individuals charged with performing a public service and their relatives or cohabitants, with the intention of inducing them to perform an act that is consistent with or conflicts with the official duties of the Public Authority (including favoring or damaging a party involved in a civil, penal or administrative proceeding, thereby directly or indirectly benefiting the ZAMBON Group).

Only gifts of negligible value are allowed provided that they are not aimed at inducing the above individuals to perform acts that conflict with the official duties of the Public Authority.

Anyone who receives an explicit or implicit request for any kind of benefit from the Public Authority individuals defined above must:

Inform the IA and SB in a timely manner so that they can identify the most appropriate steps to take;

Initiate an internal investigation and temporarily suspend any relationship with them pending the conclusion of the investigation.

- The above conditions must not be circumvented by providing various forms of assistance and contributions that have a similar purpose as those prohibited in this paragraph but are disguised as duties, consultation, publicity, etc.
- The ZAMBON Group must always observe the law and proper commercial practice in its commercial relationships with Public Authorities.
The following operations in particular must not be undertaken either directly or indirectly:
 - a) Reviewing or proposing employment and/or commercial opportunities that may personally benefit Public Authority employees;
 - b) Soliciting or obtaining confidential information that may compromise the integrity and/or reputation of either party.
- It is prohibited to use or present statements and documents that attest to false facts or information, or omit information to obtain contributions, funds, disbursements or other services granted for any reason by the State, a Public Entity or the European Union, for the benefit or in the interests of the ZAMBON Group.
- It is also prohibited to use contributions, funds or other disbursements, however denominated, granted to the ZAMBON Group by the State, a Public Entity or the European Union for purposes other than those for which they were assigned.

- It is prohibited to alter the operation of a computer or remote system in any way or to unlawfully act on any data, information and programs contained in and relating to it by any method in order to profit unfairly at someone else's expense.

2.6 Relationships with doctors and patients

2.6.1 Respect for patients

The ZAMBON Group participates in and directs research, development and the production and commercialization of drugs in order to improve the quality of life and therefore the wellbeing of patients, which is understood to be the state of health and ability to lead a life that is as independent and as close as possible to one's expectations.

The activities performed by the ZAMBON Group follow the ethical criteria of respecting the autonomy of the individual, whether he/she is a healthy volunteer or a patient, and offering patients the reasonable expectation of being able to derive benefit from the clinical study with the greatest risk control.

2.6.2 Fiduciary relationships with patients

Patients entrust their healthcare to doctors and health organizations that therefore have specific fiduciary obligations and must always act in the main interests of the patients themselves.

The ZAMBON Group agrees to provide complete, truthful and accurate information about its products and to not offer any inducement to doctors or healthcare workers to disregard their fiduciary obligations toward patients.

In other words, the ZAMBON Group should never offer an advantage or benefit to those individuals who write prescriptions, or record and regulate the healthcare sector so that they do not make decisions that could cause even a potential conflict of interest with respect to their duty to serve patients.

2.7 Relationships with customers

2.7.1 Collaboration with institutions

As taxpayers, citizens provide public healthcare institutions with the financial resources required to develop and purchase drugs for their health, delegating important decision regarding the allocation of funds to them. It is therefore consistent with the mission of the ZAMBON Group to require that the responsible institutions ensure that the amount of these resources is sufficient to cover the healthcare needs of citizens.

Similarly, the ZAMBON Group is cognizant of its responsibility not to act in any way that would cause the individual fund allocation decisions that impact public health spending to create inefficiencies, waste and duplication.

A series of procedures that govern the relationships between sales representatives, doctors and pharmacists who within the national healthcare system has been implemented to ensure that they are in accordance with both sector guidelines and regulations.

These relationships are also subject to continuous internal and also external audits by qualified certification organizations.

2.7.2 Ethical aspects of supply contracts

Any violation of the general principles of the Code of Conduct will lead to the application of a disciplinary system, which is also aimed at preventing offences committed against Public Authorities or environmental disasters that can be attributed to the business activities of the ZAMBON Group, as defined for Italy by the Model of Legislative Decree 231/2001.

Special, avoidance clauses are therefore also included in each single contract.

In particular, contractual clauses have been included in agreements with suppliers from “at risk” countries that have been defined as such by recognized organizations, allowing for the:

- Ability to perform audits at the production or operating site of the supplier company to verify that these requirements have been met.

