

# CODE OF ETHICS November 2005

## PREAMBLE

The present document entitled "Code of Ethics," regulates the set of rights, duties and responsibilities which S.I.L.C. SpA ("S.I.L.C.") expressly takes on in regards to all those who have interest in S.I.L.C.: share holders, administrators, managers, employees, collaborators, suppliers, clients, visitors, public administrators, the community where the company is situated, commercial partners or anyone who finds themselves involved in the development of SILC's activities. The set of ethical principles and values laid out by this Code shall inspire the activity of all those who work in S.I.L.C. and for its benefit, keeping in mind roles and tasks, the complexity of the various functions and the responsibilities entrusted to them in the pursuit of the company's goals. The prescribed behaviours bring together conduct relevant to the goals of completed and correct completion of obligations of fidelity and diligence expected from managers and employees, as well as the general obligation of good faith to be expected from collaborators or any subject which might interact with S.I.L.C. Each administrator, mayor, employee or collaborator is held to respect the standards contained in this Code, as they exercise their functions, also when they are carried out while representing the Company. The present ethical Code shall have the broadest dissemination and communication with third parties who may be interested in interacting with S.I.L.C., such that even the third parties shall inspire their own work in accordance with the provisions sanctioned by the Code. The Code of Ethics defines the set of values on which S.I.L.C. founds its own work, and the set of responsibilities which the Company takes on, be they regarding external or internal subjects. Observation of the standards in this Code is of fundamental importance because they make up the decisive heritage needed for the Company's good functioning, reliability and reputation, which come before its business undertakings.

\* \* \* ARTICLE 1 Area of application. The principles and stipulations of this Code of Ethics represent exemplary specifications of general obligations for diligence, probity and loyalty, which characterise the fulfilment of work-related performance and behaviour in the work environment. The principles and the stipulations of the Code of Ethics are binding for: 1) administrators; 2) persons connected to relationships of subordinated work with S.I.L.C. and 3) all those who work with S.I.L.C., whatever the nature of their relationship may be, even temporary. For this last category, S.I.L.C. has established the following directive: a) all third parties must be familiar with the principles which inspire S.I.L.C.'s Code of Ethics and are held to respect and actualise them; b) contracts stipulated with S.I.L.C. must consider dissolution clauses which impose respect for the principles which inspire the present Code and which establish the immediate dissolution of the contract in the case of this obligation being violated. The employees and subjects mentioned above are hereafter defined together as "Recipients".

\* \* \* ARTICLE 2 The work ethic, protection and enhancement of Recipients. Recipients, internal as well as external, are the fundamental resource for S.I.L.C.'s development. Their knowledge, experience, intelligence and culture need to be made the most of and cultivated, also for their own wellbeing. Professional training and growth are activated by specific and institutional training initiatives. Recipients ensure that every business decision is made in the interest of the structure to which they themselves belong, and they must avoid any situation of conflict of interest among personal or family financial activities and jobs held, which could compromise their independence in judgement and choice.

Professional development and the management of Collaborators and Employees are based on the principle of equal opportunity: recognition of achieved results, professional potential, and competencies displayed by people make up the essential criteria for assessment of them. Each Recipient has the duty to protect the reputation and integrity of S.I.L.C. If they should have reason to think that any work-related activity be carried out in a way which is against the law, the values, the principles or the directives of S.I.L.C., they must immediately inform their direct superior. Each Recipient is held to know the laws and the directives which refer to the execution of their activities, and in all cases to act with probity and in full respect of the value of integrity; each recipient must avoid undertaking any action for which indirect or direct damage can be done to S.I.L.C.'s image as held by public opinion.

\* \* \* ARTICLE 3 Conflict of interest. When carrying out their activity and/or assignment, Recipients pursue the goals and general interests of S.I.L.C., without letting themselves be influenced by personal or family considerations which can influence, consciously or unconsciously, the interests of S.I.L.C. itself. A conflict of interest can arise where a Recipient has an interest of personal, family, financial or other nature in other organisations which could benefit (a) from decisions made by the Recipient when carrying out their functions or (b) from the fact that the Recipient is familiar with S.I.L.C.'s activities and future plans. Recipients inform - without hesitation or delay - their superiors of situations or activities in which they could hold title or interest in conflict with S.I.L.C.'s, and in every other case in which there may be relevant reasons for benefitting. Recipients respect the decisions which S.I.L.C. takes in this regard. As a general rule, no S.I.L.C. Employee nor any of their family members should own stock or perceive income from capital investments in competitor companies or in supplier companies or in clients with which they have contacts when carrying out their work.

