

CODE OF ETHICS



Enjoy Mobility

Approved on 18th March - 2009

by resolution of the board of directors of Gruppo Bioimpianti S.r.l.

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PART I GENERAL

I.1. COMPANY PROFILE

Founded in 1992 to combine the know-how of the BEDINI family, specialists in raw materials and owners of the Bedini stainless steel drawing, and the experience of the HOFMANN family in industrial production in the medical sector, Gruppo Bioimpianti started out making products for osteosynthesis in collaboration with centers of excellence in Italy and subsequently diversified into the joint replacement sector.

Gruppo Bioimpianti wants to promote worldwide the excellence of medical products
MADE ONLY IN ITALY.

Our necessity is to provide, always, **COMPETITIVE PRODUCTS**;
this is the reason why our devices are made, processed and controlled in Italy.

In 1998 Gruppo Bioimpianti started the export business.

After 26 years we are present in the most important segments of the prosthesis market, with more than 40 distributors worldwide and with a direct branch in Australia.

Gruppo Bioimpianti has a quota capital of € 2.000.000 fully paid in, as follows:

- Bedini Enobaldo 24,50%
- Nemfardi Renato 19,60%
- Hofmann Srl 19.60%
- Bedini Fabio 14,70%
- Bedini Roberto 14,70%
- Ponticelli Marco 4,90%
- Stefano Barbieri 2,00%

The Company is managed by the following board of directors:

Chairman: Enobaldo Bedini

Directors: Fabio Bedini, Marco Cavallo, Roberto Maria Hofmann.



I.2. MISSION

Gruppo Bioimpianti has always been committed to producing and supplying high quality medical technologies and related services, in the interest of patient safety and well-being.

Our claim perfectly reflects our mission:

We want to enable more and more people to ENJOY MOBILITY.

We work every day with the commitment to give back to the patient the JOY OF MOBILITY, through our innovative products.

Corporate purpose (extract from Chamber of Commerce records)

“Production, purchasing and sale of medical and hospital material, provision of technical assistance and commercial services in the health service sector. The Company may enter contracts of agency, representation and brokerage in relation to the foregoing. The Company may carry out all commercial, industrial, financial, securities and property operations deemed necessary or useful by its management in the pursuit of its corporate purpose. The Company may also enter profit sharing agreements with or make equity investments in other companies or organizations having a similar or related purpose, whether directly or indirectly, and provide security and bank guarantees in favour and on behalf of 3rd parties.”

I.3. SCOPE

Through the Code of Ethics, GRUPPO BIOIMPIANTI expresses the precise intention of inspiring its own behaviors, not only to respect the laws and regulations, but also to respect those ethical principles, which, in a democratic nation like Italy, must regulate all aspects of civil coexistence, all relations between individuals, associations, private and public companies, and institutions.

The Code of Ethics, therefore, expresses a more noble and elevated conception of the "private enterprise", since it harmoniously unites the indispensable demands of productivity and profit with an ethical dimension of business, with the idea of a competitiveness and free competition, and yet regulated by the criteria of transparency and correctness towards others, which is, ultimately, the other face of respect for oneself. This Code sets forth the commitments and ethical responsibilities in the conduct of business undertaken by GRUPPO BIOIMPIANTI and its collaborators, be they directors, employees or 3rd parties.

It is also a set of principles and guidelines, compliance with which is of vital importance for the achievement of social and business objectives, the regular conduct of operations, the reliability of management and the Company's image. Such principles therefore underpin GRUPPO BIOIMPIANTI's operations, conduct and relationships both internally and externally.

I.4. CO-OPERATIVE APPROACH TO STAKEHOLDERS

GRUPPO BIOIMPIANTI aspires to maintain and develop relationships of trust with its stakeholders, ie. with those categories of individuals, groups or institutions whose



contribution is necessary to the achievement of GRUPPO BIOIMPIANTI's mission or who in any case have an interest in its pursuit.

Stakeholders include subjects who invest in GRUPPO BIOIMPIANTI's business: firstly its partners and then its collaborators, clients, suppliers and other business partners. More generally, stakeholders include all individuals or groups, and organizations and institutions representing them, whose interests are directly or indirectly affected by GRUPPO BIOIMPIANTI's business.

I.5. UNETHICAL CONDUCT

Unethical conduct of business compromises the relationship of trust between GRUPPO BIOIMPIANTI and its stakeholders.

The conduct of any individual or organization that seeks to benefit from the collaboration of others by exploiting a position of strength is unethical and may provoke hostile attitudes toward the Company.

I.6. THE VALUE OF REPUTATION and FIDUCIARY DUTIES

A good reputation is an essential intangible asset for GRUPPO BIOIMPIANTI.

Externally, it favours investment by partners and loyalty on the part of clients, it attracts the best human resources, it assures suppliers and ensures reliability for creditors.

Internally, it allows decisions to be taken and implemented without friction and makes it possible to organize work with a limited amount of bureaucratic control and without excessive exercise of authority.

Given that the Ethical Code defines GRUPPO BIOIMPIANTI's specific obligations to its stakeholders (fiduciary duties), effective adherence to the Code may be taken as a benchmark by which GRUPPO BIOIMPIANTI's reputation must stand.

