



INTEGRA LIFESCIENCES ITALY S.R.L.

Model of Organization, Management and Control
(pursuant Italian Legislative Decree 231/2001)

[TRANSLATED FROM THE ORIGINAL ITALIAN VERSION]

General Part

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Introduction

Foreword

With this document, explanatory to the Model of Organization, Management and Control adopted by Integra Lifesciences Italy S.r.l. (hereinafter “Integra” or the “Company”) pursuant to Italian Legislative Decree 231/2001 (hereinafter “Leg. Dec. 231/2001” or “Decree”), the Company shall pursue the following specific objectives:

- comply with the legislation on the administrative liability of institutions, analyzing potential risks for relevant illicit conducts pursuant to Legislative Decree 231/2001, integrating the related control activities, preventing the risk of specific “231” relevant crimes commission;
- advising Addressers about the impact and relevance of the Legislative Decree 231 concerning:
 - subject-matter and scope;
 - penalties applicable to the Company or to an author of unlawful conduct concerning any Model violations;
 - compliance with the provision set out in the Model;
- broadly speaking, taking initiatives through appropriate interventions, to assuring correctness and transparency in conducting business activities.

The Model of Organization, Management and Control (hereinafter “Model of Organization” or “Model”), represents a coherent set of principles, procedures and provisions focused on regulating internal and external business activities and internal control system management, aimed at preventing the commission or the attempted commission of the crimes listed by the Decree.

This document is adopted by the Company with the Board of Directors resolution dated **[to be defined]**.

Document Structure

The Model is composed by:

- Integra Standard of Business Conduct and Ethics, which defines general ethical values and principles to which the corporate bodies and its components as well as the employees, collaborators and consultants of the Company should be inspired in the conduct of its activities, in order to prevent unlawful or non-compliance conducts;
- Model of Organization, Management and Control, split up into:
 - *General Part*, describing Decree contents, summarizing Corporate Governance models and Model general principles as well as the Model implementation activities;
 - *Special Parts*, for each business area relevant for the purposes of the Italian Legislative Decree 231/2001, describing relevant types of offenses and behavior principles to be observed as well as control activities for risks prevention.

The Model includes the list of offences pursuant to Legislative Decree 231/2001 (Attachment 1).

Recipients

The staff with management, administration, executive or control functions, the employees as well as the subjects which collaborate with the Company (e.g.: consultants), must operate in accordance with rules and provisions contained in this Model and its Attachments.

The “Recipients” are:

- executive personnel;
- personnel with *de facto* executive functions;
- all employees (including trainees, interns and contractors);
- freelancers formally included in the organizational chart;
- members of the Supervisory Board;
- all subjects that collaborate with the Company, based on professional, commercial, financial or other kind of relationships;
- anyone acting in the name and on behalf of the Company under his direction and supervision.

With reference to contractors, consultants (including those who work in the name and on behalf of the Company and in relation with Public Authorities, judicial Authorities, etc., or operate in areas considered at risk), suppliers, other *partners*, or other contractual counterparties, Integra requires the compliance with the Decree and ethical principles adopted, by signing a standard format formalizing the commitment to comply with Legislative Decree 231/2001, ethical principles and policies adopted by the Company.

General Part

1. Legislative Decree 231/2001

1.1 Administrative liability of legal entities

Legislative Decree 231/2001, issued in implementation of the delegation conferred to the Government with art. 11 of the Law of 29 September 2000, n. 300, regulates the "*liability of institutions for administrative offenses dependent on crime*".

This regulation applies to institutions with legal personality, as well as to companies and associations, even those without legal personality.

Legislative Decree 231/2001 finds its genesis in some international and EU conventions ratified by Italy that require to provide Company responsibility for certain types of offenses; in particular:

- Brussels Convention of 26 July 1995 on the protection of the European Communities' financial interests;
- Brussels Convention of 26 May 1997 on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union;
- OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

Legislative Decree 231/01 introduced into Italian legislation the concept of the administrative liability - principally criminal liability - of entities for a number of crimes or administrative offences committed by the following people in their interests of advantage, by:

- individuals who hold representative, administrative or managerial positions in the entities in question, or in one of their financially and functionally independent organizational units, or individuals responsible (including *de-facto*) for the management and control of the previous mentioned entities;
- individuals managed or supervised by one of the people indicated above.

With reference to "interest of advantage" conditions, it takes place whenever the illicit conduct is put in place with the exclusive intent of bringing a benefit to the company, regardless of its actual achievement.

Likewise, the responsibility lies with the company whenever the perpetrator of the offense has in any case made a "benefit" to the legal person, of an economic or non-economic nature, although not acting with that specific purpose.

The administrative responsibility of the companies is independent of the criminal liability of the individual who committed the crime.

1.2 Types of crimes and administrative offences

With regard to the type of crimes and administrative offences resulting in the application of the above system of corporate administrative liability, the Legislative Decree 231/2001 referred exclusively to a series of crimes.