2.8 Bodies and Associations

The ZAMBON Group and its controlled companies:

- Do not fund political parties, their representatives and candidates and refrains from any improper pressure (direct or indirect) with respect to political representatives;
- May honor requests for contributions from legally incorporated non-profit Organizations and Associations and which have a high degree of cultural value or benefit and involve a large number of citizens. Sponsorship activities may involve social aspects, the environment, sport, shows and art and are only intended to support events that offer a guarantee of quality;
- May also receive requests for contributions from scientific Organizations or Associations and conduct sponsorship activities for exhibitions with a high scientific value, such as courses, conferences or initiatives of an informational nature;
- Participates in discussions on the treatment of pathologies in areas in which the Group has a special expertise, by collaborating on specific projects, including financially if necessary, provided that:
 - a) The objectives are consistent with mission of the ZAMBON Group and do not present a term of exchange that can be associated with the promotion of its products;
 - b) The assignment of the resources is clear and can be documented;
 - c) The functions responsible for managing these relationships within the company have expressly authorized them.

In any case, the ZAMBON Group is mindful of preventing and avoiding any possible conflict of interest of a personal or corporate nature when selecting which projects to support.

2.9 External relationships and with the mass media in particular

The company has identified special functions that are responsible for properly and consistently maintaining external relationships, especially with the mass media.

Collaborators must refrain from releasing statements or interviews to representatives from the press or other communications means and third parties or to leak news of a confidential and/or sensitive nature about the company, with the exception of trade union communications issued by the RSU.

2.10 Conflicts of interest

Employees, directors, labor organization members and anyone who acts in the name and on behalf of the ZAMBON Group in general must avoid all potential situations of conflict of interest caused by:

- Participating in decisions that involve conducting business with individuals who have a conflict of interest;
- Participating in decisions that involve conducting business that could result in a personal interest;
- Propose or accept agreements that could result in personal advantages;
- Perform acts, enter into agreements and display any type of conduct in general that could directly or indirectly harm the Group, including its image and/or credibility on the market;
- Influence the decision-making autonomy of another individual whose remit is to define commercial relationships with or for the company.

Employees who find themselves in a situation that presents even only a potential conflict of interest must immediately notify the SB/IA, which will evaluate the course of action to take.

As it conducts its business activities, the ZAMBON Group must avoid situations where individuals involved in transactions are in conflict of interest.

3. INTERNAL RELATIONSHIPS

3.1 *Standards for personal conduct*

Employees, directors, collaborators and consultants of the ZAMBON Group must:

- Protect and maintain the confidentiality of information obtained during the course of their duties. This information cannot be used, communicated or divulged either inside or outside the ZAMBON Group, except in the hypothetical situations described by the regulations in effect and governed by the corporate procedures;
- Respect and protect company-owned assets and prevent the fraudulent or improper use of these assets;
- Use corporate tools for work-related activities only or for purposes authorized by the relevant internal functions;
- Not allow one's personal financial situation from interfering with the proper performance of work activities;
- Not solicit or accept for oneself or others recommendations, favorable treatment, gifts or other services from individuals with whom one has a relationship. If gifts or acts of hospitality that are not merely symbolic are received, the immediate supervisor and eventually the SB/IA must be informed to evaluate restitution or other more appropriate action;
- Commit to nurturing one's skills and professional expertise, enhancing them with experience and the collaboration of colleagues, adopting a constructive and proactive attitude, and stimulating the professional growth of one's collaborators;
- Base one's decisions on sound and wise management principles, carefully evaluating the potential risks in the knowledge that personal choices help the company to achieve positive results;
- Be cognizant of the fact that a good reputation is an important intangible resource that promotes the following externally:
 - a) Shareholder investments;
 - b) The trust of patients and doctors;

- c) Customer loyalty;
- d) Attracts the best resources;
- e) Supplier impartiality;
- f) Reliability with respect to creditors;

internally, a good reputation allows the company to:

- a) Make and implement decisions without resistance;
- b) Organize work without excessive bureaucracy and exercise of authority.

3.2 *Human resources management*

The company pledges to develop the abilities and skills of every employee so that the energy and creativity of individuals can be fully expressed by realizing everyone's potential.

The ZAMBON Group pledges to offer equal work opportunities for all employees based on their professional qualifications and performance without any discrimination.

The Group must select, hire, compensate and manage its employees based on merit and competency without discrimination due to trade union membership, race or language or political, religious or sexual preferences in compliance with all the laws, regulations and directives in effect.