The Ethical Code is made up of:

- i) general principles defining in abstract terms the values relevant to GRUPPO BIOIMPIANTI's business;
- ii) ethical principles defining the required conduct toward each type of stakeholder, and providing specific guidelines and rules to which GRUPPO BIOIMPIANTI collaborators must abide in observance of the general principles and to avoid the risk of unethical conduct;
- iii) measures disciplining breaches of this Code;
- vi) procedures describing the system of control for ascertaining compliance with the Ethical Code and ensuring its continual improvement.

I.7. THE VALUE OF RECIPROCITY

The Code is thus underpinned by an ideal of co-operation, mutual respect and advantage for all parties involved.

GRUPPO BIOIMPIANTI therefore requires that each stakeholder act toward it according to principles and rules based on a similar ideal of ethical conduct.



I.8. VALIDITY and APPLICATION

The Ethical Code applies to GRUPPO BIOIMPIANTI and is therefore binding upon all its collaborators regarding their conduct.

Further, GRUPPO BIOIMPIANTI requires that all its collaborators, those of subsidiaries and associated companies and all their respective stakeholders to abide by patterns of conduct in line with the general principles laid down in this Code.

Unethical business conduct compromises the relationship of trust between GRUPPO BIOIMPIANTI and its stakeholders.

All subjects covered by this Code are under obligation to report either verbally or in writing and in a non-anonymous form any breach of this Code or request to breach to breach it; such reports by GRUPPO BIOIMPIANTI employees must be addressed to the Supervisory Body set up pursuant to decree law 231/2001, and by external subjects to the Company's public relations department.

The subjects which receive such reports ascertain whether there is a breach of the Normative or of the Ethical Code and if there is, the Supervisory Body informs the structure responsible for applying disciplinary measures, which are determined according to the scale provided for in the Disciplinary Code regarding the various infringements.

GRUPPO BIOIMPIANTI safeguards people who make such reports against reprisal and does not disclose their identity unless required by law.



PART II ETHICS

II.1. FOREWORD

GRUPPO BIOIMPIANTI's main objective is to create value for the Company in accordance with the principles set forth in this Code. Industrial and financial strategies and the relative operating procedures have been defined to this end and to ensure efficient use of resources.

GRUPPO BIOIMPIANTI organizes its internal and external businesses in line with the principles of this Code, which is a fundamental element of GRUPPO BIOIMPIANTI's organization model and internal control system, in its conviction that sound business ethics is also indispensable for the success of the enterprise.

In this context, it has adopted the human rights, environment and labour principles promulgated by the UN.

Company officers, managers, operatives and all internal and external collaborators and/or partners of GRUPPO BIOIMPIANTI are under obligation to abide by this Code within the bounds of their functions and responsibilities.

II.2. PRINCIPLES

The principles underlying this Ethical Code are as follows:

II.2.1 Trust

GRUPPO BIOIMPIANTI cannot be successful without the reciprocal trust of everyone working with it everyday, even in the presence of partially conflicting interests.

Trust is based on the sharing of a mission, on everyone's observance of the values and provisions of this Code: every individual therefore undertakes strict observance. Failure to abide by the rules in this Code is not compatible with business at any level. The logical corollary of the foregoing is reciprocal respect within the framework of roles assigned, leading to co-operation characterized by an overall urbanity of manner and language within the organization and towards the outside world.

II.2.2 Impartiality

In decisions affecting relationships with stakeholders (eg. choice of clients, relationships with partners, management of personnel/work organization, selection and management of suppliers, relationships with local communities and institutions representing them), GRUPPO BIOIMPIANTI abhors all discrimination regarding the age, gender, sexuality, health, race, geographical origin, political opinions or religious beliefs of its stakeholders.



Further, GRUPPO BIOIMPIANTI ensures that its employees and collaborators take actual circumstances into account and do not behave in discriminatory or opportunistic ways. GRUPPO BIOIMPIANTI makes sure that no collaborator, whether in a managerial or subordinate position, exercises discrimination in terms of race, religion, gender, geographical origin, political opinions or physical handicaps.

II.2.3 Honesty

GRUPPO BIOIMPIANTI ensures that its collaborators are aware of the ethical significance of their actions. In the conduct of business and in relationships of whatever kind, GRUPPO BIOIMPIANTI collaborators are therefore under obligation to diligently observe current law, the Ethical Code and internal regulations.

Under no circumstances may the pursuit of GRUPPO BIOIMPIANTI's interests justify dishonest conduct. In particular, GRUPPO BIOIMPIANTI seeks to avoid the granting of illicit advantages to clients and suppliers. Further, GRUPPO BIOIMPIANTI ensures that its collaborators do not work, whether on their own behalf or for 3rd parties, in situations where there is a conflict of interest with respect to their contractual counter-parties.

II.2.4 Transparent and complete information:

GRUPPO BIOIMPIANTI ensures that its collaborators give a clearly understandable and accurate impression of the Company in all its relationships. To this end, it makes sure that information regarding the Company's business is as complete and transparent as possible.

GRUPPO BIOIMPIANTI collaborators are therefore under obligation to provide complete, transparent, understandable and accurate information enabling the stakeholders as a whole to make independent and informed decisions in the development of relationships.

In particular, in the formulation of any kind of agreement, GRUPPO BIOIMPIANTI shall seek to explain to the contracting party, in a clear and understandable manner, the types of conduct to adopt in carrying forward the relationship thus established.

II.2.5 Confidentiality

GRUPPO BIOIMPIANTI ensures the confidentiality of the information in its possession and abstains from seeking confidential data unless expressly authorized to do so and in compliance with current law.