The Decree concerns only some particular cases of criminal offenses. The types of crimes are split into the following categories:

- offences against Public Administration (artt. 24 e 25 Leg. D. 231/2001);
- information technology crimes and unlawful data processing (art. 24-*bis* Leg. D. 231/2001);
- offences connected with organized crime (art. 24-*ter* Leg. D. 231/2001);
- forging money, public credit notes, revenue stamps and instruments or company marks (art. 25-*bis* Leg. D. 231/2001);
- crimes against industry and trade (art. 25-*bis*.1 Leg. D. 231/2001);
- corporate crimes (art. 25-*ter* Leg. D. 231/2001)¹;
- crimes for the purposes of terrorism or the subversion of democracy (art. 25-*quater* Leg. D. 231/2001);
- female genital mutilation crimes (art. 25-*quater*.1 Leg. D. 231/2001);
- offenses against the individual (art. 25-*quinquies* Leg. D. 231/2001);
- insider dealing and market abuse (art. 25-*sexies* Leg. D. 231/2001; art. 187-*quinquies* T.U.F.);
- manslaughter and serious or very serious injury committed in violation of regulations on health and safety at work (art. 25-*septies* Leg. D. 231/2001);
- receiving, laundering and using money, goods or benefits of unlawful origin, as well as self laundering (art. 25-*octies* Leg. D. 231/2001);
- violation of copyright and other related rights (art. 25-*novies* Leg. D. 231/2001);
- crimes connected to inducement to refrain from making statements or to make false statements to the legal authorities (art. 25-*decies* Leg. D. 231/2001);
- environmental crimes (art. 25-*undecies* Leg. D. 231/2001);
- transnational organized crime (art. 10 L. 146/2006);
- employment of illegally staying third-country nationals (art. 25-*duodecies* Leg. D. 231/2001);
- racism e xenophobia (art. 25-*terdecies* Leg. D. 231/2001);
- frauds in sports competitions, abusive gambling or bet and games of chance played by prohibited devices (art. 25-*quaterdecies* Leg. D. 231/2001);
- tax crimes (art. 25-*quinquiesdecies* Leg. D. 231/2001);
- smuggling offences (art. 25-*sexiesdecies* Leg. D. 231/2001).

Please refer to Attachment 1 (“*Catalogo dei reati ai sensi del D.Lgs. n. 231/2001*”) of this document for a detailed description of the offenses included by the Decree and its subsequent amendments and additions.

¹ Including “Private-to-private corruption”.

1.3 Penalty System

In case of commission or attempt of commission of the abovementioned crimes, the following penalties may be applied to the Company:

- financial penalty, calculated by the judge, within the legal limits;
- prohibitory penalties;
- confiscation of the price or the profit of the crime;
- publication of the sentence.

1.4 The exempt condition: Organizational, Management and Control Model

Arts. 6 and 7 of the Decree provide for the exemption of an Entity from administrative liability, for acts committed by the Company on its interest, in case the Company adopted an effective Organizational, Management and Control Model in accordance with the Legislative Decree 231/2001.

The simple adoption of the Model is not, however, a sufficient measure to determine the exemption from liability of the Company, indeed it is rather necessary that the Model is also effective.

The exemption from the responsibility of the Entity is applicable if:

- a) the management body had, prior to the offence, adopted and actually implemented an organizational model for the prevention of such offences;
- b) there was a unit with autonomous powers of initiation and control for the oversight of the effectiveness, compliance and revision of the model;
- c) the criminal offence was committed in fraudulent breach of the model;
- d) oversight by the unit pursuant to letter *b*), above, was neither omitted nor inadequate.

The administrative liability of the institutions is in any case excluded, by express legislative provision (Art. 5, par. 2, of Legislative Decree 231/2001), if the top managers and/or their subordinates acted in their exclusive interest or third parties.

1.5 Guidelines of the category associations and case law

Art.6, 3rd subparagraph, Leg. D. 231/2001 establishes that *“Models of Organization, Management and Control can be adopted, guaranteeing the requirements referred to in subparagraph 2, on the basis of behavior codes drawn up by the representative associations of the bodies, it communicated to the Ministry of Justice which, in consultation with the competent Ministries, can formulate, within thirty days, observations on the suitability of the models to prevent crimes”*.

This Model has been drawn up taking into account the indications expressed by the guidelines elaborated (and updated in 2014) by Confindustria and approved by the Ministry of Justice. It also considers the behavioral principles set forth in the Confindustria Medical Devices Code of Ethics, as well as the MedTech Europe Code of Ethical Business Practice, to which refer to for specific provisions related to the Integra business.

2. Integra Lifesciences Italy S.r.l. Model of Organization, Management and Control

2.1 Integra Lifesciences Italy S.r.l.

Integra LifeSciences Italy S.r.l. is a subsidiary of Integra Lifesciences Group, a worldwide leader in medical technology and innovative solutions offer.

It belongs to the Group since 2015, after the acquisition by Integra LifeSciences Group of its previous local distributor (Tekmed Instruments S.p.A.). Since then, Integra Lifesciences Italy S.r.l. is the Italian market point of reference for the management of hospitals and private clinics commercial activities (hereafter also "customers"), scientific activity, marketing, and market access for Group's medical devices and technologies, bought by Integra Lifesciences Italy from other Group companies or, to a lesser extent, from third party suppliers.

