

SUPERVISORY BODY CHARTER

UPMC
LIFE CHANGING MEDICINE



**CHARTER OF THE SUPERVISORY BODY OF THE ISTITUTO MEDITERRANEO PER I TRAPIANTI E TERAPIE AD ALTA
SPECIALIZZAZIONE**

Pursuant to:

Legislative Decree 231 of 8 June 2001 and subsequent amendments and integrations

**Approved: Supervisory Board of the Istituto Mediterraneo per i Trapianti e Terapie ad Alta Specializzazione
S.r.l.**

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Article 1. PURPOSE AND SCOPE OF APPLICATION

- 1.1. The present Charter regulates the activity of the Supervisory Board of Istituto Mediterraneo per i Trapianti e Terapie ad Alta Specializzazione S.r.l. (hereinafter “Company”), established pursuant to the provisions of Legislative Decree 231/2001 (hereinafter “Decree 231”) and in compliance with the principles defined by the Board of Directors in the approved Model 231.
- 1.2. No measure included in the present Charter shall replace any requirement of Model 231. For anything not explicitly provided for in the Charter, reference shall be made to Model 231 and to the provisions of Decree 231.

Article 2. APPOINTMENT AND COMPOSITION OF THE SUPERVISORY BODY

- 2.1. The Supervisory Body is a collegial body composed of one to five effective members, one of whom acts as Chairman. In the event of a collegial composition, hopefully, one of the effective members must be internal to the Company.
- 2.2. The Board of Directors shall appoint the Supervisory Body and its Chairman.
- 2.3. The members of the Supervisory Body shall be chosen from among persons particularly qualified and experienced in legal matters and control procedures and in possession of the requisites of honourableness pursuant to Articles 2382 and 2399 of the Civil Code.
- 2.4. In order to ensure the autonomy and independence of the Supervisory Body, both external and internal members may be appointed without operational tasks directly related to the activity of the Supervisory Body. In any case, the autonomy and independence of the Supervisory Board must be ensured by assessing them with reference to all its members and the majorities by which its decisions are adopted.
- 2.5. The members of the Supervisory Body must not be related to the top management, nor must they be linked to the Company by significant economic interests or by any situation that may generate a concrete conflict of interest, such as to jeopardise the exact fulfilment of the obligations provided for by the Organisation, Management and Control Model (hereinafter referred to as “Model 231”) and by the Code of Ethics and Code of Conduct. Before taking office, each member of the Supervisory Board must sign a declaration of absence of conflicts of interest.

Article 3. CHAIRMAN

- 3.1. The chairman of the Supervisory Body shall:
 - a) summon, chair, and coordinate the meetings;
 - b) sign all Supervisory Body acts, including the correspondence;
 - c) initiate auditing activities;
 - d) represent the Supervisory Body before governing bodies, corporate functions, and third parties.
- 3.2. Should the chairman be absent or temporarily unable to carry out his or her tasks, the senior-most member of the Supervisory Body shall take over the powers and functions of the chairman. In the event

of a permanent or extended period of absence, the Supervisory Body shall inform the Board of Directors in order to proceed as soon as possible with the appointment of a new chairman.

Article 4. SECRETARY

- 4.1. The Supervisory Body appoints a secretary who may also be a person not part of the Supervisory Body.
- 4.2. The secretary shall draw up the minutes of the meetings, keep all Supervisory Body records, and summon members and third parties to the meetings.