GRUPPO BIOIMPIANTI guarantees that the personal data in its possession are processed, stored and used only and exclusively in compliance with the applicable legal requirements.

Further, GRUPPO BIOIMPIANTI provides that its collaborators maintain the confidentiality of personal data in data banks and personal archives and that all the obligations under current privacy law are fulfilled. Processing of data collected by way of the Company's various forms will be used by GRUPPO BIOIMPIANTI for exclusively business purposes.



Lastly, GRUPPO BIOIMPIANTI collaborators are under obligation not to use confidential information for purposes not connected with their work.

II.2.6 Quality of services and products

GRUPPO BIOIMPIANTI orients its business toward the satisfaction and safeguarding of its clients and the community in which it operates by listening to requests that may facilitate improvements in the quality of products and services. For this reason, GRUPPO BIOIMPIANTI sets high standards of service and product quality in all its research & development, production and marketing activities.

GRUPPO BIOIMPIANTI observes with particular diligence legislation regarding the management and safeguarding of data provided by clients and information and advertising relating to products and services. Lastly, GRUPPO BIOIMPIANTI ensures that relationships with clients are characterized by courtesy, care, fairness and transparent communication.

II.2.7 Diligence and accuracy in tasks and contracts

Contracts and tasks must be performed in the manner expressly agreed by the parties. GRUPPO BIOIMPIANTI undertakes not to take advantage of any ignorance or incapacity on the part of its counter-parties.

II.2.8 Fairness and equity contract performance and renegotiation

No one operating in the name or on behalf of GRUPPO BIOIMPIANTI must seek to benefit from contractual loop-holes or unforeseen events to renegotiate a contract for the sole purpose of exploiting a position of dependency or weakness in which the counter-party finds itself.

II.2.9 Fair competition

In relationships with rival companies, GRUPPO BIOIMPIANTI bases itself on the principles of fair competition and abstains from all collusive or predatory conduct or abuse of a dominant position.

GRUPPO BIOIMPIANTI exercises its commercial activity in compliance with the requirements of competition laws and supply contracts.

GRUPPO BIOIMPIANTI condemns any behavior contrary to the principles of free competition, and rejects any undue pressure, both internal, coming from the same players in the relevant markets, and external, from third parties, whatever the role played. Finally GRUPPO BIOIMPIANTI acts in compliance with the national and international regulations applicable to export control and any other regulation that limits trade with certain countries.

II.2.10 Development of human resources

GRUPPO BIOIMPIANTI's collaborators are indispensable to its success.

Development of human resources, respect for their autonomy and incentives based on their participation in business decisions are basic principles for the management of GRUPPO BIOIMPIANTI. For this reason and in order to grow the Company's intellectual



capital, it organizes training programmes to develop and maintain professional skills acquired throughout employment relationships.

Finally, the professional development and management of collaborators are based on the principle of equal opportunities: recognition of the results achieved, of the professional potential and of the skills expressed by the people, constitute the essential criteria for the evaluation of collaborators.

II.2.11 Workplace safety and health

GRUPPO BIOIMPIANTI ensures that its collaborators adopt all the safety measures required by current law and new technologies and that the physical wellbeing and moral personality of collaborators are guaranteed. Collaborators must not act in any way that might risk their own or other people's safety and must abide by all the Company's safety regulations.

II.2.12 Industrial relations

To defend workers rights and the growth of economic democracy, GRUPPO BIOIMPIANTI undertakes to foster good long-term relationships with trade unions.

II.2.13 Equitable authority

In the execution and performance of contractual relationships implying the establishment of hierarchical relationships – especially with collaborators - GRUPPO BIOIMPIANTI undertakes to ensure that authority is exercised equitably and fairly and that all abuses are avoided. In particular, GRUPPO BIOIMPIANTI guarantees that authority shall not be transformed into the exercise of power injurious to collaborators' dignity and autonomy and that choices regarding work organization shall safeguard the value of collaborators.

II.2.14 Integrity

GRUPPO BIOIMPIANTI guarantees the physical and moral integrity of its collaborators, work conditions respecting individuals' dignity and safe and healthy work places. Requests or threats inducing action against the law or this Ethical Code or behaviour injurious to a person's moral convictions or preferences shall not be tolerated.

II.2.15 Responsibility to the community

GRUPPO BIOIMPIANTI is aware of the influence that its business may have, also indirectly, on the conditions, economic and social development and general wellbeing of the community and of the importance of its social standing in the communities in which it operates. For this reason, GRUPPO BIOIMPIANTI intends to conduct its business in pursuit of the corporate purpose for the good of the local communities with which it interacts and to support initiatives of cultural and social value in order to improve its reputation and social standing.

II.2.16 Environmental protection

GRUPPO BIOIMPIANTI considers the environment a primary asset and undertakes to protect it.



To such end and in the interests of the rights of future generations, it seeks to strike a balance in its business between economic initiatives and essential environmental requirements.

II.3. RULES OF CONDUCT IN RELATIONSHIPS

II.3.1 Processing information

GRUPPO BIOIMPIANTI treats information about stakeholders with full respect for confidentiality and the privacy of all concerned.

To this end, GRUPPO BIOIMPIANTI applies and constantly updates its policies and procedures on the protection of information, and in particular:

- it defines procedures for processing information that ensure a proper separation of roles and responsibilities;
- it classifies information by levels of criticality and adopts suitable security measures in each phase of processing;
- it requires 3rd parties engaged in processing information to sign confidentiality agreements.