\* \* \* ARTICLE 4 Professional secrecy for employees. While they have a relationship with S.I.L.C., each Recipient handles confidential materials and information, many of which are right and proper industrial secrets. Their protection, therefore, is vital for the future success and stability of S.I.L.C. To this end, anyone who works for S.I.L.C. accepts concretely a moral commitment, which comes before the legal one, not to divulge said information or materials. In the case of an Employee, this commitment holds even in the case where they might interrupt their relationship with S.I.L.C. Current regulations acknowledge the employer's property rights for said information and their diffusion is subject to sanctions. In an analogous way, if an Employee has worked for another organisation, they are held to not divulging confidential information which belong to the former Company.

\* \* \* ARTICLE 5 Data confidentiality. Administrators and Employees must guarantee that data regarding users of the home-delivery service and other types of confidential or personal data be saved and used in respect of the requirements laid out in applicable laws.

\* \* \* ARTICLE 6 Ethics in the management of company activities and business. In business management, unethical behaviour compromises the relationship of trust between S.I.L.C. and third parties. Efforts, on the part of individuals or organisations, to appropriate the benefits of collaboration with others and to take advantage of a position of strength, are not ethical and they favour the assumption of hostile attitudes regarding the Company. This Code is characterised by an ideal of cooperation, seeing reciprocal advantages for the parties involved, while respecting the role of each party. S.I.L.C. requests therefore that each third party interact with S.I.L.C. being sure to adapt their own work to the principles and rules which aim for an analogous idea of ethical conduct.

\* \* \* ARTICLE 7 Ethics of information. Communication with Recipients is mostly made up of scientific information which must be accurate, balanced, correct, objective, free from ambiguity or deception, documented and documentable. Information must be generated and disseminated with respect for the stipulations which regulate the subject and internal procedures.

\* \* \* ARTICLE 8 Ethics of behaviour at the workplace. S.I.L.C. has the goal of guaranteeing a work environment which is safe, healthy and productive. Every Employee is personally responsible for their colleagues and S.I.L.C. is held to contribute so that no situations are created which could lead to deterioration in the quality of this environment. S.I.L.C. endeavours to observe the laws and regulations which refer to equality in the right to work, at every level of the organisation, and not to discriminate; it supports and encourages, with all means possible, initiatives aimed at achieving this objective. Based on S.I.L.C.'s principles, people will receive opportunities for engagement based on their merits and skills, and as a function of the work requirements. S.I.L.C. expects that each Recipient shall respect these principles. To this end, S.I.L.C. endeavours to furnish a work environment which excludes all forms of harassment related to race, sex, religion, country of origin, age, sexual orientation, disability or other personal characteristic which is not relevant for the job. Therefore, there is no tolerance for actions which aim to harass a S.I.L.C. employee, be they taken by another Employee, a client, a supplier or a manager. If an employee feels they have been subject to some form of harassment, they can speak about it with their direct superior. S.I.L.C. shall immediately begin careful investigation, it shall adopt necessary measures and it shall protect the Employee from potential attempts at retaliation or from other negative consequences which could come from having referred the event in good trust. Respect for the standards on harassment is part of the permanent conditions for employment with S.I.L.C. Should the present stipulations not be observed, necessary provisions shall be taken. Each Employee is held to refer real or potential situations of illegal behaviours/abuses at the workplace, such as threats or aggression regarding Employees or S.I.L.C. property, or in any case presumed violations of standards, laws, directives and procedures. Superiors must pay attention and listen to all referred facts or to Employees' concerns regarding possible violations, and must take the necessary precautions for eliminating or minimising risks, while maintaining in any case their own professionalism and holding the utmost respect for the individuals, as well as avoiding situations which can aggravate the situation rather than resolve it. Anyone who threatens to commit or does commit an illegal act or an abuse while carrying out their work, shall be subject to disciplinary procedures as provided for by the applicable collective contracts, as well as to possible legal action.

\* \* \* ARTICLE 9 Ethics in business relationships. When carrying out business relationships, S.I.L.C. takes its inspiration from the principles of legality, loyalty and probity. The Recipient must never supply nor accept trips, vacations, objects and other personal advantages which are in some way connected with their activity for S.I.L.C., so as to avoid instilling the conviction that there be some form of obligation which has been taken on in the name of or for S.I.L.C., or in any case which could put the Recipient in a situation of potential conflict of interest. It is equally evident that the above-mentioned particular case is not created when one is put before objects of modest value (e.g. pens, calendars), or when dealing with shared meals which may be offered or received when making a work-related visit.

