



RECORDATI

*Model of Organisation, Management and Control pursuant to
Legislative Decree No. 231/2001)*

Part 04

ETHICS CODE

04.01 ETHICS CODE

**RECORDATI ETHICS CODE
(pursuant to Legislative Decree No. 231/2001)
APPROVED BY THE BOARD OF DIRECTORS
OF RECORDATI S.P.A. ON 12TH DECEMBER 2002**

AMENDED BY THE BOARD OF DIRECTORS OF RECORDATI S.P.A. ON 7TH APRIL 2003

AMENDED BY THE BOARD OF DIRECTORS OF RECORDATI S.P.A. 27TH JULY 2006

AMENDED BY THE BOARD OF DIRECTORS OF RECORDATI S.P.A. 7TH FEBRUARY 2008

AMENDED BY THE BOARD OF DIRECTORS OF RECORDATI S.P.A. ON 28TH JULY 2009

AMENDED BY THE BOARD OF DIRECTORS OF RECORDATI S.P.A. ON 28th JULY 2010

PREAMBLE

The Recordati Ethics Code identifies company values and states all the rights, duties and responsibilities of all those who work at Recordati in whatever capacity: directors, statutory auditors, employees, consultants, agents, trade partners, and, more generally, all persons who work with the company.

This Code has been adopted to reflect the values of the Company whose primary objective is to satisfy as fully as possible the needs and expectations of those with whom Recordati pursues its business. The objective is to foster and promote the highest standards of professionalism and to prohibit all conduct which is in conflict not only with such legal provisions and Codes of Conduct which may apply, but also with the values which Recordati intends to foster.

The Code is an integral part of the "Model of Organisation, Management and Control" pursuant to article 6 of Legislative Decree No. 231/2001 relating to "regulating administrative responsibilities of corporations", adopted by the Company (hereinafter the "231 Model").

One purpose of this Code is to facilitate interpretation of the provisions of the Model and therefore to lay down policy for conduct in those situations which are not clearly regulated by it.

Any conduct which might constitute any type of crime and/or offence considered by Legislative Decree No. 231/01 and subsequent amendments and additions is forbidden.

Recordati undertakes to distribute the contents of this Code to all those who come into contact with the Company.

All those who work with Company, without exception, are expected to comply with the Ethics Code.

A. CORPORATE VALUES

Safeguarding the individual
Fairness and equality
Ethically proper and legally compliant conduct
Loyalty
Confidentiality of information
Respect for the interests of all parties
Professionalism
Protecting the health of individuals and the environment

B. SIGNIFICANT AREAS

- Compliance with law
- Personal duties
- Protecting company interests
- Fair treatment
- Use and protection of corporate resources and information, especially from the viewpoint of insider trading and internal dealing
- Integrity in relations with public authorities
- Protection of industrial and intellectual property rights and copyright
- Competition

The Ethics Code applies to all company activities and provides a blueprint for regulations adopted by Divisions and companies within the Group. All the persons covered by the Code are required to comply with the principles contained in it.

Recordati fosters knowledge of and compliance with the provisions of the 231 Model and this Code, so that all those that have dealings with the company are aware of these company standards, understand the contents and purposes of the Code and adopt vigilant and co-operative conduct in order to ensure compliance with, knowledge of and implementation of the aforementioned provisions.

The Supervisory Committee promotes dissemination of the Code, because it is a constituent part of the 231 Model, adopting such procedures as are likely to ensure dissemination and actual knowledge of it by all the persons covered by it. The Supervisory Committee promotes all necessary revisions to the Code, insofar as it is a constituent part of the 231 Model, in order to ensure maximum compliance with its contents.

The Supervisory Committee supports the Board of Directors in amending, revising and updating the Model.

Recordati has control structures in place to supervise compliance with the provisions of the 231 Model and this Code.

Every employee and every person who has a working relationship with the Company is required to promptly report breaches or suspected breaches of the 231 Model and this Code to the Supervisory Committee pursuant to Legislative Decree No. 231/01 appointed by the Company.