Furthermore, the relevant functions must create a work environment that is free of prejudice or any form of intimidation and one in which each individual is treated like a colleague and a member of a team, his/her professionalism is respected, and without exercising unlawful influence or creating undue distress. Each employee will share the responsibility for creating a professional environment in which all colleagues feel well accepted and are encouraged to achieve his/her own goals.

3.3 *Compliance with the law*

Compliance with the law is a priority requirement for the ZAMBON Group.

All employees must be cognizant of the legal implications of their activities; management is responsible for providing each employee with the necessary information and instructions.

4. ENVIRONMENT AND SAFETY

The ZAMBON Group manages its business activities by pursuing excellence in the aspect of environmental protection and the safety of its employees and third parties, with the objective of continuously improving its performance in this area.

In order to achieve this, the Zambon Group (i) pledges to observe the safety and environmental regulations in effect, (ii) prepare and provide the environmental protection and safety guidelines that must be observed by the group's companies, (iii) promote the participation of employees in the risk prevention, environmental protection and health and safety protection process with respect to themselves, their colleagues and third parties. The Zambon Group adopts certified environmental, safety and quality management systems to implement its environmental and safety policy.

5. ANTITRUST

The ZAMBON Group observes the principles and rules of free competition.

Antitrust laws apply to all the agreements between companies and to the management of business activities in general. They do not normally apply to agreements between companies belonging to the same Group, however. Antitrust laws usually involve not only commercial conduct within a single country but also conduct adopted at an international level if it has a significant impact on perfect competition.

5.1 Agreements subject to verification

Due to the complexity of antitrust legislation, all agreements with competitors or third parties that may have an effect on perfect competition are subject to a precautionary verification by legal experts.

5.2 Prohibited understandings and agreements

Any type of agreement between competitors that aims to coordinate conduct on the market is prohibited.

This type of agreement includes:

- Price fixing agreement;
- Sales agreement that restricts the type of products offered or ties the purchase of certain products to other purchases;
- Agreement that involves territories, consumer categories or production quotas;
- Agreement that involves boycotts in both supply and delivery activities.

5.3 Dominant market position

It is illegal to abuse the dominant market position of a specific product. The term “abuse” refers to situations in which the power deriving from the dominant position is exercised at the expense of suppliers or customers. Special care must therefore be taken with the commercial strategy and conduct in all the countries where the ZAMBON Group has a leading market role, and legal advice sought if necessary.

6. OBLIGATION TO PROVIDE INFORMATION

Any conduct contrary to the spirit of the code must be reported to the SB and/or IA. Informants will be protected against any form of retaliation, discrimination or penalization; the identity of the informant will also be protected subject to legal requirements and protecting the rights of the company and individuals who have been wrongly and/or falsely accused.

7. DISCIPLINARY SYSTEM

The principles described in this Code of Conduct are an integral part of the conditions governing employment relationships within the Group's companies; any violation will lead to the application of disciplinary action as per the disciplinary system in effect for employees, managers, directors and statutory auditors, and in accordance with the seriousness of the violation.

Failure to observe the principles contained in this Code of Conduct may lead to the termination of any existing relationship with third parties based on a specific contractual provision.

8. IMPLEMENTATION OF THE CODE OF CONDUCT

The Code of Conduct can only be correctly and properly applied with the commitment and agreement of the entire organization of the group, together with the departments responsible for implementing and controlling it.

8.1 Internal Audit

The SBs, through the IA, are responsible for monitoring compliance with the Code of Conduct and reporting their findings at least once per year to the Board of Directors and the Board of Statutory Auditors.

The IA reports directly to the Board of Directors and maintains constant contact with the SBs. It does not have any decision-making authority associated with the performance of

the company's business activities, or the authority to direct the company's economic and financial resources. It is an independent function that all the corporate departments can consult to solve compliance and regulation issues.

8.2 Conduct training

In agreement with the SB/IA, the ZAMBON Group pledges to communicate the values and principles contained in the Code of Conduct to everyone involved to ensure that they are applied as part of the company's management activities.

All employees, individuals belonging to labor organizations, external auditors, consultants and, more generally, all third parties who enter into a business relationship with the Group's companies must review the Code and agree to follow the rules and regulations contained in the document.

The purpose of the Code, which is published on the company website, is to encourage everyone to pursue continuous improvement in every aspect of the company's performance.