In 2017, Integra Lifesciences integrated a company branch of Codman from Johnson & Johnson into the Italian structure. At the current date, Integra Lifesciences Italy S.r.l. operates in the following divisions:

- Tissue Technologies: devices and technologies in the field of tissue regenerative medicine;
- Codman Specialty Surgical: medical devices and technologies in the field of neurosurgery and other branches of surgery.

At organizational level, Integra Lifesciences Italy is strongly connected with the other companies of the Group:

- local management, both line and staff, "vertically" reports to Corporate managers or other Group companies' managers with an international mandate;
- some processes are managed by share service centers operating for the Group (eg.: execution of payments and accounting), corporate functions (eg.: Human Resources Management, Compliance Management, Procurement, Distribution, Legal) or third-party suppliers (eg.: the payroll provider), within the framework defined at Headquarter level and in accordance with the provisions of the specific service agreement between the parties.

For the purposes of this document, structures operating for Integra Lifesciences Italy but localized in other Group companies are referred as "Corporate", as an alternative to "local" or no specification to indicate Integra Lifesciences Italy S.r.l. structures.

The Integra Lifesciences Italy Board of Directors is in charge of monitoring services adequacy provided by share service centers, central / European functions and Group's third-party suppliers, as well as compliance with the contractual provisions set out in the contracts in force.

At operational level, Integra Lifesciences Italy staff operates in line with the existing procedures, which take into account both the local regulations and those of Confindustria Medical Devices

This Model (and, in particular, the Special Parts) represents Integra Lifesciences Italy organization and processes at the time of Model approval.

2.2 Integra Lifesciences Italy S.r.l.: Internal Organization and Governance

Integra Lifesciences Italy S.r.l. adopts a traditional administration system based on the presence of the following bodies:

- **Board of Directors** (hereinafter also the "BoD"): Company Statute establishes that the Company management is entrusted to a variable number between two and five directors or a single director according to the provisions of the appointment resolution. Currently, the Board of Directors is composed by two members;
- **Supervisory Board and Legal Accounting auditor**: Company Statute establishes a single or three-member Supervisory Board plus two substitutes. The accounting control is provided by an Auditing auditor.

The Company has implemented a specific expenditure authorization system and a signing powers system. Only people with formal and specific powers may undertake commitments to third parties in the name or on behalf of the Company itself.

In particular, the Company utilizes the following guidelines regarding the authorization system:

- **"individual business" powers** are attributed through *ad hoc* deeds, conferred by notarial powers of attorney or other forms of proxies in relation to their content;
- **"permanent representation" powers** are assigned by registered notarial proxies in relation to the permanent responsibilities. These powers of attorney are conferred, solely, in relation to the organizational roles implying actual representation needs.

2.3 Adoption of the Model

The Board of Directors of Integra Lifesciences Italy S.r.l., in charge for ensuring fairness and transparency in business and corporate activities, proceeded with the implementation of the Organization, Management and Control Model envisaged by the Decree, approving its Model.

In particular, the Model constructing process is developed through different project phases:

- 1) activities and processes identification, opportunities and/or means for committing the offenses envisaged by the Decree ("*sensitive activities*"), as well as Company Functions / departments involved;
- 2) sensitive activities and processes analysis, describing organizational and control mechanisms in place or to be adapted.

The control system is examined taking into consideration:

- existence of system of powers and authorization levels consistent with the assigned organizational responsibilities and with the relevant regulatory provisions;
- respect for the principle of separation of functions;
- existence of formalized rules (for example, policies and procedures);
- existence of adequate specific control mechanisms;
- traceability of activities and controls;

for the purpose of assessing their ability to prevent, or identify, significant risk situations for the purposes of the Decree;

- 3) identification of the necessary improvement actions, in the presence of any deficiencies in the Internal Control System;
- 4) preparation of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001, articulated in compliance with the Confindustria guidelines, on the basis of the results emerging in the mapping of the areas at risk.

2.4 Areas of at-risk activities

Article 6, subparagraph 2, lett. a) Legislative Decree 231/2001 expressly establishes that organizational and management Models must "*identify activities in which crimes may be committed*". For this reason, Integra has analyzed the company activities, training and implementation of the decisions processes within the individual company areas as well as the internal control systems, to identify "sensitive" areas to the risk of committing the crimes mentioned by the Leg. D. 231/2001.