Article 5. SUMMONING THE SUPERVISORY BODY

- 5.1. The Supervisory Body meets at least once every three months and, in any event, whenever necessary and/or appropriate, at the request of the chairman or one of its members. In case of urgent matters, the chairman of the Board of Directors and/or the chairman of the Board of Auditors may summon the Supervisory Body.
- 5.2. The Supervisory Body is summoned by the chairman, sending a formal notice with the date, location, time of the meeting, and the agenda. The notice is sent in writing, also by e-mail, to all Supervisory Body members at least three days before the day of the meeting or, in urgent cases, at least one day before such date. Any member of the Supervisory Body may request in writing and with appropriate notice to the chairman to include one or more items in the meeting agenda.
- 5.3. If all Supervisory Body members attend a meeting summoned without the formal notice defined in the previous subparagraph, and no participant objects to discussing the items on the agenda, the meeting will be deemed duly convened. Nevertheless, The agenda must be finalised and formalised upon starting the meeting.
- 5.4. The chairman may ask one or more external parties to attend a meeting, if deemed appropriate in light of the items on the agenda or upon request of one or more Supervisory Body members. These external parties shall not intervene in any Supervisory Body resolution, and any attending member may request their absence during the resolutions.

Article 6. SUPERVISORY BODY MEETING VALIDITY

- 6.1. The Supervisory Body meetings are valid if the majority of its members are in attendance and if the chairman is present. If the majority of members are not attending, the meeting is not valid and is reconvened at a later date.
- 6.2. Supervisory Body members may not delegate their attendance to other persons at the meetings, which in this case shall be invalid.
- 6.3. If a Supervisory Body member is unable to attend a meeting, he or she must justify his or her absence. Failure by one or more members to attend a meeting shall be recorded in the minutes if the meeting is held or in the minutes of the following meeting.

Article 7. SUPERVISORY BOARD MEETINGS

- 7.1. Each Supervisory Body member must promptly inform other members (in writing and recorded in the minutes of the first relevant meeting or, if the conflicting circumstance emerges during a meeting, including this in the minutes of the meeting) about any situation constituting a potential or effective conflict of interest, and abstain from participating in the discussion and resolution of the matter in respect of which the potential or effective conflict exists. The Supervisory Body shall inform the Board of Directors of the conflict of interest and any measure adopted in the first periodic report.
- 7.2. The Supervisory Body meetings may be held in person or remotely, provided that the formality of the meeting and the principles of good faith and equal treatment of all members are respected. Meetings held remotely are allowed if all participants can be identified and follow the proceedings, intervene in real time to discuss all the topics and view and share documents.
- 7.3. During the meeting, any member may propose to change the order of the items or to merge or separately discuss multiple items on the agenda.
- 7.4. In cases of proven urgency, each member may request to include a new item at the beginning of a meeting. Such an item will be included in the agenda and discussed, provided that no other attending member objects to its discussion.
- 7.5. Each member has the right to speak on any item on the agenda and to make comments and proposals thereon.
- 7.6. The chairman (or, in his or her absence, the senior-most member) shall preside over the Supervisory Body meetings, ensuring a fair and effective discussion and avoiding any disturbance to the meeting.
- 7.7. The chairman, having completed the debate on the items on the agenda, declares the meeting closed.

Article 8. SUPERVISORY BODY RESOLUTIONS

- 8.1. The Supervisory Body shall resolve on all items of the agenda.
- 8.2. The resolutions shall be valid if issued with the consent of the majority of the attending members. Each member has the right to express one vote. In the event of a tie, the chairman shall have the casting vote.
- 8.3. Supervisory Body documents and communications must be signed by the chairman.

Article 9. MINUTES

- 9.1. All Supervisory Body activities shall be documented in minutes duly drawn up by the secretary.
- 9.2. The minutes shall include the opening and closing time of the meeting, the names of those in attendance, the agenda and any additions thereto, the votes and resolutions. More specifically, dissenting opinions or minority votes must be recorded in full.
- 9.3. The minutes are signed by the chairman and the secretary attending the meeting.
- 9.4. All minutes must be ordered, collected, and filed in a special book signed by the Supervisory Body secretary. Access to records is reserved to Supervisory Body members.

Article 10. MANAGING INFORMATION WITHIN THE SUPERVISORY BODY

- 10.1. The Supervisory Body secretary collects and records all information and reports received (not intended to be sent to all members for the purposes of Model 231) and shares these with the members in time for their relevant discussion, promptly informing the chairman of any shortcomings in the flows provided for in Model 231.
- 10.2. During the meetings, the Supervisory Body reviews, assesses, and orders this information and identifies appropriate action according to its nature and relevance.

