

ADDENDUM TO THE CORPORATE CODE OF CONDUCT OF THE ORTHOFIX GROUP

Applicable to employees of Orthofix S.r.l.

Foreword

Orthofix International N.V. and all of its subsidiaries, including Orthofix S.r.l. (the "Company" or "Orthofix") have adopted a "*Corporate Code of Conduct*" the principles of which are fully referred to herein and compliance with which is compulsory for all recipients of the Company's organization, management and control model (the "Model").

The Company, in addition to the aforementioned Corporate Code of Conduct, also intends to adopt this *Addendum* which comprises a set of principles and duties of conduct that the Company holds to be essential for proper management of the activities by all Recipients of the Model, even with regard to the provisions of Legislative Decree 231/01 and the guidelines issued by trade associations, referred to paragraph 3.3 of the General Part of the Model.

The Corporate Code of Conduct of Orthofix International N.V. and this Addendum are, therefore, an organic system of principles, values and ethical rules that Orthofix holds to be fundamental and essential for running every corporate business and of which it demands the most attentive compliance by members of corporate bodies and management, by employees of the Company as well as by all those who even de facto work for the Company including third parties such as, by way of mere example, and not to be limited to, agents, collaborators, consultants, etc. (the "Recipients").

As a matter of fact, the Company holds the requirement to abide by (and have whoever interacts with it abide by) the highest standards of ethics and transparency to be of paramount importance as regards any other commercial requirement.

Orthofix, therefore, requires that all those who have or intend to have legal relationships with the Company adopt conduct compliant with the provisions of the Corporate Code of Conduct of Orthofix International N.V. and of this Addendum.

1. Corporate financial statements and records

Company accounting is rigorously based on general principles of truthfulness, accuracy, completeness, clarity and transparency of recorded data.

Management-related events must be shown in a correct, complete and timely manner in corporate accounts and databases.

Every accounting transaction must be lawful, authorized, consistent, compliant, recorded, traced and adequately documented in both formal and substantial compliance with regulations and procedures in force from time to time for the purpose of allowing complete reconstruction at any time.

To this end every Recipient who performs operations and/or transactions involving sums of money, assets or other economically assessable benefits belonging to the Company must act on specific authorization and must, on request and at any time, provide all evidence for its

verification.

Every tax declaration shall be based on true accounting evidences that represent fair, existing and correctly recorded operations.

Taxes shall be payed strictly on time.

Orthofix ensures compliance with principles of behavior aimed at guaranteeing (i) integrity of share capital, (ii) safeguarding of creditors and third parties who establish relationships with Orthofix, (iii) proper market trend, (iv) performance of the functions of public supervisory Authorities and, in general, (v) transparency and correctness of the activities carried out by Orthofix from both economic and financial standpoints.

Recipients of the Model are, in particular, explicitly obliged to:

- i. hold correct, transparent and collaborative behavior, in obedience of laws and corporate procedures, in all activities aimed at drawing up of the financial statements, the balance sheets and periodic reports and corporate disclosures in general for the purpose of providing the recipients of these disclosures (shareholders, creditors and third parties in general) with true and correct information on the economic, equity and financial position of the Company. More specifically in this framework it **is absolutely prohibited** to prepare, draw up, transmit and/or communicate, in any way or manner, inaccurate, erroneous, incomplete, fragmentary and/or false data and information concerning the equity, economic and financial position of Orthofix, or to make any omission in preparation, drawing up, transmission and/or disclosure of this data and/or information;
- ii. comply, with the utmost diligence and rigor, with all legislative provisions aimed at safeguarding the integrity and preservation of share capital, doing all this for the purpose of in no way harming the legitimate reliance of creditors and third parties in general. In this regard **it is absolutely prohibited to**:
 - (a) return contributions made on any account by shareholders or issue these shareholders explicit or tacit acquittance of the obligation to make these contributions except for the legislative cases envisioned for share capital reduction;
 - (b) allocate profits or advances on non-existent profits or allocate sums that the law earmarks to undistributable reserves according to provisions in force;
 - (c) purchase or subscribe Orthofix or its Parent Company's shares, affecting the integrity of share capital or reserves which are not distributable according to the law, with the exception of cases permitted by the law;
 - (d) make reductions in share capital, mergers with other companies or demergers such as to cause harm to corporate creditors;
 - (e) fictitiously increase share capital in any way or manner whatsoever;
- iii. ensure proper operation of corporate bodies and, more generally, of the Company, permitting performance of the activities of the Board of Auditors and the Auditing Firm. In this regard it **is absolutely prohibited** to conceal documents in any way and manner or to behave in such a way as to prevent the Board of Auditors and the Auditing Firm from performing their respective