The Company guarantees that it shall protect those making reports against any type of reprisal, discrimination or penalisation, also ensuring that the identity of those making reports remains confidential, unless otherwise provided for by law.

C. RULES AND STANDARDS OF CONDUCT

Guidelines in policies towards workers

Safeguarding dignity, health and safety in the workplace

Recordati is committed to offering equal employment opportunities without distinction based on ethnic group, religion, opinions, nationality, sex, physical conditions, age or social condition. In addition to playing a leading role in matters of human health and environmental protection generally, Recordati also promotes and protects the health of its workers.

Recordati promotes the technical and professional training of its workers.

Recordati ensures that in carrying on its business, its focus on profits is constantly tempered by compliance with ethical principles and legality, in consideration of its corporate social responsibility, and especially the requirement to reduce risks and prevent crimes.

Senior management above all must set an example for all human resources in their work, by complying with the principles which inform the Ethics Code and with company procedures and regulations and by ensuring that it is disseminated amongst employees and by encouraging them to request clarifications or to make proposals for updating it, where necessary.

Guidelines for workers

Compliance with the law and codes of conduct

It is a mandatory requirement for Recordati and for all its workers, in every country in which they carry on their work that their individual conduct complies with the law and the applicable codes of conduct.

Every worker must be aware of the legal repercussions of their actions.

The conduct of Recordati's workers, must not only comply with corporate policies, must also be grounded on principles of co-operation, responsibility, professionalism and diligence.

Where the relationship between professional standards of diligence and the provisions of the law is not clear, commonsense and good judgment shall prevail. Every worker shall seek and receive advice and information from their respective managers and from the legal department, where appropriate.

Traceability, transparency, documentation, segregation of functions

In carrying on its corporate activities, Recordati and its workers are under an obligation to comply with principles of traceability, transparency, documentation and the segregation of functions.

Duties and responsibilities

1. Conflicts of interests

All persons are required to comply with the 231 Model and this Code, in both internal and external relations. More specifically, they are obliged to avoid situations in which conflicts of interest may arise and to refrain from taking personal advantage of business opportunities connected with the performance of their functions.

In this regard, therefore, directors must comply with article 2391, paragraph one of the Italian Civil Code. Therefore, directors who, in a given operation conducted by the company have, on their own behalf or on behalf of third parties, a personal interest, must notify the other directors and Board of Statutory Auditors, specifying the nature, the terms, the origin and the extent of the interest. If the person is the Chief Executive Officer, he/she must abstain from performing the operation, passing responsibility for performing the operation to the Board of Directors itself. If the person is a sole director he must disclose the fact and also inform shareholders in the first subsequent Shareholders' Meeting.

Recordati's workers must also adequately inform third parties of the contents of the provisions of the Code in order that they may demand compliance with these provisions.

Recordati's workers must avoid situations which may create conflicts of interest, both real and potential, between their personal and their corporate activities. Transparency, trust and integrity are therefore values which must be respected at all times. Furthermore, no Recordati employee may procure personal advantages for themselves from activities carried out on behalf of Recordati.

Should situations arise where there is a potential conflict of interest, communication between the worker and their superior is essential in order to remedy the matter.

Payments paid to workers, agents or other public or private entities which provide services to the company must always be commensurate to the services performed.

2. Corporate information: use and protection

The confidentiality of information is an asset which Recordati protects including by means of its workers: all information obtained by workers with regard to their work is the property of Recordati.

Data concerning both physical persons and other legal entities shall be processed in compliance with the regulations in force.

Workers who have access to information which is not in the public domain must use the greatest caution and care in using that information, ensuring that it is not disclosed to unauthorised persons, either inside or outside the company.

Confidential information means, purely by way of example: technical information relating to products and procedures; purchase plans; cost, pricing, marketing and service

strategies; reports on income and other financial reports which are not made public; information relating to sales, mergers and acquisitions.

