



**NMS GROUP S.r.l.**

**(COURTESY TRANSLATION)**

## **CODE OF ETHICS**

### **NERVIANO GROUP**

amended by Board of Directors of NMS Group S.r.l. on 15th January 2014



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## **1. Introduction**

This Code of Ethics (amended by Board of Directors of NMS Group S.r.l. on 15th January 2014) applies to the parent company, NMS Group S.r.l., and to each of the directly and indirectly controlled subsidiaries of NMS Group S.r.l.

Hereinafter in this document, the term “the Company” is used to refer to NMS Group S.r.l. and his directly and indirectly controlled subsidiaries, the term “Code” is used to refer to this Code of Ethics.

Any amendment of this Code shall be approved by the Board of Directors of NMS Group S.r.l., except for merely formal modification which will be amended by the Compliance Supervisory Committee and will be brought to Board of Directors’ knowledge.

The Code has been adopted to reflect the values and the ethic duties pursued by managing directors and employees of the Company.

This Code is an integral part of the “Model of Organization, Management and Control” foreseen by article 6 of Legislative Decree n. 231/2001 relating to “regulating administrative responsibilities of corporations”, adopted by the Company (hereinafter the “231 Model”)

This Code promotes high professional standards, forbidding conduct against local laws and/or ethic principles which NMS Group recommends.

This Code is written for corporate bodies, employees, shareholders, commercial partners, co-workers, who shall strictly abide by laws and principles included in the Code.

Moreover Company’s activities will be performed in compliance with code of conduct adopted by Farmindustria, a professional association which the Company is member of.

The Company’s workers and co-workers shall abide by the Code, the code of conduct of Farmindustria, and any other rule which the Company shall adopt within the



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Company's mission which is the discovery and the development of innovative medicine for the treatment of cancer.



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## **2. Scope**

This Code applies to all Company's activities, management's activities, and to all activities performed by employees, co-workers and more generally by all persons who work with the Company (hereinafter referred to as the "Persons Covered"). All Persons Covered must know and abide by Code's requirements in order to ensure Company's reputation and respectability, and to preserve Company's assets. Persons Covered must abide by Code's requirements upon acceptance of position, employee agreement or any other agreement signed with the Company.

The Company must put in place proper actions in order to abide by all Code's requirements.

Board of directors must follow the Code's values in every decision took on behalf of the Company.

Company's executives and employees must follow the Code's values both operating in the Company and *vis-à-vis* third parties. Likewise Co-workers (e.g. consultants, suppliers, ext), and partners dealing with the Company must comply with the Code's values.

NMS Group undertakes to disseminate, using adequate instruments, the contents of the Code to all those who come in contact with the Company.



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### 3. General ethical principles

The Company is driven by the following values and principles which are fostered in pursuing Company's activities:

- **Protection of human resources.** Human resources are key factors for the Company. For this reason the Company upholds and promotes the values of employees and co-workers to improve their competencies. The Company endorses and respects the dignity, honor and reputation of its employees, co-workers and people in general.
- **Ethical conduct compliant with law.** Within their business activity all persons must carefully abide by current legislation, the Code and Company's procedures. In no way the pursuit of the Company's interest can justify any conduct against the applicable laws, rules, and against the *231 Model*.
- **Equality and fairness.** In business and/or contractual management, the Company undertakes to exercise authority with equality and fairness, avoiding any form of abuse in the human resources management, in the suppliers selection process and during co-working relationship. The Company shall avoid any discrimination based on nationality, age, gender, race, sexual orientation, health status, religion and political views.
- **Confidentiality of Information.** The Company ensures information confidentiality and refrains from any search of confidential information, without prejudice to any case authorized by contract or by law. All persons who have access to confidential information shall not use it for any purposes other than directly connected with their activities.
- **Compliance with ethical principles.** All persons must act with integrity, honesty, transparency, correctness and good faith.



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- **Conflict of interests.** All persons are required to avoid situations which can lead to conflicts of interest and to refrain from personally taking advantage of business opportunities that they may learn of when performing their duties.
- **Competence.** All activities must be carried out with an adequate level of competence and according to Company's procedures. The Company undertakes not to take unfair advantage from their counterparties' lack of knowledge or incompetence. The Company operates to satisfy its customers, paying attention to suggestions which can bring improvements in its services and products, which must satisfy high quality standards.
- **Health and Safety of the workplace.** The Company guarantees the physical and psychological integrity of its employees, with working conditions respectful of the dignity of the individual and workplaces that are safe and healthy.
- **Environmental protection.** The Company considers environmental protection a key factor to be fostered, for this purpose it plans its activities pursuing a balance between economic opportunities and environmental protection, in accordance with the development of scientific research and the best expertise. All Company's procedures and all workers' activities must abide by the principles as above.