The "sensitive activities" detected during the construction of the Model are as follows:

Sensitive activities	Special Parties
1. Business Activities management	A - Business Activities Management
2. Sales Agents management	
3. Dealers management	
4. Clinical Trials management (*)	
(*) Non commercial activity included in this area based on behavior principles on Sales Function	
5. Promotional activities management	B - Marketing and Scientific Dissemination Management
6. HCP relationships management	
7. Informative material preparation	
8. Clinical Evaluation products management	C - Market Access Management
9. Reimbursement and local formulary recording management	
10. Goods, services and professional services purchases management	D - Procurement Management
11. General accounting and financial statements management	E - Administration, Finance and Control Management
12. Tax management	
13. Cash and financial flows management	
14. Relations with Supervisory Board and Auditors management	
15. Intercompany management	
16. Credit management	

Sensitive activities	Special Parties
17. Human Resources selection and hiring	F - Human Resources Management
18. Human Resources administrative management	
19. Management of training financed with Public Administration funds	
20. Expenses and reimbursement management	G - Expenses Reimbursement and Procurement Card management
21. Relations with Public Administrations for communications, authorizations and obligations	H - Public Administration relations Management
22. Relations with the Public Administrations during inspections	
23. Relations with the Public Administrations for Commercial Activities, Marketing and Scientific Dissemination and Market Access during institutional events	
24. Corporate affairs management	I - Legal and Corporate Affairs Management
25. Corporate extraordinary transaction management	
26. Litigation management	
27. Information Systems Management	J - Information Systems Management
28. Management of activities related to health and safety in the workplace	K - Health and Management
29. Environmental regulations fulfillment	L - Environmental Obligations Management

2.5 Model adaptation and updating

The Legislative Decree 231/2001 expressly provides a periodical Organization, Management and Control Model updating, in order to make it constantly "tailored" to the Company's specific needs and its core operations. The adaptation and/or updating of the Model will be carried out essentially on:

- regulatory innovations;
- Model violations and/or negative checks results (which can also be inferred from experiences regarding other companies);
- Company's organizational structure changes, also arising from extraordinary finance transactions or changes in the business strategy resulting from new fields of activity undertaken.

The Board of Directors decides on Model updating and its adaptation in relation to needed changes and/or additions.

The Supervisory Board must report to the Board of Directors any events that require a Model modification / updating in written form, in order to carry *ad hoc* resolutions out.

The Supervisory Body is constantly informed about the updating and implementation of any new Company rules and procedures and can express its opinion on the proposed amendments.

Any substantial change, for example, a new Special Parts introduction or new protocols in areas of at-risk activities, requires an approval by the Board of Directors of Integra Lifesciences Italy S.r.l.. Minor and/or formal modifications, such as protocols alignment with new organizational provisions, can be carried out directly by the Managing Director, after a Board of Directors ratification.

With reference to the procedures included in this Model which are related to the at-risk activities (refer to Special Part), any change, modification or elimination must be shared with the competent Function prior the Supervisory Body verification.

3. Supervisory Body

3.1 Role

Appointing supervisory tasks on the functioning and compliance with the Model, as well as its update, to a body entitled of independent powers of initiative and control, alongside with their correct and effective performance, represent necessary assumptions for exoneration of responsibilities as provided by Legislative Decree 231/2001.

The major requirements of the Supervisory Body, as suggested by the Confindustria guidelines and adopted by the Court in diverse published verdicts, may be identified as:

- autonomy and independence;
- professionalism;
- ongoing action.

The **autonomy and independence** of the Supervisory Body are translated in the autonomy of control initiative from every form of interference or influence by an exponent of the legal entity and, in particular, of the administrative body.

The **professionalism** requirement regards the technical skills of the Supervisory Board to perform its duties on supervising the Model, as well as the necessary qualities to ensure the adaptability of the Model itself, through update proposals to be addressed to the Top Management

Finally, with reference to the **ongoing action**, the Supervisory Body must constantly supervise compliance with the Model, verify its actual effectiveness, promote its periodic update and act as a consistent reference for every subject working for the Company.

3.2 Supervisory Board Composition

The Legislative Decree 231/2001 does not provide specific instruction on the Supervisory Body composition. As a consequence, the Company has opted for a solution - considering the intention of the law and the line of conduct derived by the published Court's cases - able to guarantee, according to dimensions and organizational complexity - the effectiveness of controls for which the Supervisory Body is in charge. More specifically, the Company has opted for a multi-person composition of its Supervisory Body (Board of Directors resolution).

It should be noted that the members of the Body, may it be mono - or multi-person, are selected among highly qualified subjects, with prior experience in the sector Integra operates in, and/or with legal and/or accounting or labor law relevant skills, with appropriate professionalism and honorability requirements, as provided by art. 109 of the Legislative Decree 1 September 1993, n. 385, to ensure that the Board composition be suitable to cover by competence and experience all the aforementioned professional sectors.

The Body members will be in charge for three years and may always be re-elected. Any withdrawal or substitution before the mandate end may take place only by right cause or justified reason, to be intended as, for example:

- voluntary waiver of the Body member;
- incapacitation from natural causes;

- disregard of honorability requirements, as specified in more detail at paragraph 3.3;
- lack of participation in two or more meetings - also nonconsecutive - within twelve months, without justifiable reason;
- lack of notice to the Board of Directors by a member of the Body of cases of disregard, as detailed at paragraph 3.3;
- the occurrence of one of the suspension or withdrawal as detailed at paragraph 3.3;
- the violation of one or more obligations as detailed at paragraph 3.4.

The Supervisory Body informs the Board of Directors about the adoption of its internal regulations, as well as any subsequent updates and amendments.