\* \* \* ARTICLE 10 Safety, health and environment. S.I.L.C., which is concerned about protecting the health of its Employees and protecting the environment, has chosen to certify its activities as related to these areas, in accordance with current regulations. S.I.L.C. has introduced some systems for safety,

health and environmental management, which aim at continuous improvement in its performance. To this end it has:

- 1 - formalised and published a policy for the management of Safety, Health, and Environment;
- 2 - identified dangers for safety and assessed risks; identified the important and not-important environmental aspects, connected to its activities, products and services, in order to evaluate their impact of people's health and on the environment;
- 3 - identified legal provisions and relevant regulations;
- 4 - identified properties;
- 5 - established goals;
- 6 - implemented planning, realisation, monitoring, and roll-out (audit/re-examining) activities, so as to ensure that the safety, health and environment policy be satisfied and that management systems continue to be adequate and effective;
- 7 - set up the conditions for being able to adapt to changes which circumstances may impose.

\* \* \* ARTICLE 11 Product safety. S.I.L.C. observes all applicable laws and regulations which refer to their products and to activities which relate to the manufacturing, handling, stocking and shipping of the same products. Legal violations lead to sanctions for the people and the company and can expose S.I.L.C. to the risk of being responsible for damages to third parties. S.I.L.C. is responsible for training its own employees who are, in turn, held to observe the laws and internal procedures which regulate the activities in which they are involved, using all the available resources in the company. Here following are the principles for managing product safety programmes: 1 - S.I.L.C. products must be innocuous for humans and for the environment in the conditions of use for which they have been formulated and in those which are reasonably foreseeable; 2 - S.I.L.C. endeavours to respect all legal standards which refer to product development and product labelling and for waste disposal.

\* \* \* ARTICLE 12 Probity and competition. S.I.L.C. firmly believes in competition and the free market, a heritage which must be protected from possible pressures - however undeserved they may be - from within and from without. Recipients must exercise their own commercial activities in compliance with legal requirements on competition and supply tenders. Protection laws (also known as antitrust) establish precise rules in this regard and, in specific, strike severely those who adopt a restrictive understanding of competition or abuse of their own dominant position. S.I.L.C. condemns behaviours which are contrary to the principles of competition and endeavours to respect them, adopting opportune measures for avoiding that an administrator or employee become, even involuntarily, an opportunity for non-competitive behaviours. Administrators and employees must not be involved, be it personally or through third parties, in actions or contacts among competitors, which could appear to be a violation of the laws which protect competition and the market.

\* \* \* ARTICLE 13 Illegal payment and practices. The administrators and employees must not offer, carry out or authorise, directly or indirectly, payment of sums of money or any other means of significant value, with the illicit goal of: influencing the judgement or conduct of any subject, client or company;

obtaining or maintaining any commercial activity; or influence any action or decision made by a public official.

\* \* \* ARTICLE 14 Responsibility to third parties. Administrators' and employees' behaviour on the market and in relation to competitors must be characterised by the utmost probity. In specific, they must not behave in a way which can be improper or can damage the image of competitors. The role of S.I.L.C. in the fabric of society means that it is obliged to keep in mind, with its development plans, the needs of the community in that territory where it is established, with the goal of contributing to its economic, social and civic development. S.I.L.C. carries out its own activities through the use of the best available technologies, the promotion and development of activities aimed at making the most of natural resources and preserving the environment, in conformity with the laws and regulations regarding environmental protection.

\* \* \* ARTICLE 15 Relationships with health system professionals. Administrators and employees must uphold ethical commercial practices and socially responsible behaviour in relation to their interactions with professionals from the Health System. When any business negotiation, request or relationship with the Public Administration takes place, collaborators must not try to influence their counterpart's decision in an improper way, including decisions of the officials who handle or who have decision-making power for the Public Administration. Relationships which are established, at all levels, with employees of the Public Administration, including public health workers, must be characterised by the utmost transparency and probity. Wherever opportune, S.I.L.C. will make available to professionals of the Health System related instruction and training regarding products and technical-administrative tasks and management, so as to facilitate safe, effective and efficient use of medical and diagnostic technologies. These programmes for instruction and training shall be held in appropriate locations, taking into consideration participants' needs and the type of training. S.I.L.C. may now and then make modest contributions to Health System professionals; these will have to be of modest value and in compliance with current laws and standards, following the terms as indicated in Art. 9. The success of S.I.L.C. depends on productive relationships which are established with clients. S.I.L.C. is also aware that its clients have their own needs and expectations which represent unique opportunities for the success of both parties, and it founds relationships with all its clients on the fundamental values of integrity, honesty, probity, respect, reciprocal trust and non-discrimination.