Information relating to research activities in the science and technology fields may be exchanged with universities, public and private sector research institutes and hospitals after measures have been taken to protect industrial property rights, in compliance with corporate procedures and after taking appropriate steps to safeguard confidentiality.

In this context Recordati respects the academic prerogatives and traditions of its partners, as well as researchers' needs to publish the results of their studies, without prejudice to the protection of industrial property.

Computer processing of information is subject to security controls needed to protect the company from unauthorised intrusion or unlawful use.

The destruction of hard copy or electronic media containing information must be conducted in compliance with the procedures that regulate the matter and in accordance with restrictions laid down by law.

Recordati undertakes to protect information relating to its employees or to third parties, in compliance with Legislative Decree No. 196/2003.

3. Insider trading/Internal dealing

Insider trading refers to those who, in performing a function, practising a profession or holding an office, have access to privileged information concerning the company.

Privileged information is intended as information of a precise nature which has not been disclosed to the public concerning, either directly or indirectly, one or more issuers of financial instruments or one or more financial instruments, which, if disclosed to the public, could have an appreciable effect on the prices of those financial instruments.

Information is considered precise if:

- (a) it relates to a set of existing circumstances or a set of circumstances that could reasonably be expected will come to exist or to an event that has occurred or that it is reasonable to expect will occur;
- (b) it is sufficiently well specified to allow conclusions to be drawn on the possible effect of the set of circumstances or the event referred to in letter (a) on the prices of financial instruments.

Information which if disclosed could have an appreciable effect on the prices of financial instruments is intended as information which it is reasonable to suppose investors would use as one of the elements on which they would base their investment decisions.

It is prohibited for any person who is in possession of privileged information regarding the Company to:

- purchase, sell or perform other transactions either directly or indirectly on their own behalf or on behalf of third parties involving financial instruments issued by the Company using that information;
- communicate that information to others, other than in the normal course of performing their work, profession, function or office;
- recommend or encourage others to carry out the aforementioned transactions. Recordati's workers may not disclose or use such information to their own advantage or to the advantage of third parties in general, and in particular by either directly or indirectly performing transactions in the financial instruments issued by the Company, or by advising others perform such transactions.

In this respect, compliance with organisational provisions adopted by Recordati is required, including those adopted by law.

More specifically all those working for Recordati must ensure that their conduct complies with internal regulations for the handling of privileged information and related procedures. Furthermore, if they qualify as a significant person under the regulations concerning internal dealing, they must comply with procedures for reporting information on transactions performed by significant persons in Recordati shares and in other related financial instruments to the Consob (stock market authority) and to the general public

4. Accounting records, bookkeeping and corporate wrongdoing

All the actions and transactions performed by Recordati must be properly recorded and the decision-making, authorisation and execution processes must be verifiable.

All transactions must have sufficient supporting documentation to be able to perform checks at any time which provide evidence of the characteristics and reasons for the transaction and which identify the persons who authorised, performed, recorded and verified the transaction.

Accounting entries must be kept accurately and they must be complete and prepared in a timely manner, in compliance with company bookkeeping regulations, in order to provide a faithful record of the finances and operations of the Company.

In order to achieve this, all employees involved in keeping accounts must co-operate fully in order to ensure that information is complete and clear and that data and documents are accurate.

Bookkeeping and keeping accounts is intended as keeping all documents that provide a numerical account of operational events, including internal expense reimbursement notes.

Financial statements and corporate communications required by law must be prepared clearly and give a true and fair view of the capital and financial position of the Company.

Reports, communications and documents filed with the company registrar which are mandatory for the company must be performed promptly by the persons required by law to do so; the documents must be true and must comply with the regulations in force.

It is expressly prohibited to prevent or hinder, either by concealing documents or by other means, the performance of control activities for auditing activities which are legally conferred on the shareholders, on other corporate bodies or on auditing firms.

It is prohibited to engage in duplicitous or fraudulent activity designed to obtain a majority in a shareholders' meeting in order to procure an illicit gain for oneself or others.