II.3.2 Gifts and benefits

It is forbidden to make gifts or promises of future benefits that are or may be interpreted to be beyond those of normal business practice or courtesy or that are in any way designed to obtain preferential treatment in the conduct of any business concerning GRUPPO BIOIMPIANTI.

It is also forbidden for GRUPPO BIOIMPIANTI employees, executives, auditors and directors, or their relatives, to accept any gift or promise of future benefits which might influence their independence of judgement or lead to the obtaining of an advantage.

There are no exceptions to this rule even in countries where making gifts of value to commercial partners is customary and the prohibition covers both giving or promising and receiving gifts. Further, a gift means any type of benefit in excess of normal commercial practice or technical/technological information (eg. free participation in conventions, promise of job offer, etc.).

GRUPPO BIOIMPIANTI in any case abstains from any practice not allowed by law, commercial practice or the ethical codes – if known to it – of companies or other organizations with which it has relationships.

GRUPPO BIOIMPIANTI gifts are characterized by their purpose of promoting the image of GRUPPO BIOIMPIANTI.

GRUPPO BIOIMPIANTI gifts, excepting those of minimal value, must be documented in such a way that they can be verified and authorized by the person responsible, who must give prior notice to GRUPPO BIOIMPIANTI's supervisory body.



GRUPPO BIOIMPIANTI collaborators who receive gifts or benefits not contemplated in this Code must inform GRUPPO BIOIMPIANTI's Supervisory Body, using the relevant procedure. The Supervisory Body appraises the appropriateness of the gift or benefit and will inform the originator of the gift of the Company's policy on this matter.

II.3.3 External communication

GRUPPO BIOIMPIANTI's communication with stakeholders is carried out with respect for information rights. Under no circumstances is it allowed to issue false or tendentious news or comments.

Communication, above all, in scientific information is accurate, balanced, correct, objective, unambiguous or misleading, documented and documentable. Scientific information is produced and disseminated in compliance with the provisions governing the subject.

All communication activities comply with the relevant laws and regulations and professional best practice and are carried out with clarity, transparency and promptness and safeguarding, among other things, all price-sensitive information and industrial secrets.

All forms of pressure or acquisition of preferential attitudes on the part of the media are forbidden.

To guarantee the completeness and consistency of information, all GRUPPO BIOIMPIANTI's relations with the media must be managed exclusively by the communication department and with prior authorization from the Company's board of directors.

GRUPPO BIOIMPIANTI takes part in conferences, seminars and work groups and allows the publication of technical, scientific, social and economic material relating to its business, with prior authorization from the Company's board of directors.

II.4. RULES OF CONDUCT IN RELATIONSHIPS WITH PERSONNEL

II.4.1 Selection of personnel

Assessment of job applicants is made on the basis of correspondence between applicants' profiles and the Company's expectations and requirements and in accordance with the principle of equal opportunities for all subjects concerned. The information required of applicants is limited to that needed to verify the aspects of the individual's professional and psycho-attitudinal profiles and with full respect for the individual's private life and opinions.

In the selection process, the personnel department takes suitable measures, within the bound of the information it has, to make sure there is no favouritism, nepotism or other forms of undue influence.

GRUPPO BIOIMPIANTI does not stipulate employment contracts (self-employed or subordinate) with employees of companies which provide auditing to the Company in the 36 months following the expiry of the contract between GRUPPO BIOIMPIANTI and the firm of accountants or of the contractual relationship between the employee and the accounting firm.



II.4.2 Establishment of employment relationships

Personnel are hired under regular employment contracts. No irregular form of work or so-called “black work” is allowed.

Upon establishment of the employment relationship, collaborators receive detailed information on the characteristics of their jobs, legal aspects and pay, as regulated by the national labour contract, and rules and procedures for avoiding health risks in the workplace.

Collaborators are also informed of the Company's ethical policy.

Such information is presented to collaborators in advance so that their acceptance of the job is based on their actual understanding of it.

II.4.3 Personnel management

GRUPPO BIOIMPIANTI avoids all forms of discrimination between its collaborators.

In personnel management and development processes and in the definition of career plans, as already described in connection with the selection phase, decisions are based on merit and/or correspondence between the profiles required and those offered by applicants.

Selection for particular roles or assignments is also defined on the basis of skills and capacities. Further, the Company favours flexible organization of work that facilitates periods of maternity and looking after children in general.

Assessment of collaborators is broad based, involving managers, the personnel department and other subjects, as far as possible, who have contact with the person under assessment.

Within the limits of available information and the protection of privacy, the personnel department seek to prevent all forms of nepotism.

II.4.4 Diffusion of personnel management policies

GRUPPO BIOIMPIANTI communicates its personnel management policies to all its collaborators in a transparent manner using the Company's communication tools.

II.4.5 Development and training of human resources

Managers use and develop all the professional capabilities in the organization by fostering the development of their collaborators to the full.

It is of vital importance in this connection that managers signal their collaborators' strengths and weaknesses so that improvements can be made (also through *ad hoc* training).

GRUPPO BIOIMPIANTI provides all its collaborators with information and training materials to develop specific skills and maintain the professional value of its personnel.