3.3 Causes of ineligibility, decadence and revocation of the Supervisory Board

The Supervisory Body members, whether mono - or multi-person, must meet integrity requirements set forth in art. 109 of the Leg. D. 1 September 1993, n. 385. In particular, people in the conditions described in the art. 2382 c.c. cannot be appointed as members of the Supervisory Body.

Furthermore, people convicted by a sentence which has become final, even if issued pursuant to articles 444 et seq. Code of Criminal Procedure and even if with conditionally suspended sentence, cannot be appointed as Supervisory Body members, without prejudice to the rehabilitation effects:

1. imprisonment for a period of not less than one year for one of the crimes provided for by the Royal Decree of 16 March 1942, n. 267;
2. custodial sentence for a period of not less than one year for one of the offenses provided for by the rules governing banking, financial, securities, insurance and the rules on markets and securities, payment instruments;
3. imprisonment for a period of no less than one year for a crime against the Public Administration, against public faith, against property, against the public economy, for a tax offense;
4. any offense committed to imprisonment for a period of not less than two years;
5. offenses under Title XI of Book V of the Civil Code as amended by Legislative Decree n. 61/2002;
6. offense that imposes and has imported the sentence to a penalty from which the interdiction, even temporary, from the public offices, or the temporary interdiction from the management offices of legal entities and companies;
7. crimes among those strictly required by the Decree, even if with sentences lower than those indicated in the previous points;
8. status of member of the Supervisory Body in companies against which the sanctions provided for by art. 9 of the Decree;
9. those against whom one of the preventive measures provided for by art. 10, subparagraph 3, law 31 May 1965, n. 575, as replaced by Article 3 of the Law of 19 March 1990, n. 55 and subsequent modifications;

10. those who have been subject to the additional administrative sanctions provided for by art. 187-
quater Legislative Decree n. 58/1998.

Candidates for the office of members of the Supervisory Body must self-certify with a substitutive declaration of not being in any of the conditions indicated by number 1 to number 10, expressly committing to communicate any changes to the content of these declarations.

The Supervisory Body members may lose their office after their appointment for:

- situations contemplated in art. 2399 c.c.;
- conviction with a definitive sentence (meaning a sentence pronounced pursuant to Article 444 of the Italian Civil Code) for one of the offenses indicated in numbers 1, 2, 3, 4, 5, 6 and 7 of the conditions of ineligibility indicated above;
- a situation in which, after the appointment, it is found that he has held the status of member of the Supervisory Body within companies in respect of which the sanctions provided for by art. 9 of the Decree in relation to administrative offenses committed during their office.

Causes of suspension or revocation from the function of member of the Supervisory Body:

- conviction with a non-definitive sentence for one of the crimes of the numbers 1 to 7 of the conditions of ineligibility indicated above;
- application on request of the parties to one of the penalties referred to in numbers 1 to 7 of the conditions of ineligibility indicated above;
- application of a personal precautionary measure;
- provisional application of one of the prevention measures provided for by art. 10, subparagraph 3, law 31 May 1965, n. 575, as replaced by Article 3 of the Law of 19 March 1990, n. 55 and subsequent modifications;
- assessment by the Board of Directors of negligence, inexperience or gross negligence in the performance of the tasks assigned pursuant to paragraph 3.4 and, in particular, in the identification and consequent elimination of violations of the Model, as well as in the most serious cases, perpetration of crimes.

3.4 Supervisory Body duties and powers

The institutional functions of the Supervisory Body are specifically defined by Legislator in the Decree at art. 6 subparagraph 1 lett. b) and include:

- overseeing on the functioning and compliance with the Model;
- suggesting necessary updates.

With regard to the Model updating, the adoption of any changes is appointed to the Administrative Body (Board of Directors and possibly a subject appointed by the same), which, in accordance with the provisions of art. 6 subparagraph 1 lett. a), has direct responsibility for the adoption and effective implementation of the Model.

In order to ensure the full effectiveness of its action, the Supervisory Body has free access to all Company documentation that can be detected for verifying the correct Model functioning.

For the purpose of a full and independent fulfillment of its duties, an annual budget is assigned to the Supervisory Body, established by resolution of the Board of Directors. It allows to carry out its duties in full autonomy, without limitations that may result from insufficient financial resources. In any case, Supervisory Body members are responsible for the reimbursement of documented expenses.

3.5 Reporting to Corporate Bodies

The Supervisory Body reports on the verifications carried out on the implementation of the Model and on the occurrence of any critical aspects, as well as to provide communication regarding the activities performed in the exercise of the assigned tasks.

The Supervisory Board reports on its activities to the Board of Directors and the Supervisory Board every six months. The specific subjects to be included in the report are activities carried out, reports received and disciplinary sanctions (related to behavior relevant to the purposes of this Model) eventually imposed by the competent parties, necessary and/or opportune corrective and improving actions of the Model and their state of implementation. At least once a year, these reports must be presented to the Board of Directors by the Chairman of the Supervisory Body.

The Supervisory Body may also request to meet the Board of Directors whenever it needs to promptly report on violations of the Model or request attention to critical issues related to the operation and compliance with the Model.