It is similarly expressly prohibited to spread false information or to engage in fraudulent transactions or any other stratagems clearly designed to cause a significant change in the price of Recordati shares.

It is also prohibited to report untrue facts, even if subject to estimate, concerning the operating, capital or financial position of Recordati to public regulatory authorities, in communications required by law, in order to hinder performance of regulatory functions. Furthermore it is forbidden to conceal facts which should be reported by other fraudulent means.

Compliance with this principle is also required in respect of information relating to assets owned or administered by Recordati on behalf of third parties.

In no manner whatsoever may one deliberately hinder the functions of the public regulatory authorities.

Furthermore, it is prohibited, including by fraudulent conduct, to return contributions made by the shareholders or absolve them from the obligation to make them, apart from cases of legitimate reduction in the amount of the share capital.

It is prohibited to allocate profits or advance payments on profits which have not been earned or allocated to reserves and to distribute reserves which are not available.

It is prohibited to perform reductions in the share capital, mergers or demergers in breach of the laws to protect creditors.

It is prohibited to form or fictitiously increase the share capital of companies by allocating shares or quotas for sums which are lower than the par value, by the reciprocal subscription of shares or quotas, by the significant overvaluation of contributions in kind or receivables, or of the assets of companies that are transformed.

All transactions which may harm creditors are prohibited.

Finally it is also prohibited to perform illegal transactions involving the shares or quotas of the parent company and to perform transactions prejudicial to creditors pursuant to articles 2628 and 2629 of the Italian Civil Code.

5. Relations with the public administrations and political and trade union organisations

Only functions authorised to do so shall have relations with public institutions.

More specifically, all relations which involve company functions with public administrations must be based on uniform principles of diligence, transparency and honesty.

The conduct of Recordati's workers must be based on the utmost honesty and integrity in their relations with the employees and representatives of public authorities, political parties and trade unions.

Entertainment allowances and gifts to public employees and officials, providing they are of modest value, must comply with Recordati's general regulations concerning expenses, in addition to complying with laws and regulations laid down by the public authorities concerned.

It is not, however, permitted to offer money or gifts to senior managers, officials or employees of public administrations or to their relatives, whether Italian or in other countries, nor to representatives of political parties unless these are gifts or benefits of modest value.

It is not permitted to offer or accept any object, service, or favour whatsoever, having monetary value, in order to obtain more favourable treatment with regard to business of any type whatsoever with public administrations.

It is not permitted to tamper, in any manner whatsoever, with information technology systems or electronic data transmission systems belonging public authorities and/or to gain unlawful access in any manner whatsoever to information or software contained in a public authority's information technology or electronic data transmission systems, thereby procuring illicit gains for Recordati to damage of the State.

Relations with health service workers, employees of public administrations and pharmacists must be based on compliance with internal protocols and the applicable legislation, when the Company sponsors conventions, congresses and scientific events, appoints consultants, makes donations, awards scholarships and supplies promotional material and free samples.

It is not permitted to issue untrue statements to national or European Union public bodies, in order to acquire public grants, contributions or loans on favourable terms, or in order to acquire concessions, authorisations, licences or other administrative benefits.

It is prohibited to allocate sums received from national or European Union public bodies, in the form of grants, contributions or loans for purposes other than those to which they were assigned.

In the specific case of competitive bidding involving a public administration this must be performed in compliance with the law and according to proper commercial practice and conduct of a nature such as to constitute a criminal offence designed to gain advantage for Recordati or to pursue its interests is expressly prohibited.

It is also prohibited to grant excessive or undue discounts or which are nevertheless contrary to normal commercial practice and to the company's internal regulations, to public employees or to persons designated by them or otherwise connected to them.

If Recordati uses a consultant or a third-party to represent it in its dealings with public administrations, the same instructions given to Recordati's employees also apply to such consultants or third parties.