Training is given to groups or individuals according to specific professional development needs. General training is provided at certain moments during a



collaborator's time in the Company and specific training is provided at regular intervals. Collaborator training data are stored in the IT system for statistical purposes and for designing new training programmes.

II.4.6 Management of collaborators' working hours

Managers must make optimal use of their collaborators' working hours in line with their tasks and work organization plans. It is an abuse for a person in a position of authority to demand services, personal favours or any other conduct in breach of this Ethical Code.

II.4.7 Participation by collaborators

GRUPPO BIOIMPIANTI also ensures the involvement of its collaborators in the conduct of work by organizing discussion and decision processes concerning the achievement of business objectives.

Collaborators must take part in such activities with a spirit of collaboration and independent judgement.

After listening to various points of view, managers make final decisions in line with business requirements. Collaborators must always and in any case co-operate in the implementation of the activities decided on.

II.4.8 Work organization initiatives

The value of human resources is safeguarded in the case of re-organization of work with training and/or re-qualification activities where necessary.

II.4.9 Work safety and health

GRUPPO BIOIMPIANTI undertakes to promote and consolidate a culture of safety and health by raising awareness of risks and encouraging responsible conduct by all its collaborators.

GRUPPO BIOIMPIANTI aims to protect its human resources by maintaining their health and safety, above all through prevention, and constantly seeking out synergy not only within the Company but also with suppliers, partners and clients involved in its business.

To this end, it makes technical and organizational adjustments by means of:

1. an integrated risk, safety and resources management system;
2. continual risk analysis focusing on critical processes and resources;
3. technological improvements;
4. control and upgrading of working methods;
5. training and communication.



II.4.10 Protection of privacy

Collaborators' privacy is protected by adopting standards that specify what information the Company may require of collaborators and how it should be processed and kept. No questions may be asked about collaborators' ideas, preferences, personal tastes or in general about their private lives.

Such standards also include a prohibition against communication or diffusion of personal data without the interested party's consent except in circumstances legally provided for.

II.4.11 Protection of moral integrity

GRUPPO BIOIMPIANTI undertakes to safeguard the moral integrity of its collaborators by guaranteeing working conditions that respect their dignity.

For this reason, it defends workers against psychological violence and opposes any attitude or conduct that is discriminatory or injurious to individuals, their convictions or preferences.

Abuse, threats, isolation or excessive intrusion, professional limitation and sexual harassment are not allowed. All conduct or discussion that might upset people's sensibility must be avoided.

GRUPPO BIOIMPIANTI collaborators who feel they have undergone harassment or discrimination for reasons of age, gender, sexuality, race, state of health, nationality political opinions or religious beliefs, etc., may signal such occurrences to the management and Supervisory Body, which will verify possible breaches of the Ethical Code. Disparity of treatment is not considered discriminatory, however, if justified or justifiable on the basis of objective criteria.

II.4.12 Collaborators' duties

Collaborators must act loyally to observe the obligations subscribed in the employment contract and the Ethical Code and ensure a high standard in the services required of them.

They must also avoid any conduct that may damage the Company's assets, its management, relationships with stakeholders and the image of the Company and must signal through the appropriate channels any breach of the rules of conduct set forth in its internal procedures.

Collaborators must ensure that every business decision is taken in the interest of GRUPPO BIOIMPIANTI, and must avoid any situation of non-transparency between personal or family economic activities and duties, such as to compromise his independence of judgment and choice.

II.4.13 Information management

Collaborators must know and implement the provisions of the Company's data security policies in order to guarantee its integrity, confidentiality and accessibility. In drafting documents, they must use clear, objective and exhaustive language so that they may be verified by any colleagues, superiors or external subjects authorized to do so.



II.4.14 Conflict of interest

All GRUPPO BIOIMPIANTI collaborators are under obligation to avoid situations in which conflict of interest (eg. common interest with suppliers or clients) may arise and to abstain from taking personal advantage of business opportunities that come to their attention in the course of duty.

In the event of a real or even only apparent conflict of interest, a collaborator must inform his or her superior, who will in turn inform GRUPPO BIOIMPIANTI's Supervisory Body, which will ascertain whether there is a case. Collaborators must also provide information about business done outside working hours should such activities prove capable of appearing to involve a conflict of interest with GRUPPO BIOIMPIANTI.

II.4.15 Use of Company assets

All collaborators must do their utmost to safeguard the Company's assets by responsible conduct and acting in line with procedures disciplining their use and by precisely documenting their use. In particular, all collaborators must:

- a) make scrupulous and parsimonious use of the assets allocated to them;
- b) avoid any improper use of Company assets that may damage or reduce the efficiency of or be in any case in contrast with the interests of the Company.

Each collaborator is responsible for protecting the resources allocated to them and must promptly inform the relevant offices of any threats or events detrimental to GRUPPO BIOIMPIANTI.

GRUPPO BIOIMPIANTI reserves the right to prevent improper use of its assets and infrastructure through the use of accounting systems, financial reporting or risk analysis and prevention, subject to respect for the provisions of current law (privacy law, "workers' statute", etc.).

Regarding IT applications, all collaborators must:

- ❑ scrupulously adopt the Company's IT security policy (management and control of data and systems) in order not to compromise the functionality and protection of its IT systems and the data on them;
- ❑ not send threatening or injurious messages by email, use offensive language or make inappropriate comments that might cause offence to people and/or damage to the Company's image;
- ❑ not browse websites with indecent or offensive content.