tasks including the accounting control.

The Board of Auditors, the Auditing Firm and the other persons charged with auditing have free access to data, documentation and information useful for performance of their respective tasks.

2. Protection of the market and of competition

All Recipients of the Model are liable to comply with laws on competition, avoiding that any agreement or behavior held in the name of, and/or on behalf of the Company could be unlawful restriction of competition.

Orthofix undertakes, for correct development of entrepreneurial competition, (i) not to exploit prevailing positions (if any), (ii) to supervise the quality of the products and services provided to customers without yielding, in any way, on any incompetency.

All recipients of the Model are also prohibited from:

- harming, in any way, the image of competing companies and their products;
- disturbing the liberty of persons who pursue industrial or commercial activities;
- infringing in any way the principles of free competition;
- cheating or misleading customers, competitors or Public Administrations.

It is also prohibited to receive and/or request gifts or preferential treatments that cannot be related to normal relationships of courtesy and, when these take place, the official responsible for these matters should be informed.

3. Relationships with the clientele

The priority objective of Orthofix is to fully meet the requirements of its contractual counterparties in order to also build a strong relationship based on general values of correctness, honesty, efficiency and professionalism. Orthofix pursues the objective of satisfying its customers by providing them with quality products and services at reasonable terms and prices and in full compliance with the rules and regulations applicable to the market in which it does business.

In this picture Orthofix ensures the customer the best execution of the tasks entrusted and is constantly oriented towards increasingly leading-edge and innovative solutions with a view of integration and affordability.

Customer relationships, especially, must always reflect efficiency, effectiveness, service quality, high level of technological development and product reliability. The offer must also provide timely, precise and truthful information regarding the services that make up the Orthofix offer.

All Orthofix personnel and all Recipients of the Model are required to:

- comply with internal procedures for clientele relationship management;
- offer high quality services, that meet or exceed the reasonable expectations and requirements of the customers, with efficiency and courtesy and in compliance

with contractual provisions;

- provide the clientele, with efficiency and courtesy, with precise and thorough information regarding the terms and the subject of the various offers;
- provide truthful and correct advertising or other communications.

In particular, during dealings, all Orthofix corporate bodies, management, employees and external collaborators are required to provide customers with information that is as complete, transparent, intelligible and accurate as possible in order to favor independent and aware decisions. Orthofix undertakes to refrain from exploiting any contractual or information and knowledge gaps or conditions of economic weakness of its counterparties.

Orthofix undertakes to guarantee adequate quality standards for the services offered based on preset levels and, where necessary, to turn to modern methods of checking and measuring customer satisfaction and/or approval in order to bring corrective and improvement actions.

Orthofix also undertakes to provide adequate and prompt replies to suggestions and claims by customers and by consumer associations through all modern communication systems.

4 Relationships with suppliers

Orthofix purchasing policies envisage procurement of products and/or services by selecting suppliers according to objective assessments of the quality, price and obedience by the supplier of the highest standards of *compliance* with regulations in force and with the ethical standards laid down in the Company's Model.