Article 11. PLANNING AND AUDITS

On an annual basis, the Supervisory Body drafts the Model 231 monitoring plan with reference to frequency and type (planned / unannounced) of audits throughout the year, roles or processes involved, and resources. Changes to the plan are made on a reasoned basis during its validity when required due to new priorities.

Article 12. FINANCIAL RESOURCES

- 12.1. The Supervisory Body must be provided with adequate financial and logistical means to enable its normal operations. To this end, the Board of Directors of the Company shall provide the Supervisory Body with an adequate fund, which shall be used exclusively for the expenses it has to incur in the performance of its duties.
- 12.2. In accordance with Model 231, the Supervisory Body may exceed the resource limits, but only when critical situations require immediate action. In such cases, the resolution of the Supervisory Body shall be reasoned, duly debated and approved during the meeting. The resolution is shared with the Board of Directors by means of a formal communication signed by the chairman.

Article 13. EXTERNAL CONSULTANTS

When performing its tasks and within the limits of the allocated financial resources, the Supervisory Body may avail itself of external consultants.

Article 14. TERMINATION OF OFFICE

- 14.1. The members of the Supervisory Body shall cease their office for the following reasons:
 - a) expiry of their term of office;
 - b) forfeiture of office;
 - c) revocation by the Company;
 - d) resignation;
 - e) death.
- 14.2. **Expiry of the term of office.** The members of the Supervisory Body remain in office for three tax years, renewable. In any case, each member remains in office until the appointment of a successor, unless a

cause for early termination occurs. The Board of Directors shall appoint the new Supervisory Body in order to preserve the requirement of suitability and correct application of Model 231.

14.3. **Revocation and disqualification.** Where the Chairman or a member of the Supervisory Body incurs one of the causes of incompatibility referred to in paragraphs 2.4 and 2.5 above, the Board of Directors of the Company, having carried out the appropriate investigations and heard the person concerned, shall establish a term of not less than 30 days within which the situation of incompatibility must cease. Once this term has elapsed without the aforesaid situation having ceased, the Board of Directors shall revoke the mandate. The mandate shall also be revoked:

- a) if circumstances exist such that the requirements of autonomy and independence required by the Law are no longer met;
- b) if the requirements of honourableness set forth in Section 2.3 are no longer met.

With regard to the causes of forfeiture of the office of member of the Supervisory Body, these arise in the event that a member loses possession of one of the above-mentioned requirements (autonomy, independence, honourableness, professionalism). In particular, the following constitute grounds for disqualification:

- a) interdiction or incapacitation, or a serious infirmity that renders the member unfit to perform his supervisory duties, or an infirmity that, in any case, entails his absence for a period exceeding six months;
- b) the assignment to the Supervisory Body of functions and responsibilities incompatible with the requirements of autonomy of initiative and control, independence and continuity of action;
- c) the failure to meet the requirements of professionalism;
- d) a serious breach of its duties;
- e) a first-degree conviction of the Company pursuant to Legislative Decree no. 231/2001, or criminal proceedings concluded through “plea bargaining”, where the documents show “omitted or insufficient supervision” by the control body, pursuant to Article 6, paragraph 1, letter d) of Legislative Decree no. 231/2001
- f) a conviction, even if not final, against the members of the Supervisory Body for having personally committed one of the offences set out in Legislative Decree no. 231/2001;
- g) a conviction, even if not final, against the member of the Supervisory Body, to a penalty entailing disqualification, even temporary, from public offices or temporary disqualification from the management offices of legal persons and companies.

14.4. **Renunciation.** Renunciation by the members of the Supervisory Body may be exercised at any time and must be communicated to the Board of Directors in writing together with the reasons for such renunciation. Renunciation by a member of the Supervisory Body shall take immediate effect

14.5. In the event of resignation, supervening incapacity, death, revocation or disqualification of a member of the Supervisory Body, the Chairman shall promptly notify the Board of Directors so that it may resolve to appoint a replacement.