II.5 RULES OF CONDUCT IN RELATIONSHIPS WITH CLIENTS

II.5.1 Impartiality

GRUPPO BIOIMPIANTI may render services to public health-service clients, private clients and individual subjects.

GRUPPO BIOIMPIANTI undertakes not to arbitrarily discriminate between its clients.

II.5.2 Contracts and communication with clients

Contracts with and notices to clients of GRUPPO BIOIMPIANTI are:

- i. clear and simple, formulated in language as close as possible to that normally used by clients;
- ii. in compliance with current law and do not use evasive or in any case unfair practices;
- iii. complete, including all details required by the client to make decisions.
- iv. documented and/or documentable

The purposes and recipients of communications determine the choice of the most suitable channel of contact, from time to time, for transmitting content without excessive pressure and without using misleading or untruthful advertising.

Lastly, GRUPPO BIOIMPIANTI will promptly communicate all information on any modifications to contracts or economic or technical conditions relating to provision of services and/or sale of products.

II.5.3 Conduct of collaborators in relationships with clients

GRUPPO BIOIMPIANTI's style of conduct with clients is characterized by helpfulness, respect and courtesy and a preference for collaborative and highly professional relationships. All GRUPPO BIOIMPIANTI collaborators working with clients must adopt this style of conduct.

II.5.4 Quality control and customer satisfaction

GRUPPO BIOIMPIANTI undertakes to guarantee adequate (pre-defined) quality standards for the services and products it offers and also to monitor the level of quality perceived by the customer.

II.5.5 Involvement of customers

GRUPPO BIOIMPIANTI undertakes to always respond to suggestions and complaints on the part of customers and consumer associations using appropriate and quick-response communication systems.

GRUPPO BIOIMPIANTI promptly informs customers of the receipt of their communications and of the time it will take to reply. Replies must in any case be brief.



II.6 Rules of conduct in relationships with the public administration, the community and organizations and agencies representing it

II.6.1 Relationships with the public administration

With full respect for the various roles and functions involved and in a spirit of maximum collaboration, GRUPPO BIOIMPIANTI has relationships with government administrations, authorities and watchdog commissions, public agencies, local government, public organizations, commissioners of public works or services and private subjects operating as public agents.

All relationships with local public institutions, whether national or international, are treated as normal administrative business and subject to criteria of transparency and fairness that exclude any attitudes of a collusive nature.

Given the importance of GRUPPO BIOIMPIANTI's business and of the sector in which it operates, its relationships with the public administration must be based on criteria of professionalism and on recognition of the respective roles and organizational structures, also for the purpose of ensuring substantial compliance with the relevant regulations.

GRUPPO BIOIMPIANTI prohibits the direct or indirect offering of sums of money or other benefits to public officials or public service agents to influence them in the performance of their duties (whether to act in a particular way or to deliberately fail to act).

In this context, GRUPPO BIOIMPIANTI has put measures in place to prevent people acting in the name or on behalf of the Company from behaving in ways which may be construed as bribery of public officials or public service agents.

Contributions and loans for political and or social purposes must be within legal limits and authorized in advance by the board of directors or a department specifically empowered for the purpose.

To guarantee maximum transparency in relationships, contacts with institutional stakeholders must be exclusively through persons acting under explicit authorization from GRUPPO BIOIMPIANTI's top management.

II.6.2 Social policy

GRUPPO BIOIMPIANTI's strategy is to manage its investments and business operations in accordance with the principles of sustainable development.

GRUPPO BIOIMPIANTI pursues objectives compatible with those of developing the community and the surrounding environment in which it operates.

This policy is rooted in the awareness that satisfaction of the community is one of GRUPPO BIOIMPIANTI's purposes, as well as being a competitive advantage.



II.6.3 Relationships with political parties, trade unions and pressure groups

GRUPPO BIOIMPIANTI does not finance political parties, their representatives or candidates, in Italy or elsewhere; nor does it sponsor congresses or other events having exclusively political ends. It abstains from all direct or indirect pressure on politicians (such as accepting job applicant recommendations, consulting contracts, etc.).

Further, GRUPPO BIOIMPIANTI does not make contributions to organizations with which a conflict of interest might arise (eg. trade unions, consumer associations). However, it is possible to co-operate, also financially, with such organizations on specific projects provided that the purpose is in line with GRUPPO BIOIMPIANTI's mission, that the allocation of resources is clear and documented and that there is express authorization from the departments responsible for managing such relationships within GRUPPO BIOIMPIANTI.

II.6.4 Contributions and sponsoring

GRUPPO BIOIMPIANTI does not pay contributions to subjects that request them, except in special cases to be submitted to the approval of the board of directors. Sponsoring, which may be in favour of social initiatives, the environment, sport, entertainment or art, is only granted for events that offer a guarantee of quality, are of broad appeal and for which GRUPPO BIOIMPIANTI can take part in the planning in order to ensure originality and efficacy.

In considering proposals of this sort, GRUPPO BIOIMPIANTI is in any case particularly vigilant for possible conflicts of interest on a personal or corporate level (eg. kinship with the subjects concerned or links with bodies in a position to favour GRUPPO BIOIMPIANTI's business).

II.6.5 Services provided for public agencies

GRUPPO BIOIMPIANTI complies with the procedures disciplining tenders and concessions by public agencies provided for in the relevant laws and regulations. Bids for tenders and the relative appraisal of charges and investments must be made in line with the Company's strategies, plans and procedures.