Likewise, the Supervisory Body may be convened at any time by the competent corporate bodies, including the Supervisory Board, to report on significant circumstances, such as compliance and the preventive suitability of the Model.

3.6 Provision of information to the Supervisory Board

3.6.1 Reports to the Supervisory Board

In accordance with the art. 6 of Legislative Decree 231/2001, the Model establishes:

- "information obligations to the body responsible for overseeing the functioning and compliance of the models" (paragraph 2, letter d);
- "one or more channels that allow (...) in order to protect the Entity integrity, to present detailed reports of illegal conduct, relevant pursuant to the (...) decree and based on factual and consistent facts, or violations of the organization and management model of the institution, of which become aware of the functions performed. These channels guarantee the confidentiality of the identity of the reporting person" (subparagraph 2-bis, letter a);
- "at least one alternative reporting channel suitable for guaranteeing (informatics way) the confidentiality of the identity of the reporting person" (subparagraph 2-bis, letter b).

Firstly, the Supervisory Body must be informed by all the subjects required to comply with the Model, of any circumstance relevant to the respect and functioning of the Model.

Secondly, Addressees must be informed the Supervisory Body of any unlawful conduct or violations of the Model, ensuring that they are substantiated and based on precise and consistent facts.

In particular, Addressees must promptly communicate to the Supervisory Body, even anonymously:

- any violation or valid suspicion of violation about rules of conduct, prohibitions and control principles reported by the Model, as well as commission of relevant unlawful conduct pursuant to Legislative Decree 231/2001;
- any violation or valid suspicion about violation of behavioral rules listed in the Code of Conduct;
- any exception, violation or valid suspicion about violation of the executive procedures governed by the Company procedures relevant for the purposes of the Decree.

Alternative channels (e-mail box, postal address and computerized channel) are available to allow the flow of any reports.

The reports may be sent to the following e-mail address:

Odv231@integralife.com

Alternately, reports may be sent by mail to the attention of:

*Organismo di Vigilanza Integra Lifesciences Italy S.r.l. - Centro Dir. Milanofiori, Strada 6 Palazzo N/3, 20089 Rozzano (MI),
Italia*

The Supervisory Body evaluates the received reports and the activities to be carried out; any consequent measures are defined and applied in compliance with the disciplinary system (see Chapter 5).

Each report received is managed by the Supervisory Body guaranteeing the identity confidentiality of the reporting person, in order to avoid any form of retaliation, discrimination or penalization or any consequence deriving from the propagation of the alert, without prejudice to the safeguard of rights of people wrongly accused or accused in bad faith, as well as workers, Company and third parties' rights.

The Supervisory Body keeps the received reports in a special computer and/or paper archive in compliance with the provisions contained in the legislation: exclusively the members of the Supervisory Body are allowed to access the archive.

The Company expressly forbids any act of retaliation or discrimination, direct or indirect, against reporting agents for reasons connected directly or indirectly to the reports.

In addition, penalties that are punishable in accordance with disciplinary system (refer Chapter 5) are the violation by a recipient of the reporting measures defined by the Company that the execution, with malice or serious fault, of reports that prove to be unfounded.

The violation of the above described constitutes a violation of the Model.

3.6.2 Reports to the Company of wrongdoings

The Legislative Decree No 24 of March 10th, 2023 was published in the official gazette on March 15, 2023 based on the European Directive 2019/1937 on the protection of persons who report breaches. Integra has updated their Employee Ethics hotline to incorporate the specific legislative requirements for this decree. Please refer to the Italy Model 231 Whistleblowing procedure for more details on the process.

3.6.3 Specific information flow

The disclosure obligations towards the Supervisory Body are referred to the following information flows:

- general information flows;
- specific information flows for a process relevant for the purposes of the Decree.

In particular, in addition to the reporting obligations pursuant to par. 3.6.1, managers of the Company, as part of the performance of their activities, are required to communicate to the Body in a non-anonymous manner, whenever event occurs and promptly:

- active and passive litigation in progress when the counterparty is a public body or subject (or equivalent) and, upon their conclusion, related outcomes;
- measures and/or information from judicial police or any other authority from which the investigation is carried out for the offenses referred to the Decree, also initiated against unknowns;
- requests for legal assistance sent in case of initiation of judicial proceedings;
- reports prepared by the areas of corporate competence within the scope of the control activities carried out, from which facts, acts, events or omissions can emerge with critical profiles with respect to the provisions of the Decree;
- news highlighting disciplinary proceedings carried out and any sanctions imposed, measures taken or motivated measures for the filing of disciplinary proceedings against company personnel;
- periodic reports on health and safety at work, in compliance with current legislation and the safety management system;
- visits, inspections and investigations initiated by competent public bodies and, at their conclusion, any findings and penalties imposed;
- any information relevant for compliance, operation and adaptation of the Organizational Model, including information required by relevant protocols for the purposes of the Decree;
- any change concerning delegation system or Company organizational and governance structure;
- extraordinary corporate transactions;
- every new business activity.

Modalities and timing of *ad hoc* information flows to the Supervisory Body for specific areas of activity at potential risk will be better detailed by the same Body.

