



CODE OF ETHICS

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1 Introduction

Lo.Li. Pharma International S.r.l. (Hereinafter the "Company") in the context of its activities and in the conduct of its affairs, assumes, as guiding principles, the respect of the law and regulations of the countries in which it operates within a framework of legality, correctness, transparency, confidentiality and respect for the dignity of the person.

The Company also aims to reconcile the search for competitiveness on the market with respect for professional correctness and promote, in a context of social responsibility and environmental protection, the correct and responsible use of resources.

The objectives of the growth of production and market share, as well as strengthening the capacity to create value, are pursued ensuring the structures and processes of appropriate safety standards regarding decisional and operational prerequisites for the development of new business, the efficiency of the selection mechanisms and management of affairs, quality management systems and measurement of risks.

The ethical principles that will be set out in this Code of Ethics are relevant for the purposes of prevention of crimes ex Leg.Dec. 231/2001 and constitute an essential element of the preventive control system.

1.1 Adoption

This Code of Ethics was adopted by the Company after a decision of the Board of Directors of 20.11. 2017

1.2 Dissemination



This Code of Ethics undergoes ample internal dissemination and is published on the internet site of the institutions to be available to any partner of the Company.

Each collaborator of the Company is obliged to know and respect the guidelines of the Code; the Company closely monitors compliance with the Code by providing adequate instruments of information, prevention and control and intervening, if appropriate, with corrective actions.

1.3 Update

The Code of Ethics may be amended and supplemented by a Decision of the Board of Directors, also as a result of suggestions and/or indications from the Supervisory Body.



2 GOAL

This Code of Ethics has the purpose to define and formalise the ethical values of the Company, so that these values constitute the base element of the corporate culture, as well as the standard behaviour of anyone in the interest or to the advantage of the Company itself in the conduction of the activities and social affairs.

The Code of Ethics and principles therein laid down indicate, for anyone working in the interest or to the benefit of the Company, behaviours to be maintained and those inhibited.

In this sense the Code of Ethics and the principles which it established also have the value of reference standards and closure, where an activity, an act or an operation is not governed by procedures, work instructions or other preventive protocols, recipients must behave in accordance with the four principles.



3 STRUCTURE OF CODE OF ETHICS AND SCOPE OF APPLICATION

The Code of Ethics (hereinafter the "Code") is composed of the following parts:

- The Ethical principles;
- The application of the Ethical Principles to the corporate stakeholders;
- The application of the Ethical Principles to third parties;
- The respect for Ethical Principles.

This Code contains the set of rights, duties and responsibilities of the Company in respect of " *bearers of Interest* " (employees, suppliers, customers, partners, public administration, members, etc.).

The monitoring of the Code of Ethics implemented by:

- The Governing Bodies that must ensure all decisions and actions comply with the Code, disseminate knowledge and sharing this process with staff and third parties who act in the interest or to the benefit of the Company; they must also constitute, through their own behaviour, a reference model for all recipients;
- Employees, which are required to act in compliance with the Code and Report any infringement of the same to the Supervisory Board;
- Suppliers of goods and services which must be appropriately informed of the rules of conduct contained in the Code and standardise their behaviour for the entire duration of the contractual relationship with the Company.

All persons who are required to respect the Code are known as " *Recipients* "(social bodies, employees, suppliers).



4 GENERAL ETHICAL PRINCIPLES

4.1 *Legality*

The addressees are expected to respect the laws and the general regulations in force in the countries in which they operate, as well as the democratic order therein constituted.

The recipients are also obliged to comply with Company regulations, as they implement regulatory obligations. In no case may the attainment of the interest of the Company justify a conduct contrary to the law, regulations or internal regulations.

Recipients must be aware of the laws and consequent behaviours; if there were doubts about how to proceed, the recipient must contact the Supervisory Board of the Company that will provide the appropriate information.

Company Executives are obliged to ensure training and awareness programmes continue promoting issues relating to the legality and the Code of Ethics.