II.7 RULES OF CONDUCT IN RELATIONSHIPS WITH SUPPLIERS

II.7.1 Relationships with suppliers

GRUPPO BIOIMPIANTI's procurement policy aims to source services, products, materials and work at the most advantageous quality/price conditions.

This objective must be reconciled, however, with the need to engage suppliers which ensure their operations are based on respect for human rights, the rights of workers and the environment.



To this end, GRUPPO BIOIMPIANTI expressly requires suppliers to abstain from, among other things, using under-age labour, discrimination and abuse or coercion of workers, and to comply with environmental standards by adopting policies to contain consumption of raw materials, reduce waste and hazardous emissions and in general to limit the environmental impact of their production.

Whilst favouring the establishment of stable business relationships, GRUPPO BIOIMPIANTI carries out regular reviews of its supplier platform in order to rationalize it and improve cost effectiveness.

No potential supplier having the appropriate requisites should therefore be precluded from competing with its offering of products/services.

For all supplies, including contracts for work and materials and consulting contracts, reasons for choice and pricing must be adequately documented, as required by company procedures.

Procurement staff must not accept any gifts or other benefits that may cause embarrassment or influence their choices or induce suspicion that their conduct is not transparent or impartial. Small gifts of minimal value are allowed within the bounds of commercial practice and Company regulations.

II.7.2 Choice of suppliers

Procurement processes are geared to granting equal opportunities to all suppliers; they are also based on pre-contractual and contractual conduct designed to ensure the indispensable properties of reciprocal loyalty, transparency and collaboration.

In particular, GRUPPO BIOIMPIANTI collaborators involved in such processes are under obligation to:

- ❖ not preclude any supplier having the relevant requisites from competing for contracts and adopt objective and documented criteria for short-listing applicants;
- ❖ ensure that an adequate number of competitors are assessed for each purchase, eg. at least three companies; exceptions must be authorized and documented.

In certain product categories or types of supply, depending on quantities and in accordance with current law, GRUPPO BIOIMPIANTI has a supplier list whose qualification criteria do not constitute an entry barrier. For GRUPPO BIOIMPIANTI the requisites for this list are:

- documented resources, also financial, organization structures, design capability, know-how, etc.;
- existence and effective operation of adequate and certified quality systems (where required by GRUPPO BIOIMPIANTI specifications);



In any case, should a supplier in its conduct of business for GRUPPO BIOIMPIANTI adopt forms of conduct not in line with the general principles of this Code, GRUPPO BIOIMPIANTI reserves the right to take appropriate measures, ranging from contract penalties to termination of contract or contracts (without prejudice to claims for further damages) and eventual preclusion from future collaboration.

II.7.3 Integrity and independence in relationships with suppliers

GRUPPO BIOIMPIANTI's relationships with suppliers are disciplined by common principles and are constantly monitored by GRUPPO BIOIMPIANTI. Such relationships also include financial and consulting contracts. Stipulation of a contract with a supplier must always be based on relationships of extreme transparency in which all forms of dependency must be avoided. Thus, by way of non-exhaustive example:

- any contract for an amount estimated to be 50% bigger than the supplier's turnover must be communicated to GRUPPO BIOIMPIANTI, in accordance with the relevant procedures;
- long-term projects involving short-term contracts are usually avoided as they entail continual renewals and price reviews; similarly to be avoided are consulting contracts without an adequate transfer of know-how, etc.;
- it is not considered correct to induce a supplier to stipulate a contract unfavourable to it with promises of a more favourable contract subsequently.

The following strategies are operated to guarantee maximum transparency and efficiency in the procurement process:

- ▶ turnover of procurement staff;
- ▶ separation of roles between the unit requesting supply and unit stipulating the contract;
- ▶ adequate documentation and traceability of choices made;
- ▶ conservation of information and official purchase and contractual documents for the current legal terms (as referenced in the Company's procurement procedures).

Lastly, to guarantee transparency in its relationships, GRUPPO BIOIMPIANTI has a supplier monitoring system.



II.7.4 Defence of ethical supply

With a view to harmonizing procurement activities with the ethical principles of this Code, GRUPPO BIOIMPIANTI undertakes to introduce socially oriented requisites for certain supplies. Infringements of the general principles of the Ethical Code entail penalties, also intended to avoid offences against the public administration. To this end, clauses may be written into individual contracts requiring suppliers to declare their acceptance of the principles set forth in this Ethical Code and providing for inspections of suppliers' production sites and offices to verify that requisites are being met.



PART III DISCIPLINARY system

First of all, there must be no confusion between the reasoning behind the penalties contemplated in GRUPPO BIOIMPIANTI's organization model and criminal prosecution offences under the law.

Such proceedings must be kept distinct, as they answer different needs. GRUPPO BIOIMPIANTI punishes all breaches of its Ethical Code and the procedures provided for in its organization model irrespective of whether such infringements are offences under the law. GRUPPO BIOIMPIANTI's disciplinary system answers the need to prevent the commission of offences, while criminal process would seek to establish whether a breach of procedure constituted an actual offence.

This said, the disciplinary system is therefore designed to meet the aforementioned need to discourage and prevent the commission of offences.

It should also be noted that the disciplinary procedures in the model adopted by GRUPPO BIOIMPIANTI satisfy the guarantees contemplated in art. 7 of the "Statuto dei lavoratori" (Workers Statute) regarding employees and comply with the provisions of national labour contracts regarding the type of penalties applied.