Any omitted or delayed communication to the Body of the information flows listed above will be considered a violation of the Organizational Model and may be sanctioned according to the provisions of the Disciplinary System referred to in Chapter 5.

Supervisory Body must periodically request to the recipients to provide assurance on the completeness of the information communicated.

All information flows, general and specific, must be sent and addressed to the Supervisory Body, by direct delivery to the Body, by ordinary mail to the address:

Integra Lifesciences Italy S.r.l. - Centro Dir. Milanofiori, Strada 6 Palazzo N/3, 20089 Rozzano (MI), Italia, or forwarded by
e-mail Odv231@integralife.com

All information is kept in a specific IT and/or paper archive by the Supervisory Body in compliance with the provisions contained in the applicable regulations, except for the fulfillment of its reporting duties towards the top management.

4. Communication of the Model

The effective implementation of this Model passes through its adequate knowledge and disclosure, both at the Company's staff and at third parties for various reasons.

To this end, the Supervisory Body, in collaboration with the corporate functions, plans information and/or training programs, characterized by a different degree of depth in relation to the different level of involvement of the recipients in at risk-activities.

4.1 Communication to the members of the Corporate Bodies

The Organization, Management and Control Model is formally transmitted to each member of the Corporate Bodies, which signs a declaration of acknowledgment and accession, archived by the Supervisory Body.

4.2 Communication to employees

The adoption of this Model and the subsequent updates are communicated to all the personnel employed and managerial staff and to all the managers of the areas at risk.

After any modification and updating of the Model, the Supervisory Body will send to all recipients, or only those directly involved in the update, a note of information on the changes that have occurred and the related impact on company operations.

New employees and managers will be notified of the adoption of the Model through signing of their employment contract. New hires undertake, in carrying out the tasks relating to the areas relevant for the purposes of Legislative Decree 231/2001 and in any other activity that may be carried out in the interest or to the advantage of the Company, to comply with the principles, rules and procedures.

The full text of the Model is made available to all personnel, in a specific section of the company Intranet site.

4.3 Training

Training activity aimed at disseminating legislation knowledge pursuant to Legislative Decree 231/2001 is differentiated, in terms of content and methods of delivery, according to the qualification of the recipients, the level of risk in the area in which they operate and whether they have representation functions of the Company or not.

Supervisory Board is in charge to prepare and periodically present to the Board of Directors a Training Plan, which describes training courses content, methods of disbursement (in the classroom or on-line), their reiteration and methods of control over effective participation by the recipients. Participation in the courses by recipients is mandatory and failure to participate without justified reason can be assessed by the Supervisory Board as a violation of the Model.

5. Disciplinary System

The existence of a system of sanctions is an essential requirement for the full effectiveness of the Model, including all the related Protocols.

The application of the penalties excludes either conduct criminal relevance, and the start of any criminal proceedings by the judicial authorities in the event that the behavior to be censored integrates a type of offense, relevant or not pursuant to the Decree. The application of the sanctions can take place even if recipients have exclusively put in place a violation of the principles established by the Model that do not materialize a crime or do not result in direct responsibility of the Entity.

Disciplinary sanctions will be imposed on all those who do not comply with the provisions of the previous chapter 3.6 regarding reports to the Supervisory Board; in particular, any recipient will be subject to sanction if he / she:

- violates the reporting protection measures defined by the Company;
- implements any act of retaliation or discrimination, direct or indirect, against reporting agents;
- carries out, with intent or gross negligence, reports that prove to be unfounded.

With reference to health and safety at work, the system of sanctions remains the one already envisaged by the Company, as expressly provided for by the relevant current regulations.

5.1 Non-managerial employees

The violation of the behavioral rules provided for by this Model, by the Code of Conduct, by the Protocols, by the regulations and by the Company procedures by employees, and therefore subject to the CCNL of the Tertiary, Distribution and Services Companies, is a disciplinary offense.

The penalties are related to the worker's sphere of activity and commensurate to the possible existence of disciplinary precedents against him, to the intentionality and seriousness of his behavior (assessable in relation to the level of risk to which the Company is exposed) and, lastly, to the particular circumstances in which the behavior occurred in violation of the Model.

Consistent with the process adopted by the Company, penalties to be imposed as a result of the reported violations of this Model will be those provided for in the CCNL of reference.

Reference CCNL means the National Collective Labor Contract of the sector of the service, distribution and services companies currently in force, as provided for by the most recent renewal agreements. Disciplinary offense means the behavior sanctioned by the reference standards in they contained.

Following the Model violation communication to the Supervisory Body, an assessment procedure will be initiated in accordance with the relevant national collective labor agreement. The assessment procedure will be conducted by the Supervisory Body, in consultation with competent organizational structures.

The disciplinary measures applicable to employees in compliance with procedures set out in Article 7 of Law May 20, 1970, n. 300 (Workers' Statute) and any special regulations applicable to said workers, are those envisaged by the CCNL sanctioning apparatus of the sector of the tertiary, distribution and service companies.