The Company operates under high quality standards according to international laws.





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## **4. Rules of conduct towards workers**

### ***4.1 Recruitment***

Evaluation and selection of personnel is done based on the consistency between candidates' CV, job functions and Company's needs, ensuring equal employment opportunities regardless of ethnic group, religion, opinions, nationality, sex, physical conditions, age or social condition, and respecting dignity and privacy of candidates. Human Resources Department, takes all possible measures to avoid favoritisms, nepotisms or cronyism during selection and recruitment of personnel.

### ***4.2 Employment and management of personnel***

Personnel are hired with standard contract. The Company does not allow or tolerate any type of undeclared work.

Personnel hired shall be informed about:

- job functions;
- salary/Wages, term and working conditions;
- Health&Safety procedures;
- *231 Model.*

The Company promotes the definition of roles and responsibilities to enable employees to exercise their competence and to make decisions on behalf of the Company.

The Company does not tolerate any form of discrimination towards their employees and co-workers concerning management and development of personnel.

The Company promotes adequate training programs based on employees' professional requirement.

In relation with the hierarchical structure, any personal offer or delivery requested by a supervisor should constitute an abuse of authority, in violation of this Code.



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The Company shall organize the workload in the most equally way possible, coherently with efficiency and effectiveness of its activities. In case of Company's needs the employee could be assigned to other different tasks, safeguarding his vocational skills.

#### ***4.3 Health and Safety***

The Company is committed to establishing and consolidating a culture of safety, by developing an awareness of risks and promoting responsible conduct on the part of all Persons Covered by the Code.

For this purpose the Company works to preserve, above all by means of preventive measures, health and safety of Persons Covered ensuring health and safety conditions at work, in compliance with the regulations in force concerning prevention and protection, and promoting a continuous analysis of risks and of vulnerabilities in process and human resources to be protected.

Moreover the Company is committed to adopting the best technologies to prevent risk to the safety and/or health of workers from arising, and promoting training and awareness activities in order to consolidate a culture of safety.

#### ***4.4 Privacy protection***

According to Italian Privacy Law (N. 196/2003 and subsequent modifications and additions), employees' privacy is protected adopting standards and protocols in the collection, storage and use of personal data.

Company does not allow to carry out any sort of investigation on the ideas, preferences and personal taste and in general the private life of employees and co-workers.

Company does not allow, except when permitted by law, any use of personal data without specific and explicit approval of the person interested.



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#### ***4.5 Safeguarding of people***

The Company is committed to preserve moral integrity among employees and co-workers, ensuring healthy working conditions respectful of each individual's dignity.

Moreover the Company preserves workers from any act of psychological violence and combats any discriminatory or prejudicial conduct, attitude, beliefs or preferences.

Sexual harassment is not allowed and any offensive behavior or speech has to be avoided.

Potential breach may be reported to Compliance Supervisory Committee, which will assess the actual breach of the Code, taking the appropriate decisions.

#### ***4.6 Duties of employees and co-workers***

Employees and co-workers are strictly abided by laws and principles included in the Code.

Employees and co-workers are required to avoid situations which can lead to conflicts of interest and to refrain from personally taking advantage of business opportunities that they may learn of when performing their duties.

Examples of situations that can give rise to a conflict of interest include:

- holding a senior position (CEO, board member, department head) and maintaining economic interests with suppliers, customers or competitors (ownership of shares, holding of professional positions etc.), including those resulting from family ties;
- handling relations with suppliers and performing working activities for the same suppliers, even if the work activities are performed by a relative;
- accepting money or favors from individuals or companies that have, or intend to have, business relationships with the Company.



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Should even a suspected conflict of interest arise, employees and co-workers are required to notify their supervisor, who, in accordance with the appropriate procedures, shall inform the Compliance Supervisory Committee, which will examine each individual case to evaluate whether there is a conflict. The employee is also required to supply information regarding the activities performed outside of working hours in the event that the latter may appear to create a conflict of interest with the Company.