Recordati must not be represented in its dealings with public administrations by third-parties when it is likely to cause conflicts of interest.

All laws which implement the contents of international conventions in the national legislation of individual countries must be strictly complied with.

There must be no avoidance of compliance with the aforementioned rules and regulations not even by acting through third parties.

6. Relations with suppliers

The choice of suppliers and the purchase of goods and services are made by specific company functions on the basis of objective assessments of competitiveness, quality, value for money, price and integrity.

7. Relations with the press and other communication media

Recordati has identified specific dedicated functions to handle relations with the mass media in a thorough and uniform manner, in compliance with specific company rules. Workers must refrain from issuing declarations or interviews or in any case from leaking information to representatives of the press or other communication media and to any third parties.

8. Relations with health service workers

Recordati's workers must ensure that their conduct complies with the code of conduct of Farindustria and with any other specific rules that the Company might adopt in this respect.

9. Human resource management

Human resource management is based on the following fundamental principles:

- offering equal employment opportunities without discriminating on the basis of race, gender, age, sexual orientation, physical or mental handicaps, nationality, faith, politics or trade union membership;
- ensuring that all are treated fairly and according to merit;
- promoting and consolidating a culture of safety at the workplace and working to preserve the health and safety of workers from both a mental and a physical viewpoint, above all by means of preventive measures;
- ensuring that the privacy of employees is respected and safeguarding their rights to work without being subjected to unlawful pressure.

Therefore the relative functions must:

- adopt criteria based on merit, expertise and professional criteria for employees;
- recruit, appoint, pay and manage employees without any discrimination;
- create a workplace environment in which each individual worker's personal characteristics do not give rise to discrimination.

In compliance with the conventions of the International Labour Organisation, the Company undertakes:

to respect fundamental human rights;

- to prevent the exploitation of children;
- not to use forced labour or slave labour.

The Company demands that the following do not occur in internal and external employment relations:

- forcing workers into or keeping them in a state of submission by means of violence, threats, deceit, abuse of authority, profiting from physical or mental inferiority or situations of need or by promising or transferring sums of money or other advantages to those having authority over others;
- harassment included sexual harassment.

10. Forging banknotes, money, bearer paper and bonds issued by governments, revenue stamps and watermarked paper

It is prohibited to forge, circulate (buying and/or selling), banknotes, money, bearer paper and bonds issued by governments, revenue stamps and watermarked paper in the interest of and/or to the advantage of companies belonging to the Company.

Whosoever receives payment in banknotes or money or bearer paper and bonds issued by governments which is false or which has been stolen, through business involving Recordati, is obliged to inform their superior and a member of the Supervisory Committee, so the can report the matter to the appropriate authorities.

11. Prohibition on possession of pornographic material

It is absolutely prohibited to keep pornographic material or virtual images made using images of minors of less than eighteen years on Recordati's premises, warehouses, appurtenances thereto, or in any other place relating to Recordati.

The term virtual images refers to images made using computer graphics techniques which are not associated either wholly or partially with real situations, the image quality of which makes unreal situations appear real.

12. Gifts and free services to private individuals and Recordati's workers

Gifts or free services to private individuals by Recordati's employees or workers are admissible subject to the limits of normal displays of courtesy permitted by customary commercial practice.

The employees or workers of Recordati may accept gifts or free services from private individuals solely in the case of gifts of modest value.

13. Safety and hygiene at the workplace

The Company is committed to establishing and consolidating a culture of safety, by developing an awareness of risks and promoting responsible behaviour on the part of all persons covered by the Code and by working to preserve the health and safety of all those who work for the Company, above all by means of preventive measures.

Its activities are performed in compliance with the regulations in force concerning prevention and protection, while seeking to improve health and safety conditions at the workplace.

To achieve this, the Company implements technical and organisational measures as follows:

- the introduction of an integrated risk and safety management system;
- continuous analysis of risks and of vulnerabilities in processes and human resources to be protected;
- the adoption of the best technologies to prevent risks to the safety and/or health of workers from arising;
- monitoring and update of working methods;
- training and awareness activities.