To ensure compliance with this principle, the Company has adapted its organisation, management and control model to parameters and requirements laid down in Articles 6 and 7 of Leg.Dec 231/2001.

4.2 *Correctness*

The recipients must comply with the ethical and professional rules applicable to the activities carried out in the interest or to the advantage of the Company. The recipients must also comply with Company regulations, as they implement regulatory, ethical or professional obligations and as part of the formalisation of behaviours expected by the Company.



In no case should the pursuit of the Company interests justify dishonest conduct or not compliance with the applicable regulations and this Code: it should be pointed out that the corporate profit is subordinate to the respect of the principle of correctness.

The recipients must have the awareness of the ethical meaning of their own actions and must not pursue personal or gain if this means violating the laws in force and the rules of this Code. In particular, the recipients are required to:

- Behave according to the principles of honesty, correctness and honesty in the execution of Company affairs, and with regards to Company competitors;
- Work with diligence, avoiding the use of incorrect and dishonest means to obtain undeserved advantages;
- Maintain fair, transparent and cooperative conduct with regards to all Public Authorities;
- Protect the reputation of the Company in every occasion, and preserve the integrity of corporate goods and resources, that constitute the patrimony of all those who work within the Company;
- Act correctly and indicate to your managers -either immediate staff or third parties- any situations of conflict which involve them, either compatible with or coinciding with that of the Company;
- Do not exploit to your own and/or the Company's advantage any conditions of ignorance or inability of its members and ensure that the contracts and work tasks are carried out in accordance with regulations established consciously and freely by the parties;
- Do not accept, carry out for yourself or other people, recommendations and reports that are likely to cause prejudice to the Company or undue advantages for yourself, the Company or third parties.

To ensure compliance with this principle, the Company has adapted its organisation, management and control model to parameters and requirements laid down in Articles 6 and 7



The Leg.Dec. 231/2001, adopted a quality management system in accordance with ISO standard 9001:2008 and this Code of Ethics.

4.3 Confidentiality

The addressees shall ensure the confidentiality of known information in cases activities carried out in the interest or to the advantage of the Company.

Recipients are required to deal with corporate data and information exclusively within the scope of and for the purposes of their work and professional activities, to protect data and information in respect of the law and Company regulations and not disclose (communicate, distribute or publish in any way) information without the written consent of the Company.

4.4 Transparency

The principle of transparency is based on the veracity, accuracy and completeness of information both inside and outside of the Company: it implies that each operation and transaction must be properly recorded, authorised, verifiable, legitimate, coherent and reasonable.

The Recipients undertake, to prepare for each operation, adequate support documentation in order to be able to proceed, in every moment, to the carrying out of checks that attest to the characteristics and motivations of the operation and to identify the person who has authorised, carried out, registered and verified the operation itself.

4.5 Efficiency

Each recipient should be treated with professionalism, dedication, loyalty and a spirit of collaboration and mutual respect. The efficiency of the management that the Company pursues is reached through the professional contribution and organisation that each resource



guarantees in respect of the principles of professionalism, transparency, fairness and honesty. The efficiency of management is also pursued by constantly seeking higher quality standards, pursued, if necessary, even at the expense of the same economies in management.

4.6 Respect of the person

The Company is firmly convinced that employees represent the fundamental patrimony and are irreplaceable for business development and, for this reason, protects and promotes the value of its human resources in order to increase worker expertise, in full compliance with current regulations regarding the rights of the individual personality. The addressees shall ensure respect for the individual, recognizing the value of life, health and human dignity.

The Recipients treat each all individuals equally, avoiding any form of discrimination, in particular on the basis of religion, gender, age, sexual preferences, racial or ethnic origins.

The Company places great importance on the physical and moral integrity of its employees, working conditions which respect individual dignity and to safe and healthy working environments. The Company aims, with the utmost commitment, to ensure health and safety in workplaces, by adopting measures to avoid the risks associated with the conduct of its business. To ensure compliance with this principle the Company has adopted this Code of Ethics, in the belief that each function and corporate body responsible for health and safety at work is rigidly adhering to the applicable regulations on this matter and that they are also applied to partner companies, entrusted with the production.