Contracts with suppliers shall always be drawn up in writing and as prescribed by corporate procedures and the consideration to be paid shall be exclusively commensurate with the quantity and quality of the supply provided.

Orthofix personnel is therefore obliged to:

- comply with internal procedures for selection and management of relationships with suppliers;
- refrain from hindering any supplier who is in possession of the necessary requirements from the possibility of competing for assignment of a supply, adopting objective assessment criteria during selection, according to declared and transparent methods;
- comply with contractual terms and conditions.

5 Relationships with external collaborators

External collaborators are required to abide by the ethical principles under the Corporate Code of Conduct of Orthofix and this Addendum.

In this regard Orthofix personnel, depending on their functions, have to:

- abide by the principles and internal procedures for selection and management of the relationships with external collaborators, making sure supplier selection takes place on objective assessments having as their subject, inter alia, obedience by the external collaborator of the highest standards of *compliance* with regulations in force and with the ethical standards laid down in the Company's Model;
- do business only with persons and businesses that are qualified and of adequate *standing*;
- promptly inform their own Manager in case of uncertainties regarding possible violation by external collaborators of ethical principles;
- put, in external collaboration contracts, the clause provided for in paragraph 5.2 of the General Part of the Model and also collect the written statement under this same paragraph 5.2.

All agreements with external collaborators shall be drawn up as required by corporate procedures and always in writing. In any case, the consideration to be paid shall be exclusively commensurate with the service specified in the contract and, anyway, with the professional capacities and the actual service provided.

6 Relationships with personnel

Orthofix acknowledges the importance of human resources, convinced that the main success factor in any company consists of the professional contribution of the people who work there. Orthofix, in its personnel management, ensures the same opportunities and fair treatment based on merits criteria, without any discrimination, to all its employees.

Orthofix performs personnel recruitment and selection according to criteria of objectivity, skills and professionalism, ensuring equal opportunities and avoiding any favoritism, aiming at procuring the best expertise available on the labor market.

Personnel are hired with proper employment contracts and no form of irregular labor is tolerated nor hiring of foreign nationals whose residence in Italy is irregular. Orthofix also undertakes to protect the moral integrity of its personnel, preventing them from being subject to unlawful conditioning or undue inconveniences. For this reason all acts of psychological violence and all attitudes or behaviors which are discriminatory or harmful to the person, his/her convictions and his/her preferences are strictly prohibited.

From this standpoint all sexual harassment or intimidatory and hostile attitudes in internal or external employment relationships are prohibited and there shall be no tolerance, during work and at workplaces, of work performance under the influence of alcohol, drugs or similar substances or of drug consumption or sale.

7 Relationships with institutions and the Public Administration

Orthofix, with total respect for the respective roles and functions, maintains relationships

with public entities, State and local administrations, public law organizations, etc.

Orthofix cannot take advantage of the above-mentioned relationships except by means of lawful establishment of contractual relationships, of legally obtained measures, i.e. of provision of benefits of any kind duly achieved and allocated for the purposes for which they are granted.

Relationships under this item should always reflect criteria of transparency and professionalism and recognition of the respective roles and organizational structures.

With this in mind:

- **it is severely prohibited** to offer or promise, either directly or through intermediaries, cash donations or granting of goods in kind to foster Orthofix business or to defend its market positions;
- **It is severely prohibited** to pay and/or to promise, either directly or indirectly, money or other benefits to third parties, public officials, public or private service officers, in order to condition or remunerate the work done by their office or, anyway, to procure preferential treatments.

The Company expressly prohibits any behavior aimed at circumventing the provisions of this article by turning to other forms of remuneration which, in the form of appointments, consulting, hiring, etc., pursue unlawful purposes.

Gifts or other forms of hospitality in favor of public officials, including physicians, are admissible only if they are of modest value and anyway unable to impair the integrity of one of the parties and to be construed as consideration for improperly achieving advantages. These expenses, only if necessary, should always be correctly documented and authorized by the competent manager.

