

Part 01

PRESENTATION OF THE MODEL

(logo) RECORDATI	<i>Organization, Management and Control Model pursuant to Legislative Decree 231/2001</i>
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01.00 INTRODUCTION

Recordati is a European pharmaceutical group founded in 1926 and listed on the Italian Stock Exchange, dedicated to the research and development, production and marketing of pharmaceutical products and pharmaceutical chemistry. Headquartered in Milan, it has operations in France, Germany, Greece, Ireland, the United Kingdom, Spain and the United States (hereinafter, the "Company").

This document, known as the "Organization, Management and Control Model" (hereinafter, the "Model"), has been drawn up by the Company in order to implement the regulations in art. 6, clause 1, letters a. and b., and clause 2, and art. 7, clauses 2 and 3, of Italian Legislative Decree no. 231 of 08.06.2001 and subsequent modifications and additions (hereinafter, the "Decree").

It has been drawn up on the basis of an analysis of the company operations and the risks related to these, using Confindustria [Confederation of Italian Industries] "Guidelines for the creation of the Organization, Management and Control Models and Italian Legislative Decree no. 231/2001" approved on 07-04-2002 and revised as of 18-05-2004.

The Model was approved by the Board of Directors of Recordati Industria Chimica e Farmaceutica S.p.A. under a resolution of 7 April, 2003 and modified and supplemented with the following subsequent resolutions:

- 31 July, 2003
- 29 October, 2003
- 9 February, 2006
- 27 July, 2006
- 26 July, 2007
- 7 February, 2008

Moreover, the control protocols are subject to constant updating in order to adapt them to the new organizational and legislative aspects as well as to the amendments made to the operating processes with the purpose of improving the controls and, in general, their applicability. The Chairman and CEO, by way of the power of attorney granted to him by the Board, will approve these protocols and inform the Board of Directors accordingly.

As such, the Model becomes a formal corporate document that is valid and applicable within the Company's corporate structure.

01.01 PURPOSE OF THE MODEL

The Model is an organisational and management tool for preventing the crimes and unlawful actions specified by the Decree.

01.02 CONTENT OF THE MODEL

The Model consists of a general part and a specific part, organised in the following sections:

Section	Section Title
General part	
01	Presentation of the Model
02	Statute of Supervisory Body
03	Disciplinary system
04	Code of Ethics
Specific part	
05	Organisational structure
06	Risk mapping
07	Protocols, procedures and various regulations
08	Appendices

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01.03 RECIPIENTS

Pursuant to the regulations of the Decree (Art. 5, clause 1, letters a) and b)), the “Recipients” of the Model are identified as follows:

- a) **senior management**: parties that hold positions of representation, administration or management within the Company or one of its financially and functionally independent organisational units; plus those parties that exercise – including on a de facto basis - the management and control of the Company¹;
- b) **subordinate personnel**: the parties subject to the management or supervision of one of the parties specified in letter a) above.

The Recipients of the Model must comply with the provisions set down in the Model and, in particular, comply with the regulations in the Protocols.

The Company is also committed to gradually extending compliance with the regulations of the Code of Ethics, where applicable, to all parties, including those outside the Company (Individuals and/or Legal Entities, Bodies, etc.), other than those identified in points a) and b) above, within their working and/or business relations with the Company.

01.04 COMMITMENT OF THE COMPANY

With the adoption of the Model, the Company intends to implement the regulations of the Decree as per the terms and methods indicated below.

1. ADOPTION AND EFFECTIVE IMPLEMENTATION OF THE MODEL

In order to execute the regulations in arts. 6 and 7 of the Decree, the Company undertakes to:

- a) introduce and implement an organisational model within the company which can:
 - prevent the crimes and unlawful actions of the kind specified by the Decree;
 - guarantee the performance of the company activities and operations in compliance with law;
 - identify and eliminate the risk situations related to the performance of the activities.
- b) Entrust the duty of supervising the implementation and compliance with the Model to a Company body, appointed by the Board of Directors, with autonomous powers of initiative and control.
- c) Ensure that there is no lack of or insufficient supervision of implementation and compliance with the Model.
- d) Define specific protocols for programming the formation and implementation of the Company decisions in relation to the crimes to be prevented.
- e) Identify suitable methods for the managing and handling the financial resources so as to prevent the commission of crimes.
- f) Define obligation covering information provided to the Supervisory Body, aimed at supporting the effective actions of said Body.
- g) Introduce a disciplinary system for punishing failure to comply with the Model and the current company regulations.
- h) Regularly assess any need for amendments, revisions or additions to the Model.

As and when considered necessary in formalising internal and external company relations, the Company will also ensure that there are appropriate contractual clauses which refer to the observance of the standards outlined in this document.

2. DIFFUSION AND TRAINING FOR THE RECIPIENTS

The Company undertakes to diffuse the Model adequately, guaranteeing access to all the Recipients.

The Company has also taken measures to inform and train all the Recipients on the permanent regulatory content of the Model.

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¹ e.g. the Directors, the agents and/or the parties delegated by the Company to execute the duties and/or tasks which the Company undertakes to comply with.

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2.1 COMMUNICATION AND DIFFUSION OF THE MODEL

The Company promotes the communication of the Model, using methods which guarantee the effective distribution and ensure that all personnel is duly informed.

The complete model will be made available to each employee on the company IT system (network server accessible to the employees). At regular intervals, the Company Management will send a communication to each employee as a reminder, inviting them to consult the Model. An appropriate note will also be distributed whenever the Model, or any part of it, is reviewed.