Employees and co-workers are required to make every effort to safeguard corporate assets by acting responsibly and in compliance with the operating procedures established to govern their use, which must be documented in a detailed manner, in particular, each employee must:

- use assets assigned to him or her in a careful and efficient manner;
- avoid improper uses of corporate assets that might damage or reduce their efficiency or which is in conflict with the interest of the Company.

As regards computer applications, employees and co-workers are required:

- to comply carefully with corporate security policies in order to avoid compromising the functional efficiency and protection of IT system;
- to refrain from sending e-mail messages that are threatening or insulting, that contain rude language or inappropriate comments which might offend people and/or damage the Company image;
- not visit Internet sites whose contents are improper and offensive.

#### ***4.7 Management's duties***

The Company's Management gives effect to the values and principles of the Code ensuring the enforcement of its contents and the circulation among business units.

Therefore Management ensures:



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- ongoing update and implementation of the Code in compliance of laws and regulations in force;
- making available information and clarifications regarding explanations about the Code's contents;
- investigation regarding potential breach of the Code;

managing in strict confidence information regarding potential breach of the Code, preserving anonymity of workers who have reported the potential breach.



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## **5. Administrative and financial management**

### ***5.1 Transparency in corporate communication***

*Workers who have access to confidential information to provide corporate information must ensure the utmost accuracy, truthfulness and transparency about information provided.*

The Company is committed to ensure the utmost transparency about decision-making process adopting organizational models to guarantee truthfulness and completeness of information provided (financial statements, periodic reports, information notes, etc.) and to prevent potential corporate crimes.

### ***5.2 Accounting records***

All the actions and transactions performed by the Company must be properly recorded, and the decision-making, authorization 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 authorized, performed, recorded and verified the transaction.

Accounting entries must be kept accurately and completely in compliance with company bookkeeping procedures, in order to provide a faithful record of the finances and operations of the Company.

All transactions must reflect the facts reported in the supporting documentation. In order to achieve this, all workers involved in keeping accounts must ensure that the data and supporting documents are readily available and logically ordered. Moreover they must co-operate fully in order to ensure the truthfulness and completeness of information provided as well as the accuracy of transactions.

Accounting records is intended as all documents that provide a numerical account of operational events, including internal expense reimbursement notes.



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It is expressly prohibited to prevent or hinder, either by concealing documents or by other means, the performance of control activities or auditing activities which are legally conferred on the shareholders, on other corporate bodies or on auditing firms. Workers who get aware of any omissions, falsifications or negligence in accounting or in the documents on which accounting is based are required to report facts to their supervisor or to the Administration&Control department and to the Compliance Supervisory Committee.

The Company adopts integrated procedures to

- assess the appropriateness of various processes in terms of effectiveness, efficiency and cost-effectiveness;
- ensure accounting reliability and accuracy and safeguard company assets;
- ensure that operations comply with accounting standards, fiscal legislation and company directives.

### ***5.3 Gifts, free gifts, benefits and scholarships***

It is not allowed any form of gift that can reasonably be interpreted as exceeding normal commercial practice or courtesy, or otherwise paid to acquire preferential treatment in conducting any activity related to the Company. In particular, all forms of gift to anyone - for a non-comprehensive illustrative purpose: public officials, auditors, statutory auditors, board of directors, members of Compliance Supervisory Committee and their relatives - that may affect the independence of mind or causing to secure any advantage.

This rule, which admits no exceptions, regards both gifts pledged and / or offered, and those received.

Scholarships are allowed when:

- grants are consistent with the Company's strategy and ethical values, and are not assigned to acquire preferential treatment in conducting any activity related to the Company;
- they are not assigned to affect the independence of mind or causing to secure any advantage from, for a non-comprehensive illustrative purpose, public



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servants, auditors, statutory auditors, board of directors and members of Compliance Supervisory Committee.





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## **6. Company's information**

### ***6.1 Basics, use and protection***

Confidentiality of information is an asset that the Company preserves through its employees. Information managed by employees during working activities it's an exclusive property of the Company. Employees who have access to non-public information must managed it very carefully, adopting measures to prevent unauthorized disclosure inside or outside The Company.

Confidential information includes for a non-comprehensive illustrative purpose: Know-how, patents, databases, technological or scientific information, business models, products or procedures information, information about investments, cost strategies, pricing policies, marketing plans, non-public financial information, merger/acquisition/disinvest plans.

