Favero Health Projects

INTELLECTUAL PROPERTY MANAGEMENT POLICY

(COMMITMENTS AND POLICY ON INTELLECTUAL PROPRIETY RIGHTS)

INTRODUCTION

For Favero Health Projects S.p.A. (the "**Company**"), intellectual property rights, otherwise known as IPR (including the Know How), are tools of competitiveness, creating value for the Company and representing the basis for the latter's future growth.

The Company is committed to offering to its customers and to the information they pass on, as well as its own proprietary information, the highest available protection of confidentiality, directing its internal management practices and policies accordingly.

TRADE SECRETS PROTECTION PROGRAM

The Company is aware of the existence of European Directive no. 943 of 2016, reflected into our internal legislation by the Italian Legislative Decree no. 63 of 2018, pursuant to which every company can benefit from an effective and harmonized legal system for the protection of information that is commonly referred to as "Trade Secrets".

The Company has therefore performed a detailed audit in order to establish the most appropriate measures to be taken with the purpose of protecting confidential information transmitted by its customers or its business counterparts however understood. At the same time, it has equipped itself with a special Trade Secrets Protection Program in order to protect that information constituting Know How, which is confidential, of its exclusive property.

DEFINITIONS, GUIDING PRINCIPLES, AND OPERATIVE PRACTICES

Trademark

A trademark right (or trademark) prevents third parties from using marks that are identical or confusable with the mark (broadly understood) that is the subject of the right.

A trademark right is built and maintained through its use, its registrations, the licenses granted, and its protection, including in-court, out-of-court and/or administrative proceedings. Protection, including those before the Courts, is an essential aspect of the protection of a trademark and it is necessary to prevent its loss of value, vulgarization, dilution, or to assert its distinctiveness that was initially lacking or to establish its fame. The value of the trademark corresponds to its notoriety and its unity (*i.e.*, its traceability to a single owner). In the absence of such unity, the value ("*valore ultramerceologico*") of the trademark would be lost.

MANAGEMENT POLICY: *In consideration of the adoption of a new trademark (be it lettering, logo, drawing or color) that is deemed appropriate to protect, the Company's Management performs a verification of effective protectability and compliance with the marks legal provisions that may constitute a valid trademark and a background check aimed at verifying the absence of any pre-existing third party rights. It is not permitted to adopt new trademarks that have not first been verified and approved by the Company's Management. The different business functions are also called upon to report any abusive use of company trademarks or those developed for customers. The same functions are not permitted to grant authorizations or licenses to use company trademarks that have not been approved and contractually regulated by the Management. Trademark uses must be in line with the prestige and values expressed by*

the trademark itself, including in terms of quality, both in terms of promotional/advertising activities and the products and services offered.

Know how:

For the purposes of said Protection Program, the Company adopts the definition of know-how contained:

1) at domestic level in the Italian Industrial Property Code ("IPC"), as amended by the Trade Secrets Decree (implementing the Trade Secrets Directive);

2) at European level in the Trade Secrets Directive;

3) at international level in the Agreement on Trade Related Aspects of Intellectual Property Rights ("TRIPS").

The Italian legislation (ICP), as amended by the Trade Secrets Decree that came into force on June 22, 2018 (in line with the European and international approach), establishes that are worthy of protection "*company information and technical-industrial experience, including commercial ones, [...], where such information:*

(a) are secret, in the sense that they are not in their entirety or in the precise configuration and combination of their elements generally known or easily accessible to experts and operators of the field;

(b) have economic value as secret;

(c) are subjected, by the persons to whose lawful control they are subjected, to measures deemed reasonably adequate to keep them secret.".

MANAGEMENT POLICY: *The know-how owned by the Company in the relevant fields is an indispensable distinguishing element compared to its competitors in the market, ensuring a clear competitive advantage over them. For this purpose, the Company has renewed its organizational models, by introducing appropriate security measures and consequently preparing suitable documentation addressed to suppliers, customers, counterparties, employees and collaborators, in order to guarantee its Confidential Information and Trade Secrets from unauthorized or harmful disclosure. The purpose of this document is to list the principles, operative prescriptions and security measures suitable for guaranteeing the secrecy of information qualified as know-how owned exclusively by the Company. Within the company, the Company's know-how (both technical and business information) is made available to its employees "on a need to know basis". Employees are not allowed to make use of know-how, even within the company, for any purpose other than that specific to their function. Externally, such know-how may not be made available to third parties except after verification with the Patents and Know-How function. It is therefore necessary that third parties, who receive know-how, or even help to form it within the framework of research agreements, are consciously obliged to secrecy, by entering into a non-disclosure agreement. The Know-how, within the company, is protected and segregated against indiscriminate dissemination, to ensure that those who become aware of it are aware of its secret nature and value for the Company. Employees must be aware of the confidential nature of information made available to them or of which they become aware by reason of their presence and activity in the company. Premises where confidential information are handled are protected against intrusion or casual or uncontrolled access.*