Each Person Covered must pay maximum attention in the performance of their activities, complying strictly with all safety and prevention measures to avoid all possible risks for themselves and their co-workers and colleagues.

The responsibility of each Person Covered with regard to their co-workers and colleagues means that the greatest care must be taken to reduce accident risks.

14. The use of company equipment, tools and facilities with particular regard to IT tools

Each Person Covered is required to work diligently to protect corporate assets, by means of responsible conduct and compliance with the operating procedures designed to govern their use.

To achieve this, each Person Covered is responsible for caring for, conserving and defending the assets and resources of the Company for which they are responsible in the course of their work and they must use them in a proper manner in the interests of the Company, preventing any improper use of them. It is expressly prohibited to use corporate assets for personal requirements, requirements other than their normal use or purposes contrary to the law and also to commit crimes or to encourage crimes, racial hatred, violence, acts of discrimination or the violation of human rights.

As concerns IT tools in particular, it is expressly prohibited to engage in conduct that might damage, harmfully affect, cause to deteriorate or destroy the IT or data transmission systems, computer programmes and data of the Company or third parties and also to

illegally intercept or interrupt IT or data transmission communications. It is also prohibited to abusively break into IT systems protected by security measures and to procure or disclose access passwords to protected IT or data transmission systems.

In order to achieve this persons covered are required to only access the IT resources for which they have authorisation, to guard their credentials and access passwords to corporate internets and to software applications and their personal keys, using methods that will prevent easy discovery and improper use, and to comply with internal policies concerning anti-intrusion and antivirus measures.

15. Receipts and payments

The Company carries on its business in full compliance with the anti-money laundering legislation in force and directives issued by the competent authorities.

In order to achieve this, the persons covered by the code must comply in their work with procedures and protocols and avoid performing suspect transactions, by operating in a proper and transparent manner. More specifically, they make efforts to verify in advance the available information on trade counterparties, suppliers, advisors, brokers, agents and so forth, in order to ascertain whether their activities are respectable and legitimate. They also make efforts to operate in such a manner as to avoid involvement in transactions which may even potentially favour the laundering of money originating from illicit or criminal activities by acting in full compliance with anti-money laundering laws.

In order to avoid making or receiving unlawful payments and similar actions, the persons covered and all their negotiations must comply with the following principles concerning the documentation and recording of transactions:

- none of the payments and other transfers made to or by the Company may be made in cash nor may bearer passbooks and means of payment similar to cash be used;
- all payments and other transfers made to or by the Company must be fully and accurately recorded in the books of the Company and in compulsory accounting records;
- all payments must be made to the recipients only and for the activities specified in contracts and/or officially decided by the Company officers responsible;
- no false, incomplete or misleading entries must be made, neither must secret and unrecorded funds be accumulated, nor may funds be deposited in personal accounts not held in the name of the Company;
- no use whatsoever must be made of unauthorised funds or company resources.

16. Protection of industrial and intellectual property rights and copyright

Recordati pursues a policy of legality and transparency in its conduct in every area of its activities. It condemns all possible forms of action prejudicial to the freedom of industry or trade and also all possible forms of fraud, forgery or misappropriation of industrial and intellectual property rights. It calls upon all those who work in the interests of the company to comply with company regulations, procedures and protocols designed to protect both the instruments and signs for authentication, certification or recognition and to protect industry and commerce with regard to copyright.

Industrial and intellectual property rights and copyrights (i.e. patents, identifying brand marks, commercial secrets resulting from discoveries and inventions developed during working activity) belong to Recordati, which conserves its right to use them as and when it sees fit, in compliance with the legislation and regulations in force.

The ownership of the industrial and intellectual property rights attaching to these assets extends to designs, systems, procedures, methodologies, studies, reports, publications and all other activities performed within and in the interest of the Company.

Recordati is committed to protecting its own intellectual property rights and to not using goods and assets protected by the rights of others.