5 APPLYING ETHICAL PRINCIPLES TO CORPORATE STAKEHOLDERS

5.1 Relations with shareholders

The Board of Directors promotes transparency and periodic information with regards to shareholders, in compliance with the laws and regulations in force.

The interests of all shareholders are promoted and protected by refusing to provide special treatment to any one party or take sides.

The President promotes correct and constant information to members about any action or choice that can have effects or consequences to their investments.

The President favours:

- The regular participation of the members of the Board of Directors in meetings;
- The proper functioning of meetings to ensure the rights of each shareholder in obtaining clarification, expressing their opinions and formulating proposals.

The Board of Directors shall promote the maximum confidentiality of information concerning extraordinary operations.

The Recipients involved will need to keep this information confidential and not abuse it.

5.2 Transparency of corporate accounts

The Company requires the utmost transparency, reliability and integrity of information concerning corporate accounting.



Each operation and transaction must be properly recorded, authorised, verifiable, legitimate, coherent and reasonable.

All the actions and operations of the Company must have an adequate record and it must be possible to check the process of decision making, authorisation and performance.

For each operation there must be adequate support documentation in order to be able to proceed, at any time, to the carrying out of checks that attests to the characteristics and motivations of the operation and to identify who authorised, carried out, recorded, and verified the operation itself.

Recipients who become aware of omissions, counterfeiting or negligence shall be obliged to report this to the Supervisory Board.

5.3 Staff selection and recruitment

The recipients shall promote compliance with principles of equality and equal opportunities in the activities relating to the selection and recruitment of staff, rejecting any form of favouritism.

The selection of staff is carried out on the basis of the correspondence of candidate profiles and skills, with maximum professionalism and in full compliance with the ethical principles of the Company.

Staff employment is based on a strict selection process which takes into account not only of the *curriculum vitae* of each candidate, but also the characteristics and character traits of individual candidates, as well as the suitability of the individual with regards to respecting the principles encoded in the present Code.

5.4 The formalisation of the employment relationship

Working relationships are formalised with regular contracts, rejecting any form of irregular work, also in reference to the residency status of foreign citizens.

The recipients shall foster maximum collaboration and openness toward the new employee, so that the latter has a clear awareness of the task assigned to him.

5.5 Safety and protection of health and working conditions

The Company promotes working conditions which protect the mental and physical well-being of individuals, providing workplaces which comply with current health and safety.

The employer is obliged to clarify and spread the principles and fundamental criteria upon which decisions, of all kinds at all levels, regarding health and safety in the workplace.

These principles and criteria can thus:

- a) avoid risks;
- b) assess the risks which cannot be avoided;
- c) combat the risks at their source;
- d) adapt work to the individual, in particular as regards how jobs are designed and the choice of work equipment and methods of work and production, in particular to mitigate monotonous and repetitive work and to reduce the effects of this type of work on health;
- e) take into account the degree of evolution of the technique;
- f) replace dangerous tasks with safe or safer tasks



- dangerous;
- g) plan prevention, aiming for coherence which integrates technique, the organisation of work, working conditions, social relationships and the influence of factors related to the working environment;
 - h) prioritising collective protective measures over individual protective measures;
 - i) Giving appropriate instructions to workers.

These principles are used by the Employer - who provides support in the field of health and safety at work, especially RSP - to take the necessary measures for the protection of the safety and health of workers, including prevention of occupational risks, information and training, as well as provision of the necessary organisation and means.

All recipients must follow these principles, especially when decisions or choices must be made and, later, when the same must be implemented.

5.6 Environmental protection

The Company recognises the protection of the environment as a primary value in the exercise of its work from the management of daily activities to strategic choices. Business and investment choices are informed with respect to the environment and in compliance with legislation for its protection.

Recipients are required to actively collaborate in environmental management and the continuous improvement of the protection of the environment, in line with the policy of the Company. The Company expects partner companies involved in production to fully comply with the regulations imposed for the protection of the environment.