- 14.6. In the event of resignation, supervening incapacity, death, revocation or disqualification of the Chairman, he shall be replaced by the most senior standing member, who shall remain in office until the date on which the Board of Directors resolves on the appointment of the new Chairman of the Supervisory Body.
- 14.7. In order to protect the Supervisory Body from the risk of an unjustified revocation of the mandate conferred on one of its members by the Board of Directors, the latter may only resolve to revoke it for just cause after consulting the Shareholders' Meeting. In this regard, just cause for revocation shall be understood as:
- a) disqualification or incapacitation, or a serious infirmity that renders one of the members of the Supervisory Body unfit to perform his supervisory duties or an infirmity that, in any case, entails absence from the workplace for a period exceeding six months;
 - b) a serious breach of his duties as defined in Model 231;
 - c) a conviction of the Company pursuant to Legislative Decree no. 231/2001 or to Law no. 190/2012, which has become final, or criminal proceedings concluded through so-called 'plea bargaining', where the documents show 'omitted or insufficient supervision' by the Supervisory Board, pursuant to Article 6, paragraph 1, letter d) of Legislative Decree no. 231/2001;
 - d) a final conviction against one of the members of the Supervisory Board for having personally committed one of the offences provided for by Legislative Decree no. 231/2001 or by Law no. 190/2012;
 - e) a conviction, which has become final, against one of the members of the Supervisory Board to a penalty entailing disqualification, even temporary, from public offices, or temporary disqualification from the executive offices of legal persons and companies.
- 14.8. In the cases described above, the Board of Directors shall appoint a new member of the Supervisory Body to replace the member whose mandate has been revoked. If, on the other hand, revocation is exercised, again for just cause, against all the members of the Supervisory Body, the Board of Directors shall appoint a new Supervisory Body. In the event of a conviction, the Board of Directors, pending the passing of a final judgment, may also order – after consulting the Shareholders' Meeting – the suspension of the powers of the Supervisory Body or one of its members and the appointment of an interim Supervisory Body or the appointment of a new member.

Article 15. CONFIDENTIALITY

- 15.1. The members of the Supervisory Body:
- a) Ensure confidentiality with regard to any information acquired while performing their duties and tasks during their term of office, without prejudice to the information provided under Model 231 and the legitimate orders of the judicial authority.
 - b) In exercising their powers and duties, they shall refrain from seeking and/or using confidential information for purposes other than the exercise of their duties and, however, not compliant with said powers and duties.

15.2. These obligations are extended to the secretary if he or she is not a member of the Supervisory Body and to any consultant the Supervisory Body may avail itself of.

Article 16. SOLE MEMBER SUPERVISORY BODY

If the Board of Directors appoints a sole member Supervisory Body, the following Articles of this Charter shall apply: 1; 3.1; 7.1; 8, 9; 10; 11; 13; 14, 17, 18.

Article 17. ENTRY INTO FORCE

The present Charter shall be effective upon approval by the Supervisory Body.

Article 18. COMMUNICATION OF THE CHARTER

Following approval, the present Charter is communicated to the Company's Board of Directors.

Article 19. AMENDMENTS AND ADDITIONS TO THE CHARTER

- 19.1. Modifications and amendments to the present Charter may only be enforced by the Supervisory Body by means of decisions duly adopted by the latter.
- 19.2. The amendments shall enter into force upon their approval by the Supervisory Body. These will then be notified to the Company's Board of Directors.

Article 20. RESPONSIBILITY

- 20.1. All Supervisory Body members are jointly and severally liable to the Company for damages resulting from failure to comply with due diligence obligations when performing their duties and with the legal obligations to fulfil their mandate.
- 20.2. Liability for acts and omissions of Supervisory Body members shall not extend to members who, being free of fault, have had their dissent documented in the minutes and have promptly notified the Company's Board of Directors.
- 20.3. Any case of negligent and/or improper conduct on the part of the members of the Supervisory Body resulting in a failure to monitor the implementation, compliance, and updating of Model 231 shall be punishable under the Disciplinary System.