Patent

A patent is the result of a technical-legal construction, with a description of a technical problem and its solution, which must be new and non-obvious in comparison with what is previously known. The non-obviousness of the invention may reside both in the perception of the problem (possibly new) and in the problem-solution relationship. The patent prevents third parties from reproducing the patented solution, as expressed by the claims, which delimit the scope of exclusivity. From the analysis of technical data obtained in research and development activities, various protections can be constructed, with claims expressed in terms of product, process, method, system (including factory layouts), composition, etc. The solutions covered by the Company's patents are characterized from being "business driven", that is built from business needs and the technical problems that correspond to them.

MANAGEMENT POLICY: *designated company functions, designers and any collaborator involved in a specific project must report any potential new invention/innovation to the Company's Management. Consequently, it is the Management's responsibility to communicate, in the case of contractual obligations, to the customer the patentability of the proposed invention/innovation. Patents must naturally be connoted by an element of absolute novelty. It is therefore necessary that products, processes, methods or else that make use of probable inventions are kept secret prior to their patenting. The Company shall take such measures as it deems useful to avoid the disclosure of inventions covered by patent applications prior to their publication, which, by law, occurs 18 months after filing.*

Design

Design protects the aesthetic look of a product provided that it is new and original (*i.e.*, having individual character). For example, items of furniture, gardening machinery and various objects may constitute design objects. Design protection of Favero Health Project S.p.A. products is not an alternative but complementary to their patent protection.

MANAGEMENT POLICY: *the Company's Management, before any registration, performs special preliminary audit also in consideration of the regulations in force in the countries where the Company operates. In any case, the Company proceeds with any design filing under full confidentiality. It is therefore necessary that the Management be alerted in a timely manner and receive the descriptive elements of the product design before any exposure or disclosure to the public.*

Copyright

Copyright protects modes of expression that are original and creative. In the case of works of industrial design, the relative protectability is conditioned on the presence of the additional requirement of artistic value. Copyright also protects software and databases. Just as in the art world copyright does not protect the story but the way of telling it, so copyright in software does not protect the method of solving a technical problem (possibly patentable), but the set of computer instructions defined to implement the method itself.

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Licenses

Licenses on IPR allow third parties to perform industrial and/or commercial activities that the existence of IPR would otherwise prevent. In a licensing relationship, the business is conducted by the licensee and not by the licensor. Normally, a license is remunerated through royalties paid by different mechanisms depending on the situation. Cross-licenses allow to form mutual balanced competitive advantages between two parties.

Cross-licenses form a stable competitive and valuable asset even for the licensee. When IPR correspond to competitive advantages, licensing them in one's own business reduces the competitive advantage and value of the Company, unless there are returns in IPR and/or economics that balance this reduction. A non-disclosure agreement on know-how also represents a license that allows its use under conditions of confidentiality and for certain limited and agreed purposes (normally to allow preparatory evaluations of possible further agreements). The license excludes uses of the know-how other than those provided.

MANAGEMENT POLICY: *the possibility of granting exclusive licenses to third parties is not to be excluded. Licenses are also granted in relation to know-how where secured by appropriate agreements to ensure maximum confidentiality and agreed uses. The Company shall be able to control the quality levels of the licensee's products and processes and that the know-how and trademark are used correctly and within the limits of the license. This applies both to licenses and authorizations granted and to those received. Under no circumstances may sublicensing rights be granted to third parties. Exceptions may be made for sublicenses to affiliates of the licensee as long as they remain such. "Assignment" and "change of control" clauses are a necessary part of a license. Under no circumstances may third parties, even part of the Group, be allowed to register the Company's trademarks, or any part thereof, in their own name, alone or in combination with other marks or trademarks, or make use of them outside of licenses that guarantee the retention of ownership rights to the licensor.*

IPR Agreements

IPR agreements have the burden of governing the establishment and the use of IPR in the interest and for the purposes of the Company. Typical are license agreements (including non-disclosure agreements) and collaborative development agreements with third parties (including Research Institutions, Universities or Companies).