More specifically, by way of example but not limited to these, the following is forbidden:

- (i) to forge, alter or use brands or identifying marks, or patents, models and drawings belonging to third parties;
- (ii) to introduce into the country and/or sell products with false or misleading signs;
- (iii) to manufacture and market goods produced by misappropriating intellectual property rights;
- (iv) to prevent or prejudice industrial or commercial activity by using violence against property or fraudulent means;
- (v) to sell or otherwise distribute on national and foreign markets, forged or altered industrial products or identifying names, brands or marks, thereby causing harm to national industry;
- (vi) to deliver to a purchaser one good in place of another, or a good which by origin, quality or quantity is different to that declared or agreed upon;
- (vii) to sell foodstuffs that are not genuine as genuine (e.g. nutraceutical products);
- (viii) to disseminate, without authorisation, through electronic communication networks with connections of any kind, intellectual property – or parts of it – protected by patent or copyright;
- (ix) to duplicate, reproduce, transmit and disseminate intellectual property in public in an abusive manner, and that is without having obtained the necessary consent or the transfer of the right from the owner of the property or the owner of the right to royalties (e.g. use of third party music for advertising jingles, etc.).

17. Fight against organised crime

Recordati provides conditions for its workers to be able to act in such a manner as to fight acts of organised crime and the creation of associations consisting of three or more persons for the purposes of committing crimes. The company activities performed by Recordati are also such as to prevent the creation of mafia type organisations, characterised by intimidation to force persons to join and the consequent obligation to maintain secrets in order to commit crimes.

18. Sanctions

All these rules form an integral part of the conditions that regulate employment relations within the companies of the Group: the rules set out in the Ethics Code govern the conduct which employees are required to observe, by virtue of civil laws and criminal laws in force as well as obligations provided for by collective labour agreements.

Any breaches of this Code and of the 231 Model shall give rise to the application of sanctions in accordance with the company disciplinary system in force.

The disciplinary actions are imposed in full compliance with the law and national collective labour agreements.

Failure to comply with the rules contained in this Code, may entail termination of employment contracts with third parties, on the grounds of an explicit provision in the contracts.

D. COMPETITION

Recordati considers free competition an asset to be protected. It condemns any action which contravenes laws and regulations designed to protect it and especially if performed using threats and/or violence and it promotes compliance with the law concerning the protection of a free market by its workers.

Formal and informal agreements between companies and all situations which may distort competition and in particular agreements containing exclusivity clauses, constraints on pricing and territorial restrictions, sales conditions, sensitive commercial and financial information, information on marketing and products and contract tenders are subject to anti-trust legislation and laws designed to protect against unfair competition.

E. CONTROLS

The internal control system must be designed to adopt instruments and methodologies that will reduce risks to the company, in order to obtain reasonable guarantees of compliance not only with the law, but also with internal directives and regulations.

Corporate training programmes fall within this framework and they must cover the contents of the Ethics Code, which is made available to all company workers.

Management must constantly ensure that conduct complies with the contents of the Code and, if necessary, it must implement special monitoring programmes.

The following bodies are responsible for verifying the effectiveness of the internal control system: the Board of Directors, the Chairman and Chief Executive Officer, the Group Auditing function, the Board of Statutory Auditors, the Supervisory Committee pursuant to Legislative Decree No. 231/01 and the independent auditors.

F. APPROVAL AND EFFECTIVENESS OF THE CODE AND AMENDMENTS

This Code was approved by a resolution of the Board of Directors of Recordati of the Company with immediate effect.

All updates, amendments or additions to this Code must be approved by the Board of Directors of the Company.

A copy of this Code has been delivered to all the persons covered and it is available for electronic consultation on the company's website and also in hardcopy form at the Company's offices.

G. APPLICATION OF THE CODE

This Code of conduct must be applied in all companies in the Recordati Group.

Responsibility for application is vested in the Board of Directors of each individual subsidiary company.