Information about scientific or technological researches can be shared with third parties only using appropriate instruments to preserve intellectual property

To do so, the Company preserves academic prerogatives of their partners and co-workers, as well as researchers' demand to publish trials' results, unless the compliance with intellectual property laws.

Data processing of confidential information is subordinated to safety measures to preserve the Company from improper use of information.

Confidential data destruction through dismantling of data-processing equipment must be performed in compliance with Company procedures.

### ***6.2 Information treatment***

The Company manages information in full respect for privacy of parties concerned. For this purpose the Company has adopted and implemented appropriate procedures to preserve information. In particular the Company has set an organizational structure which ensures a proper separation of rules and duties,



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classify information into priority levels, and sign privacy agreements with third parties who take part into information processing.

### **6.3 External communications**

Any disclosure of documents or information concerning the Company must comply with the laws, regulations and Company procedures, and must ensure transparency and clarity, referring in particular to *price sensitive* information.

It is prohibited to:

- disclose false information concerning the Company, employees, co-workers or partners;
- disclose information in order to influence mass media, or attempts to obtain favors on the same.

Relationships with mass media are handled by business function specifically identified in the Company.

Employees and co-workers must abstain from release statement or Company information to the mass media.

In order to ensure maximum access, all press releases, scientific information and company events are published at [www.nervianoms.com](http://www.nervianoms.com).



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## **7. Rules of conduct with institutional counterparties**

*7.1 Transparency in relations with institutional counterparties* This section introduces behavior protocols with institutional counterparties/public servants.

For a non-comprehensive illustrative purpose:

- qualified doctors;
- public healthcare workers;
- government employees;
- delegation of political (national or local) bodies;
- employees of state-owned companies.

Relationships with institutional counterparties (operations, negotiations, executions) must ensure maximum transparency, clarity and reliability of relevant information.

For this purpose the Company has adopted and implemented appropriate procedures to verify the decision-making process.

### *7.2 Management of relationships with institutional counterparties*

Relationships with institutional counterparties take place exclusively through representatives who have been explicitly authorized to perform such role by the Company. Employees and co-workers who handle relationships with institutional counterparties must refrain from any conduct which can compromise independence and judgment of institutional counterparties.

Relationships with institutional counterparties must be guided by laws and regulations in force, as well as by rules included in *231 Model*. and can not compromise corporate integrity and reputation.

In particular, for a non-comprehensive illustrative purpose, it is prohibited to:

- giving money or anything of value directly or indirectly to a public servant or his relatives, except for business/professional gratuities;
- offer or accept money or anything of value (included favors not subject to current business relationship) from a public servant ;



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- offer job/commercial opportunities which can, directly or indirectly, advantage a public servant;
- demand and/or obtain confidential information which can compromise corporate integrity and reputation
- attempt to influence public servant's decision;
- perform any illegal activity towards public servants.

### ***7.3 Public funds***

In case the Company has obtained public funds (e.g grants, loans, soft loans) from institutional counterparties, it is prohibited to allocate such funds for purposes other than those for which they were obtained. It is required to keep the documentation, certifying the reception and the use of such funds, with care.

### ***7.4 Conflicts of interest with institutional counterparties***

Should even a suspected conflict of interest arise toward the public servant, the employee is required to notify his or her supervisor.

With regard to relationships with institutional counterparties, The Company cannot be represented by subjects (partners, co-workers, organizations) with which conflicts of interest could arise.

### ***7.5 Regulatory/Control bodies***

The Company wants to facilitate the work of regulatory/control bodies. Therefore workers must to facilitate access to data and information requested by bodies, ensuring clarity and truth of information disclosed.

### ***7.6 Relationships with regulatory authorities***

The Company undertakes to abide by rules prescribed by regulatory authorities (e.g. Antitrust Authority, etc.).

Company and its employees undertake to comply with requests of regulatory authorities, and to cooperate fully in their control activities.



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The company undertakes to avoid potential conflict of interests with employees of regulatory authorities and their relatives.



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## **8. Rules of conduct in relationships with suppliers**

Company has adopted and implemented appropriate corporate functions responsible for supplier's selection. Such functions must ensure that the suppliers' selection fulfills quality and cost-effectiveness standards.

Purchasing processes are designed to obtain the maximum competitive advantage for the Company while granting equal opportunity to all suppliers. They are also based on pre-contractual and contractual conduct characterized by the essential and reciprocal elements of good faith, transparency and collaboration. In particular, employees assigned to these processes are required to:

- carefully abide by laws, procedures and contents of *231 Model*;
- adopt effective selection criteria which can be documented;
- meet suppliers' efficiency with customers requirements;
- ensure that the supply abides by laws in force and fulfills the terms of the agreements;
- ensure fairness and bona fide during relationships with suppliers.