In this last respect, the following five types of sanction contemplated by this Ethical Code, and given here on a merely indicative basis, reflect GRUPPO BIOIMPIANTI's disciplinary system in its entirety:

- 1) verbal reprimands;
- 2) written reprimands;
- 3) fines not exceeding four hours pay;
- 4) suspension from work without pay for up to ten days;
- 5) disciplinary dismissal.

The severity of penalties imposed on employees is determined on a gradual, proportional scale and also takes into account the seriousness of the infringement, in accordance with the provisions of art. 7, law 300/1970, and the following factors:

- repetition of an act committed in the previous two years;
- wilfulness of conduct or degree of negligence, imprudence or incompetence, also with regard to the predictability of the event; participation in the infringement by a number of employees in agreement.

An employee who commits an infringement of a type for which he has already been sanctioned in the last two years may be given a penalty more severe than the one previously inflicted, depending on the seriousness of the case and circumstances.

Disciplinary measures more severe than written reprimands cannot be applied before five written complaints have been made about the fact that originated them, during which time the employee may submit justifications.



The disciplinary rules regarding penalties are brought to employees' notice by being posted in a place accessible to all and in written communications to all employees.

GRUPPO BIOIMPIANTI executives or other subjects in positions of authority or consultants who commit infringements of the rules in this Ethical Code or in the Company's organization model may be sanctioned by immediate termination of the employment relationship.

Said penalty shall be specifically provided for in a clause in the contract disciplining the relationship between such subjects and GRUPPO BIOIMPIANTI or in a deed additional to a pre-existing employment contract.



PART IV ENFORCEMENT CONTROL OF THE ETHICAL CODE

IV.1 Tasks of GRUPPO BIOIMPIANTI's board of directors

The tasks of the board of directors of GRUPPO BIOIMPIANTI regarding the Ethical Code are as follows:

- + deciding over serious infringements of the Code signalled by GRUPPO BIOIMPIANTI's Supervisory Body;
- + expressing binding opinions on revision of major policies and procedures in order to ensure consistency with the Ethical Code;
- + periodically reviewing the Ethical Code.

To this end, the board of directors of GRUPPO BIOIMPIANTI evaluates:

- + communication and training plans regarding ethics;
- + the work plan drawn up by the Supervisory Body and the latter's regular reports.

IV.2 Tasks of GRUPPO BIOIMPIANTI's Supervisory Body

The tasks of GRUPPO BIOIMPIANTI's Supervisory Body are as follows:

- monitoring application of and compliance with the Ethical Code and promotion of constant ethical improvement within GRUPPO BIOIMPIANTI through analysis and assessment of ethical risk management processes;
- monitoring initiatives to raise awareness and understanding of the Ethical Code;
- guaranteeing development of communication and training plans regarding ethics;
- analysing policy and procedure reviews with significant impact on the Company's ethics and drafting proposals to submit to the board of directors;
- receiving and analysing reports of breaches of the Ethical Code;
- submitting modifications and additions to the current Ethical Code to the board of directors.

Such work is supported by internal audit and control functions which may also be provided by external operators engaged by the Supervisory Body, the board of directors and relevant departments, which all have direct access to whatever documentation is deemed relevant.



IV.3 Communication and training

The Ethical Code is communicated to internal and external stakeholders by means of purpose-designed communication activities.

To ensure that all GRUPPO BIOIMPIANTI collaborators fully understand the Ethical Code, the personnel department organizes a training plan (ethical principles and regulations) in collaboration with GRUPPO BIOIMPIANTI's Supervisory Body.

Training initiatives are tailored to collaborators' roles and responsibilities. There is a special programme for new entries illustrating the Company's Ethical Code and organization model that they will have to abide by.

Lastly, all GRUPPO BIOIMPIANTI employees are required to sign a statement that they have read and accept this Ethical Code, while all external collaborators, including suppliers, consultants and other professionals, are required to subscribe to the principles set forth in this Ethical Code and the precepts contained in the procedures of the organizational model insofar as applicable to their relationships with GRUPPO BIOIMPIANTI.

IV.4 Reporting by stakeholders

GRUPPO BIOIMPIANTI stakeholders may make a written, non-anonymous report of any breach or suspected breach of this Ethical Code to GRUPPO BIOIMPIANTI's Supervisory Body, which will examine the report, consult the alleged perpetrator and may also consult the reporting party.

The Supervisory Body must safeguard reporting parties against any sort of reprisal, meaning any action that may even be suspected of being a form of discrimination or penalization (e.g. interruption of business relationships with suppliers, blocking of promotion for employees, etc.). GRUPPO BIOIMPIANTI also ensures that the identity of such parties will remain confidential unless otherwise required by law.

IV.5 Infringements of the Ethical Code

GRUPPO BIOIMPIANTI's Supervisory Body reports breaches of the Ethical Code signalled by stakeholders or detected by its own independent monitoring and makes recommendations thereon:

- in serious cases: to GRUPPO BIOIMPIANTI's board of directors, which considers the case and instructs the management team to act accordingly;
- in less serious cases: direct to the chairman of the board of directors of GRUPPO BIOIMPIANTI, summarising the case in question; the chairman contacts the relevant departments to define disciplinary measures, makes sure they are properly enforced and reports to GRUPPO BIOIMPIANTI's Supervisory Body accordingly.