5.7 Professional Growth

The Board of Directors of Lo.Li Pharma International S.r.l., are aware that the skills of employees and collaborators is of value to the Company itself, to customers and to the scientific world, promotes the professional growth of employees by means of appropriate tools and training plans.

The Board of Directors undertakes to do so in as far as their own business organisation, pre-established annual objectives aim to inhibit unlawful behaviour and focus on realistic, specific, concrete and measurable results within the time expected to achieve these.

Career advancement and staff management are based solely on merit.

The recognition of wage increases or other incentives and access to superior roles or tasks are relative to the rules laid down by law or by an employment contract, to the merits of individual employees or collaborators, such as for example the ability to reach business goals in compliance with the Ethical Principles of the Company.

6 APPLYING ETHICAL PRINCIPLES TO THIRD PARTIES

6.1 Criteria of conduct toward customers

Recipients act with professionalism and ensure a high quality of work and the confidentiality of information concerning customers.

The lawfulness of solutions envisaged should always be guaranteed in relation to services carried out.



Any form of discrimination against customers is prohibited.

The recipients shall promote the continuous improvement of the quality of services offered to the end customer. In particular, the Company sets itself the objective of satisfying, in light of scientific knowledge, the needs of customers and developing innovative solutions, offering the maximum possible satisfaction and the protection of their customers as a primary purpose for their activities, and paying attention to requests to promote an improvement of the quality of products and services. To this end the activities of research, development, production and marketing are oriented to quality standards of absolute excellence.

In particular, the recipients are required to:

- ensure customers that marketed food supplements and medical devices are of high quality and in compliance with the specifications on the packaging, accompanying documents and authorised by competent bodies - when necessary;
- Implement means of information, communication and promotion which is easily comprehensible, sincere, and that does not accidentally imply wrong information or mislead consumers, leading to expectations that the integrators and medical devices marketed cannot meet.

6.2 *Criteria of conduct towards suppliers*

The processes of selection and choice of suppliers are based on the principles of legality, correctness and transparency.

The choice of supplier is based on objective criteria and is impartial in terms of quality, innovation level, cost, additional services with respect to the services/products offered.

The violation of the principles of legality, honesty, confidentiality are just cause for termination of relations with suppliers.



If the recipients receive, from a supplier, proposals of benefits to encourage the activity, they must immediately terminate relations with the same and report it to the Supervisory Board.

6.3 Criteria of conduct towards the Public Administration and Public Institutions in Italy and abroad

With public administration and public institutions, both Italian and foreign, recipients promote lawful and correct relations with maximum transparency and refuses any form of promise or offer of payments or goods to promote or encourage any interest or advantage.

Recipients are not allowed to offer money or gifts to the managers, officials or employees of public administration and public institutions, or their relatives, unless gifts or advantages are of a modest value.

When any business negotiation, request or relationship with Public Administration and Public Institutions is under way, recipients must not seek to improperly influence decisions of the counter-party, including those of the officials dealing with or making decisions on behalf of the Public Administration and Public Institutions.

In the specific case of a competition, you should work in compliance with laws in force and correct business practice.

If the recipients receive requests or proposals of benefits by public officials, they must immediately terminate relations and report it to the Supervisory Board.



6.4 *Criteria of conduct towards intermediaries and conduct of the latter*

The processes of selection and choice of financial intermediaries are based on the principles of legality, correctness and transparency.

The intermediaries are recipients of messages, communications and transparent contracts, which are difficult to understand or encourage unfair trade practices.

Contracts with intermediaries must provide, as far as possible, the obligation to comply with the Code and the protocols applicable to any activities at risk of crime which the intermediaries themselves are responsible for on behalf of the Company, as well as the termination clauses and compensation in the event of violation of these rules of conduct.

The intermediaries, as recipients, must comply with the Code and the protocols applicable to them.

The violation of the principles of legality, correctness, transparency, confidentiality and respect for the dignity of the person are just causes for the termination of relations with intermediaries.

If the recipients receive intermediary proposals of benefits to encourage the activity, they must immediately terminate relations and report it to the Inspection Body.