For anon-comprehensive illustrative purpose, some examples of quality requirements for suppliers are shown below:

- well documented availability of means, financials resources, designed solutions, know how etc.;
- adequate quality controls;
- compliance with health&safety laws and prescriptions;
- commitment to abide by rules and principles included in this Ethic Code and in the *231 Model*.



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## **9. Relationship with political parties and unions**

The Company does not finance political parties/unions or their candidates or representatives, either in Italy or abroad, nor does it sponsor conventions or festivities whose sole purpose is that of political propaganda.

The Company does not make contributions to organizations with which conflicts of interest could arise (for example, environmental associations or consumer-defense groups), and refrains from applying any direct or indirect pressure on politicians (for example through acceptance of recommendations for employment, consulting contracts etc.).

It does,

However, attempt to cooperate with such organizations, both financially and otherwise, on specific projects that comply with the following criteria:

- goals are related to Company mission;
- the destination of the funding is clear and subject to destination;



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- express authorization is received from President and CEO of the Company.

Nevertheless, every contribution must be distributed in accordance with laws in force, and the funding process must be well documented.





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## **10. Rules of conduct with customers**

The Company style of conduct in dealing with customers revolves around a willingness to serve, combined with respect and courtesy, all within a relationship of cooperation and competence.

The Company undertakes to not use advertising instruments that are misleading or untruthful.

Contracts and communications with customers (included advertising communication) must be:

- clear and simple, using language as close as possible to that normally used by the interlocutors;
- comply with laws and regulations in force, without any elusive or incorrect practices;
- Fully defined, so that they include any detail which could contribute to customers' decision.

The Company undertakes to communicate timely any information regarding:

- any contract modifications;
- any variations in the economical and technical conditions for the performance of services/sales of products.

The Company undertakes to guarantee adequate quality standards for his products/services, basing on default standards, and to furnish – on request – certificates issued by competent regulatory authorities (e.g. *GMP – Good Manufacturing Practices*) which validates business processes.

The Company undertakes to protect the privacy of its customers, in compliance with current laws governing this matter, and undertakes not to communicate or



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disseminate, except where obliged by law, personal or economic data of these same without their prior consent.



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## **11. The internal control system and the Compliance Supervisory Committee**

The internal control system must be designed to adopt instruments and methodologies that reduce business risks, in order to comply not only with the law, but also with internal procedures and principles contained in this Code.

Management must monitor that worker's behavior comply with the Code's principles and, if necessary, must implement specific procedures to verify it.

The Company undertakes to set up a Compliance Supervisory Committee, as specified under Legislative Decree n. 231/2001, which carry out, in addition to duties provided for by law, the following tasks:

- audit the performance in respect of Organizational model and Code's principles;
- ensure and promote ethic values in the Company through an ethical risk assessment;
- promote the spread of Code's principles;
- receive and verify alerts about potential ethical violations;
- assume any relevant decision about ethical violations;
- express opinions about internal procedures to ensure their consistency with Code's contents;
- report to the Board of Directors possible opportunities to review the Code's contents;
- contribute to the preparation and updating of internal procedures aimed to reduce Code's violations;
- express binding opinions about potential ethical issues which could arise in Company decisions.

In carrying out its activities, the Compliance Supervisory Committee must receive constant support from all business department involved, having free access to all documentation deemed useful.



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## **12. Violation of rules of conduct**

Compliance with the regulations contained in the Code of Ethics is to be regarded an essential part of the contractual obligation foreseen for *Persons Covered*. Any violation of Code's provisions may therefore represent serious breach of the obligations arising under the employment contract and may be the source of a civil tort, with all consequential personal liabilities.

Upon finding a violation of the Code the Company may take disciplinary actions provided by the collective labor agreement. The type of action taken depends on the nature, severity and frequency of the violation, and may include oral counseling, reprimand, suspension and/or dismissal.

Moreover the Company do not want to start or to continue having relationships with subjects who do not intent to comply with the Code's principles. Upon finding violations of the Code the Company reserves the right to take any subsequent action through the appropriate channels.



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### **13. Current legislation**

The performance of this Code shall in no case affect compliance with any special legislation which Company must comply with.