In particular, and by way of example, **it is prohibited**, in relationships with representatives of public institutions and the Public Administration in general, either Italian or foreign:

- to donate money to public officials or public service officers belonging to the Public Administration, to public entities and/or to assimilated subjects;
- to promise or grant favoritisms when recruiting personnel, selecting suppliers of goods and services, disclosing information and documents;
- to produce false or falsified data and/or documents or to omit required information for the purposes of also getting contributions/subsidies/funding or other disbursements from the State or public entities or the European Community;
- to allocate contributions/subsidies/public funding for purposes other than those for which they were got;
- to have unauthorized access to IT systems of the Public Administration in order to get and/or change information to the advantage of Orthofix.

All Recipients are obliged to loyally cooperate with the representatives of the Judicial Authorities and with any other investigating/inspective/supervisory body, providing all the documentation and information they request in a complete, adequate and timely manner.

It is absolutely prohibited to behave in such a way as to hinder due operation of Justice. It is, regarding this point, especially prohibited to make mendacious statements to the Judicial Authorities and/or to any other investigating/inspective/supervisory body or to hold behavior (e.g. featuring violence, threats, offer or promise of money or other benefits) which could lead others to make false or mendacious statements in the interests of, or to the advantage of the Company.

8 Relationships with Political Parties, Movements, Committees and Political and Trade Union Organizations

Orthofix does not give contributions, either directly or indirectly, in any form whatsoever, to political parties, movements, committees and political and trade union organizations, to their members and candidates, except for those due according to specific regulations.

Relationships with Political Parties, Movements, Committees, and political and trade union Organizations are maintained absolutely and exclusively by the relevant corporate functions in accordance with the corporate organization.

9 Relationships with the media

Transparency in the conduct of Orthofix must be reflected in any relationship with the media. External communication through the press and mass media is also coordinated and conveyed through the competent organizational structures of Orthofix or of other companies belonging to the Group.

10 Health, safety and the environment

Orthofix focuses special attention on creation and management of environments and workplaces that are adequate from the standpoint of health and safety of employees, in accordance with relevant national and international regulations.

Another primary goal of Orthofix is to protect and safeguard the health of its own human resources in all workplaces and work conditions. Medical/health preventive activities are performed in full compliance with regulations on environment safety.

All Orthofix personnel, as part of their duties, participate in the processes of risk prevention, environmental protection and protection of the health and safety of themselves, their colleagues and third parties.

The Company requires that Recipients abide by and have others scrupulously abide by (even their own employees and collaborators as regards the Company's consultants, suppliers, contractors and external collaborators) all the regulations required by the law to protect occupational health and hygiene, always in accordance with the procedures which are based on these regulations.

The Company takes all measures aimed at reducing the environmental impact of its

activities, providing, at any time, the availability of adequate financial resources to meet this obligation.

The Company is also committed to implement measures aimed at raising environmental awareness and respect by all Recipients who, in their turn, are liable to comply with environmental regulations and applicable internal procedures as well as with the permits and prescriptions laid down by the competent authorities.

11 Use of corporate assets and IT systems

All personnel are liable to safeguard corporate assets by holding responsible behavior and in accordance with corporate provisions. All personnel, in particular, are liable to:

- scrupulously comply with the provisions of the corporate safety procedures;
- always adopt, in writing and orally, professional language without components that could be offensive to the person and/or harmful to the corporate image.

With particular reference to IT applications every Company employee and collaborator is required to exclusively use the hardware and software made available to him/her for the sole purposes connected to performance of his/her own tasks and, anyway, in accordance with the Company policy.