No forms of donation or any type of benefit or advantage are permitted in favour of intermediaries that might, even only potentially, be understood as exceeding the normal commercial or courtesy practices.

It is, in all cases, forbidden to provide intermediaries with any form of donation, benefit, advantage or promise of such advantages, with the aim of receiving favourable treatment in

conducting activities which could be connected to the Company.

In particular, it is forbidden to provide intermediaries with any form of gift or any type of benefit or advantage or promise to auditors, members of representative bodies of entities or to members of their families, with the purpose of influencing the independence of judgement or with the purpose of guaranteeing any advantage.

Recipients who become aware of violations, omissions, counterfeiting or negligence on the part of the intermediaries, or of one of their collaborators, within the framework of the progress of the business relationship, are obliged to report it to the Supervisory Board.

6.5 Criteria of conduct towards political parties and trade unions

The Company is completely foreign to any political party and trade union organisation, both Italian and foreign.

In this sense, the Company does not financially subsidise, in any way, organisational or associative behaviours such as these, and does not support events, exhibitions, or congresses with the purpose of promoting political propaganda or trade unions.

6.6 Criteria of conduct towards competitors

It is forbidden for the Recipients to behave in ways or sign agreements that may adversely affect competition between the various operators in the relevant market or to affect users and consumers in general. Recipients are required to behave according to fair trade, and to prevent and condemn unfair practices of every kind and nature.

It is contrary to the policy of the Company and the law, to establish agreements, understandings, exchanges of information, discussions or communications with any competitor regarding price, production costs that have the purpose of restricting or distorting competition: in order to prevent, from the source, phenomena of this type, the staff is expected to respect, at all costs, the confidentiality of critical data such as



these.

The Company also undertakes to not unduly damage the image of competitors and their products.

7 RESPECTING ETHICAL PRINCIPLES

7.1 Governing Bodies and components of the Supervisory Board

Governing Bodies and the Supervisory Board, in compliance with the Code of Ethics integrate and perform the requirements of professional diligence in the execution of their tasks.

Violation of the rules of the Code of Ethics and protocols of the Organisation, Management and Control Model referred to in Leg.Dec 231/2001, therefore constitute a failure to comply with the obligations arising from the natural role of representation and, the consequent application of penalties provided laid down by the law.

7.2 Employees

In compliance with the Code of Ethics, employees integrate and perform obligations of loyalty, honesty and integrity and confidentiality in the execution of the terms provided by their work contract in good faith and this is alleged by the Company and pursuant to and for the effects referred to in article 2104 of the Civil Code.

In the event of violation of the rules of the Code and of the operating protocols of the Organization, Management and Control Model referred to in Leg.Dec. 231/2001, sanctions provided for by the NCEC will be applied.



7.3 *Third Parties*

In compliance with the Code of Ethics and protocols of the Organization, Management and Control Model referred to in Leg.Dec 231/2001, suppliers integrate the obligations to fulfil requirements of professional diligence and good faith in negotiations and in the execution of contracts with the Company.

The violation of the rules of the Code of Ethics and protocols retrieved from the contract may be applied in accordance with the gravity just cause of revocation or cancellation of contracts with every consequence of law, including compensation for damages.

8 PROCESSES AND DISCIPLINARY SANCTIONS

The violation of the rules of the Code, considered as the proposition of actions or behaviours that do not conform to the requirements of the Code or the omission of actions or behaviours prescribed therein, can constitute failure to comply with the obligations of the employment relationship, with consequences provided by current regulations and employment contracts, where present, also with regards to the conservation of the employment relationship and may involve, compensation for damages to the Company.

The penalty types are provided for by the regulations or by employment contracts in force. They will be proportionate to the gravity of the violation and never aim to undermine human dignity.

The sanction is imposed by the appropriate Company department.

With regard to the failure to comply with the provisions referred to in this Code of Ethics by consultants, agents, carriers, partners, collaborators in general, suppliers of goods or services, the relative penalties will comply with the terms of their respective



contractual agreement.