

Organization Model according to Legislative Decree No. 231/2001 Organization

Model according to Legislative Decree No. 231/2001 - Orthofix S.r.l.

Principles of the Organization, Management and Control Model according to Legislative Decree No. 231/2001 of June 8th, 2001

The Decree and the Model

Orthofix S.r.l. (or the “**Company**”) aims to raise awareness for the third parties, that had or will have commercial relations with the Company, of the following Principles of its Organization, Management and Control Model adopted in accordance with Legislative Decree June 8th, 2001 No. 231 (the “**Model**”).

The Legislative Decree No. 231 (the “**Decree**”) has been issued on June 8, 2001 in connection with art. 11 of the Law No. 300 of the September 29th, 2000, aligning Italian law in accordance with international conventions subscribed by Italy, i.e.: i) Bruxelles Convention on the Protection of the European Communities’ financial interests of the July 26th, 1995; ii) Bruxelles Convention on the Corruption involving officials of the European Union and of the Member States; iii) OCSE Convention of the December 17th, 1997 on the Corruption of the foreign officials in the economic and international transactions.

The Decree states the “*Regulations of administrative liability of legal persons, companies and associations even lacking legal personality*”, introducing in the Italian Legal System a regime of administrative liability of the Entities for crimes specifically indicated (hereinafter, the “**Crimes**”) and committed in Italy or/and abroad by individuals operating in the name, on behalf, in the interest or to the advantage of the Entity itself.

The Model – in accordance with 2014 Confindustria Guidelines – from its first introduction aims to a) raise awareness among the individuals that operate in the name and on behalf of the Company that they could incur, in case of violation of the provisions set forth therein, in an offense that could lead to penalties and administrative fines which could be imposed not only on the individuals involved but also on the Company; b) condemn all form of wrongful behavior by the Recipients of the Model, being this contrary not only to legal provisions but also to the ethical principles adopted by the Company; c) ensure that the Company, thanks to monitoring of corporate business in the “risk activity areas”, has the concrete and effective possibility of promptly prevent the commission of Crimes.

The Company holds the requirement to abide by (and whosoever interacts with it abide by) the highest standards of ethics and transparency to be of paramount importance as regards any others commercial requirement. Orthofix therefore, requires that all those who have and intend to have legal relationship with the Company adopt conduct compliant with the provisions of the Model and in line with its ethical principles.

The Company holds the requirement for any third party that intends to have a commercial relationship with the Company to respect the prescriptions of the [Group Code of Ethics](#) and the [Company Code of Ethics](#) (attached to the Model).

The Group Code of Ethics and the Company Code of Ethics establish guidelines and principles that rule every activity or initiative of individuals that act in name and on behalf of the Company.

Purpose of the Model for third parties

The Model adopted by Orthofix aims to:

- create awareness, in all those who work with, in the name of, on behalf of, and in the interests of Orthofix in the “risk activity areas”, that they could incur, in case of violation of the provisions set forth therein, in an offense that could be liable to penalties and administrative fines which could be imposed not only on them but also on the Company;
- condemn all form of wrongful behavior by the Recipients of the Model because this would be contrary not only to legal provisions but also to the ethical principles adopted by the Company.

In accordance with the aforementioned purposes, the Company, for every new commercial relationship, requires the careful and strict observance by the supplier/advisor/business partner and/or other third party, of the current regulations and, in particular the Company requires not to commit any Crime mentioned in the Decree and to comply with principles and provisions of the Ethics Code, that is a part of the Model, relevant for the performance of the contract.

The Company holds the requirement for every third party that establishes a commercial relationship with the Company to state that he/she is fully aware that the activity of Orthofix, just like his/her own, must be based on compliance with current regulations and from abstention from any behavior which could be considered as crime and that he/she has received, carefully examined and understood a copy of the Orthofix Code of Ethics, which is an integral part of the Organization, Management and Control Model of Orthofix pursuant to Legislative Decree 231/01 and which states the principles and provisions from which the Model takes its inspiration and that he/she has not committed any Crime envisaged by Legislative Decree 231/01.

The Company requires that every partner comply with current law and in particular, with the principles and provisions stated in the Model and specified in the Code of Ethics delivered to him/her. The Company established that possible failure by the partner to comply with any of the preceding provisions of the Ethics Code or of the Model would not only infringe the relationship of trust, but also entail serious breach of the obligations under the existing contract between Orthofix and the third party and shall entitle Orthofix, to terminate the contract with immediate effect and without prejudice to the right of Orthofix for compensation for any damage suffered.

The Whistleblowing system

Each Recipient is required to bring to the attention of the Orthofix Supervisory Body (“**OdV**”) any information, of any kind, even coming from third parties, regarding implementation of the Model and/or violation of the Model’s provisions. Every Recipient is required to make known, as promptly as possible, every problem or critical issue discovered while applying the provisions of the Model and, in particular: to promptly report any commission of Crimes (the list of Crimes is provided in a different section of this website) envisaged by the Decree, or/and to promptly report any violations of the Model or/and of the Ethics Code that have come to their attention while performing their functions.

All reports may be made in writing by sending a notice to the email address ODV@orthofix.it, or by letter addressed to the Supervisory Body of Orthofix S.r.l., at the Company’s headquarters in Bussolengo (VR), 37012, Via delle Nazioni, 9, and must state all necessary reference to every violation or suspected violation of the provisions of the Model. The Company ensures the utmost confidentiality regarding the identity of the whistleblower in every activity of management of the report.

The OdV, that is entrusted by the Decree with the monitoring of the Company’s compliance system, is obligated to carefully examine all reports and notices it receives and, if necessary, to hear the author of the report and/or the person responsible for the alleged violation, motivating in writing any refusal to proceed with an internal investigation.

Recipients of the Model are strictly prohibited from engaging in acts of retaliation or discrimination, either direct or indirect, against the whistleblower for reasons directly or indirectly connected to the report. The OdV has the obligation to take all necessary precautions to ensure this principle is complied with and also to ensure the utmost confidentiality of the identity of the whistleblower without prejudice to the obligations of the law and to safeguarding the rights of the Company or those of persons accused wrongly and/or in bad faith.

In no case shall the author of the report be subjected to disciplinary measures, if an employee of the company, or to contractual penalties, if a third party.

The disciplinary system

Orthofix is aware that adoption of an adequate system of sanctions for violation of the regulations laid down in the Model is essential to ensure the effectiveness of the Model itself.

In this regard, the Legislative Decree No. 231/01 envisages that organization and management models must introduce a disciplinary system able to sanction failure to comply with the measures specified in the model.

The application of disciplinary sanctions is independent from the outcome of a possible criminal proceeding.

Violation of the ethical rules of the Model and the procedures laid down therein and in its attachments, as well as of the corporate protocols and their updates, by themselves harm the relationship of trust existing with Orthofix and entail for disciplinary actions whether or not a criminal trial is brought in cases where the violation constitutes a crime.

It should be noted that are also included among offenses which may give rise to imposition of the sanctions the adoption, by whosoever or third parties, of acts of retaliation or discrimination, either direct or indirect, as regards the person who made a report pursuant to preceding paragraph for grounds connected, either directly or indirectly, with the report.

Any behavior held by collaborators, even when temporary, consultants, trainees, agents of Orthofix or of business partners that contrasts with this Model might cause, according to the provisions of specific contractual clauses, immediate termination of the relationship, without prejudice to claims for compensation for any damages suffered by the Company.

Last Update: July, 2020.