All the provisions of art. 7 of Law 300/1970 in relation both to the exposure of disciplinary codes, and in particular the obligation to prevent disputes to the employee, also in order to allow him to prepare a suitable defense and provide any justifications, are here recalled.

In particular:

- verbal reprimand is applied in the case of slight non-compliance with the principles and rules of conduct envisaged by this Model or violation of the procedures and internal rules envisaged and/or recalled or still adopted, within the scope of the activities / processes "Sensitive", a behavior that is not compliant or not adequate to Model requirements, correlating this behavior with a slight failure to comply with contractual rules or directives and instructions given by management or superiors;
- written reprimand is applied in the event of non-compliance with the principles and rules of conduct set forth in this Model or violation of the procedures and internal rules envisaged and/or recalled or still adopted, within the scope of the activities / processes " sensitive", a behavior that is not compliant or not adequate to the requirements of the Model;
- penalty and, in the case of "recidivism" which has twice resulted in non-prescribed penalties, suspension from the service and the economic treatment up to a maximum of 10 days applies in case of non-compliance with principles and rules of conduct envisaged by this Model or of violation of the procedures and internal rules envisaged and/or recalled or still of adoption, within the "sensitive" activities / processes, of a behavior that is not compliant or not adequate with the Model to an extent considered to be of a certain gravity, even if dependent on recurrence;
- dismissal for justified reason is applied in case of adoption, in the performance of activities included in the activities / processes more "sensitive", a behavior characterized by a notable failure to comply with the requirements and/or procedures and/or internal regulations established by this Model, even if it is only susceptible to configuring one of the crimes sanctioned by the Decree;
- dismissal for just cause is applied in case of adoption, in the performance of activities included in sensitive activities, of a conscious behavior in contrast with the provisions and/or procedures and/or internal rules of this Model. Even if it is only capable of configuring one of the crimes sanctioned by the Decree, it damages the confidence which characterizes employment relationship or is so serious that it cannot be continued, even provisionally.

It should be noted that, in case of any inconsistencies between the above and the CCNL of reference and/or s.m.i., CCNL will act as a reference.

5.2 Managers

The violation of the principles and rules of conduct contained in this Model, in the Code of Conduct, in Protocols and Company procedures by managers, or the adoption, within the risk profiles identified in the Protocols, of a behavior not in compliance with the aforementioned provisions, will be subject to the most suitable sanctioning measure, as far as it is competent and applicable, by the CCNL of the service, distribution and service companies. Among applicable sanctions measures are identified, for example, reports in writing and, in the most serious cases or in case of repeated recidivism, the dismissal.

Also a non-efficient supervision by management personnel on the correct application, by hierarchically subordinate workers, of the rules and procedures laid down by the Model, by protocols and Company procedures, as well as the violation of information obligations towards Supervisory Body for the commission or alleged commission of the offenses, even if attempted, the violation of the rules of conduct contained therein by the managers themselves, or the assumption, in the performance of their respective duties, of behaviors that do not conform to reasonably expected conduct by an executive, in relation to the role played and the degree of autonomy recognized, constitute disciplinary offence.

5.3 Sanctions applicable to members of the Board of Directors

In case of violation of the Model by one or more members of the Board of Directors, the Supervisory Body informs the competent Supervisory Board and the entire Board of Directors.

The Board of Directors is responsible for the assessment of the infringement and for the most suitable measures against the administrator(s) who have committed the offenses. In this assessment, the Board of Directors resolves by an absolute majority of those present, excluding the director or directors who have committed the infringements, heard the Supervisory Board opinion.

The Board of Directors and the Supervisory Board pursuant to art. 2406 c.c., are competent, in compliance with the applicable legal provisions, for the convocation, if considered necessary, of the Assembly of Members. The convocation of the Shareholders' Meeting is mandatory for the resolutions of any revocation from office or of liability for the directors.

In case of established violation of the Model by a member of the Supervisory Board, the Board of Directors, consulted the Supervisory Body, proposes to the Shareholders' Meeting, where the conditions are met, the adoption of the pertinent provisions and will provide for the additional duties required by law.

5.4 Sanctions applicable to members of the Supervisory Board

In case of violation of this Model by one or more statutory auditors, the Supervisory Body informs the competent Board of Directors and the entire Supervisory Board, who will take the appropriate measures including, for example, the convocation of the members to the order to adopt the most appropriate measures required by law.

5.5 Sanctions applicable to "Third parties to whom the Model applies"

Any conduct that leads to the initiation of a judicial proceeding aimed at ascertaining the relevance of the same pursuant to Legislative Decree 231/2001, set up by suppliers, consultants, collaborators, agents and commercial partners, however named, or other third parties connected to the same company by a non-employee contractual contract, determines, in accordance with the provisions of specific contractual clauses, the early termination of the contractual relationship for just cause, obviously without prejudice to the further compensation reserve if such behavior derives concrete damage to the Company.

With specific reference to "temporary" workers, the same criteria as those set out in paragraph 5.1 of this document apply, with the exception that the dispute must be applied in accordance with the CCNL applicable to the supply contracts and the disciplinary measure imposed by the temporary agency.