In particular, each employee and collaborator is required to:

- ◆ scrupulously comply with the procedures laid down in the corporate safety policy in order to not impair the efficiency and level of protection of IT systems;
- ◆ refrain from using, duplicating, reproducing, transmitting, publishing, importing, distributing, selling, marketing, leasing or in any other way, making use of programs, applications, logos, images or other video, audio, IT or other types of material without license or authorization or, anyway, in breach of copyright or industrial property protection laws;
- ◆ refrain from creating means for removing or circumventing computer program protection devices;
- ◆ refrain from manufacturing or industrially using goods or processes made by usurping or infringing industrial property rights of others.
- ◆ scrupulously comply with procedures and rules laid down by email use policies;
- ◆ refrain from browsing websites featuring unseemly and offensive content.

It is prohibited to use the Company's IT and electronic tools and services for wrongful purposes or for purposes that are not permitted and authorized by the Company. The Company, especially, explicitly prohibits all conduct that alters the operation of IT or electronic systems and/or tamper with the data encompassed therein which may cause unjust harm to others as well as all conduct aimed at unlawfully penetrating or remaining inside an IT or electronic system of others or against the will of the owner.

12 Respect for the law and relationships with third parties

Orthofix, in compliance with the law and democratic values behind the Italian legal

system, is committed to refrain from any form of funding, either direct or indirect, and from in any way facilitating groups, associations or individuals that pursue wrongful purposes (e.g. for terrorist purposes) or that operate in violation of human rights or in breach of regulations safeguarding the individual.

It is compulsory to abide by all the precautions and internal procedures aimed at preventing the danger of involving the Company in any way in activities of national or international criminal organizations being established for any purpose whatsoever. In particular it is prohibited to establish any work or business relationship with natural or legal persons that participate in any form in national or international criminal organizations

13 Prevention of money laundering

The Company does business in full formal and substantial compliance with anti-money laundering laws in force and with the provisions issued by the competent Authorities, being committed, for this purpose, to refuse to carry out transactions that are suspicious from the standpoint of correctness and transparency.

The Recipients, therefore, are required:

- ◆ to check in advance the information available regarding business counterparties, suppliers, partners and consultants in order to ascertain their respectability and the lawfulness of their activities before establishing business relationships with them;
- ◆ to act in such a way as to avoid any involvement in transactions that might even potentially favor laundering of money coming from wrongful or criminal activities, in full obedience of primary and secondary anti-money laundering laws and of internal control procedures.

14 Confidentiality

All Orthofix employees and collaborators are liable to abide by the utmost confidentiality regarding information, documents, studies, initiatives, projects, contracts, plans, etc. of which they became aware by way of the services they perform, with special reference to those that could impair the image or the interests of the customers and of the Company.

Orthofix implements appropriate measures to protect the information it manages and prevent it from being accessible to unauthorized personnel.

All information, and in particular information acquired while pursuing activities for customers, shall be considered to be confidential and cannot be disclosed to third parties nor used to directly or indirectly achieve personal advantages.

15 Recipients' Liabilities

All of the Company's employees and collaborators are liable to lay out their work on principles of professionalism, transparency, correctness and honesty, contributing with their colleagues, superiors and subordinates to pursue the Company Mission, in accordance with the provisions of the Corporate Code of Conduct and this Addendum.

Each Orthofix employee and collaborator shall always operate within the company in full

compliance with corporate provisions and procedures, abiding by the rules laid down by the law and by the employment or services contract.

Each Orthofix employee and collaborator is responsible for his/her actions put in place while doing his/her job. In particular, all those who perform managerial functions, including personnel managers, shall also be responsible for the activities performed by personnel under their direction and control.

16 Communication and training

The Corporate Code of Conduct of Orthofix International N.V. and this Addendum, as an integral part of the Company Model, are brought to the attention of the corporate bodies, Company's employees, collaborators and *business partners* as provided for in Chapter 5 of the General Part of the Model.

17 Sanctions

Violation by Recipients of the provisions laid down in the Corporate Code of Conduct and this Addendum entails application of the sanctions envisaged in Chapter 6 of the General Part of the Company Model.