\* \* \* ARTICLE 16 Conferences and informative meetings. S.I.L.C. may give its support to independent, training or scientific conferences or to conferences which advocate promotion policies for scientific knowledge, medical progress and effective health services. This generally includes conferences which are organized by international, national, local or specialised medical associations or by institutions accredited for continuing medical training. When S.I.L.C. has meetings with professionals from the health services sector, which aim to illustrate product characteristics, it shall - as a general rule - hold such meetings in a place which is near the health system professionals' workplace or work area. For these meetings, S.I.L.C. may offer meals and hotel services for the participating health system professionals. S.I.L.C. may also reimburse reasonable travel expenses incurred by participants, should that prove necessary.

\* \* \* ARTICLE 18 Donations to the public administration of a charity or philanthropic nature. S.I.L.C. may make donations for the purposes of charity or for philanthropic reasons, such as support for medical research, treatment of the needy, patient training or instruction, public education or the sponsorship

of events whose proceeds are to be used for charity. Donations of monetary, goods, equipment etc. to the public administration must be carried out in compliance with current regulations. S.I.L.C. must prepare and send to the Public Administration a communication in which it registers its intention to donate a sum of money or a particular piece of equipment, or alternatively the interested public Institution shall send a request for a donation to S.I.L.C.

\* \* \* ARTICLE 19 Relationships with institutions. S.I.L.C.'s relationships with public institutions at the national, union or international level, as well as with public officials charged with public service, or organs, representatives, envoys, members, employees, consultants, appointees for public functions or services, of public institutions, of public administrations, of public entities, even financial ones, or entities or companies of a local, national or international nature, shall be maintained by each administrator and each employee, whatever their function or responsibility or, when it is the case, by third parties as in article 1, in compliance with current regulations and as based on general principles of probity and loyalty. S.I.L.C., should it consider it opportune, can support public institutions' programmes which are aimed at achieving utility and benefits for the collective good, as well as the activities of foundations and associations, always upholding compliance with current regulations and the principles of the Code.

\* \* \* ARTICLE 20 Advertising and promotion of company products. S.I.L.C. SpA produces advertising and promotional activities which have to be not only effective with consumers, but true, in good taste and attuned to current regulations. The ethical value of integrity is fundamental and must never be compromised. Therefore, without any regard for possible benefits or profits in the short term, S.I.L.C. does not accept and does not justify any form of advertising which is misleading, nor any promotional activities which are legally or ethically debatable, allotting special vigilance for minors, whatever way they may be involved in advertising messages. Declarations regarding company products or those of competitors' must be always validated by objective product tests, based on solid statistical and scientific principles.

\* \* \* ARTICLE 21 Accuracy of official documents. All official documents related to the management of S.I.L.C. must be accurate, true, complete and compliant with current regulations, with no exception. Without exception, all S.I.L.C. funds must be registered in SILC's official documents and identification of each and every incoming and outgoing payment must be accurate and complete. Any document which involves S.I.L.C., even if it is produced exclusively for internal use, may be used for legal reasons. It follows that drafting has to follow ethical principles and be based on facts which are not liable to misunderstanding.

\* \* \* ARTICLE 22 Sanctions. Observation of the standards present in the Code of Ethics must be considered to be an essential part of employees' contractual obligations under article 2104 of the Italian Civil Code, which regulates employers' diligence, parcelling it out by the nature of the work and company interest. Violation of any standard in the Code of Ethics constitutes non-fulfilment of the primary obligations of the employment relationship, or disciplinary offence, under the procedures as provided for in article 7 of the Employees' Charter, with every legal consequence, including preservation of the employment relationship, as long as every right S.I.L.C. has to indemnity for damages and loss as outcome of the actions in question. Observation of the Code of Ethics must be understood to be an essential part of the contractual obligations taken on by third parties who have business relations with the company. Violation of the standards laid out in the Code of Ethics can

constitute grave non-fulfilment of contractual obligations pursuant to article 1453 of the Italian Civil Code which regulates contract dissolution in the case of non-fulfilment for contracts involving reciprocal services.