The Supervisory Body promotes and ensures the correct and best diffusion of the Model, by way of constant reminders and spot checks.

The Supervisory Body ensures that the Company makes adequate reference to the compliance with the Model, also with regard to external parties. In any case, the contracts which regulate the relations with these external parties must contain special clauses which indicate clear responsibilities with regard to failure to comply with this Model.

2.2 TRAINING

The Company organises training programs, in order to promote awareness of the Decree, the Code of Ethics and the Model amongst the Company personnel (employees and members of the company bodies).

The training programs organised for the purposes of implementing the Model, are managed by the Human Resources Department in close cooperation with the Supervisory Body and the managers of the other functions involved accordingly from time to time in the application of the Model.

The Supervisory Body, in conjunction with the Human Resources Department, makes sure that the training program is adequate and implemented effectively and that the training activities are carried out with continuity. It promotes and monitors the training and information program initiatives, resorting as required to internal and external consulting services.

The training initiatives may also be carried out remotely using e-learning tools. Measurement of attendance and assessment of the skills and knowledge acquired are envisaged.

Training will be characterised by a different approach and level of understanding depending on the qualifications and positions of the parties involved, the level of involvement of these in the sensitive activities indicated in the Model and whether they perform duties of Company representation and the assignment of any powers.

The external parties (representatives, consultants, business partners) must be provided with appropriate information regarding the policies and procedures adopted by the Company on the basis of the Model, as well as the text of the relative contractual clauses habitually inserted in the letters of appointment and partnership agreements. Any behaviour of the external collaborators or Business partners which clashes with the conduct guidelines indicated in this Model such as to create the risk of performing a crime punished by the Decree may lead to the termination of the contractual relationship, as a result of the activation of appropriate clauses.

The Legal and Corporate Service will, in conjunction with the Supervisory Body, draw up and revise these specific contractual clauses and add them to the letters of appointment or the partnership agreements.

3. CONSTANT REVIEW

In application of the regulations in point 1, letters a) and h) of this article, the Company undertakes to constantly review and revise the content of the Model, both as a result of the

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adjustments required by any widening of the scope of the reference standards, and in relation to the amendment, extension and/or diversification of corporate activities and operations.

Responsibility for the Constant Review of the Model will fall on the Board of Directors which has vested the Chairman and CEO with a mandate for this purpose under a resolution dated 7 April, 2003.

The Board of Directors will in all events ensure that the introduction of amendments in application of the principle of Constant Review of the Model does not compromise the efficacy of this Model and always compliant with the regulations and standards.

01.05 RESPONSIBILITY FOR THE MANAGEMENT OF THE MODEL

The responsibilities for the management, application, supervision, review and diffusion of the Model, subject to reciprocal collaboration obligations, have been assigned to the parties as per the methods indicated below:

Supervisory Body (hereinafter, "SB"), is responsible to make sure that the Model is:

- adequate and efficient, i.e., capable of preventing the commission of the crimes in relation to the corporate structure;
- effective, i.e., disseminated and effectively observed and implemented by the employees, the Company Bodies, the consultants and the other parties to whom the Model is addressed;
- revised, i.e., always coherent with the structure of the Company and with new standards and regulations.

Supervisory Body Manager (hereinafter, "Manager"), with the following responsibilities:

- performing the duties delegated and/or commissioned by the SB;
- reporting to the SB about the activities carried out in execution of the mandate or activities delegated and/or commissioned.

Board of Directors (hereinafter, "BoD"), with the following responsibilities:

- receiving regular information about the adequacy and operation of the Model, ensuring that the main risks are constantly identified and managed in an adequate manner;
- resolving on and ordering the amendments, extensions and revisions of the Model;
- appointing, revoking and replacing the members of the SB in accordance with the relative Statute.

Internal Control Committee (hereinafter, "ICC"), with the following responsibilities:

- receiving and analyzing the periodic information prepared by the SB about the adequacy and operation of the Model, ensuring that the main risks are constantly identified and managed in an adequate manner;
- suggesting to the SB activities for improving the efficacy of the Model;
- submitting proposals to the Board of Directors, or the Chairman and CEO for the revision, extension and amendment of the Model considered necessary.

Board of Auditors (hereinafter, "BoA") with the following responsibilities:

- receiving periodic information about the adequacy and operation of the Model, ensuring that the main risks are constantly identified and managed in an adequate manner;
- monitoring compliance with the principles established by the Code of Ethics adopted by the Company.

Managing Director (hereinafter, "MD") with the following responsibilities:

- receiving the periodic analysis of the Model produced by the SB;
- carrying out the tasks and duties delegated to him/her by the Board of Directors within the limits of its mandate (e.g.: the approval of amendments made to the Specific Part of the Model).

Group Manager of Human Resources, with the following responsibilities:

- applying or assisting the parties responsible for the application of the disciplinary sanctions envisaged for failure to comply with the regulatory provisions of the Model (Part 03, Disciplinary System);
- handling any relations with the Trade Union and Organisations for the sector arising from the application of the Model's Disciplinary System;

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- assisting the Company in handling any disputes or litigation which might arise due to the application of the Model's Disciplinary System;
- assisting the SB in the definition, preparation and implementation of the information and training plans with respect to the diffusion of the principles of the Model.
- Receiving from the SB the results of the checks following breaches of the Model and reporting to the SB about the application of sanctions, including sanctions not relevant for the purposes of the Model.

Recipients, with the following responsibilities:

- applying the provisions of the Model;
- collaborating with the SB within the process of verification and monitoring of current activities.