

AI Governance Model, Code of Ethics and Execution Framework

1. AI governance model

1. Necessity of Governance

The rise of Artificial Intelligence presents significant opportunities and cost-saving potential for organizations, driving its adoption across a multitude of sectors. However, integrating AI into products, especially medical devices, and internal processes without a robust governance framework exposes companies to considerable legal, financial, and reputational risks. Effective AI governance strikes a balance between fostering innovation and ensuring compliance with existing regulations, ethical standards, and commercial imperatives.

At Median Technologies, the Board of Directors and the appointed AI Committee are committed to establishing a comprehensive and adaptive AI governance framework that encompasses key elements such as the allocation of responsibilities and the implementation of AI governance tailored to the company's ethics and strategic objectives. This framework employs a risk-based approach that evaluates the likelihood and severity of potential harms associated with each AI use case, along with appropriate mitigation strategies.

2. Allocation of Responsibilities

Median and its Covered Persons are obligated to adhere to stringent anti-corruption laws worldwide, including (i) the French Transparency, Anti-Corruption and Economic Modernisation Act 2016-1691 of 9 December 2016, known as the "Sapin II Act", (ii) the United States Foreign Corrupt Practices Act (15

A successful AI governance framework relies on clearly defined roles, responsibilities, and decision-making processes. Assigning accountability ensures that AI initiatives align with organizational goals and established ethical standards.

- i. **Board of Directors and Management:** The Board of Directors/Management are tasked with overseeing all major company initiatives, including those related to AI. This oversight involves understanding the potential risks associated with AI technologies and ensuring that effective governance frameworks are in place to mitigate these risks. The Board of Directors /Management's involvement is vital for aligning AI strategies with the Company's core values and objectives while setting a strong tone from the top. Given the strategic importance of AI literacy and continuous learning, the Board of Directors /Management will be regularly informed about developments in AI by relevant functions such as the AI Committee. Additionally, the AI Committee may decide to involve external experts or advisors to provide insights on the Company's AI governance strategy.
- ii. **Management:** While the Board of Directors maintains ultimate oversight, the day-to-day management and operationalization of AI strategies are delegated to the AI Committee. They are responsible for developing and implementing AI policies, developing AI and/or integrating AI into business processes, and ensuring compliance with governance frameworks established by the Board/Management in accordance with the applicable laws. Monitoring adherence to regulations and internal policies will be delegated to the AI Committee. Management must

also evaluate the impact of AI on various business dimensions—such as efficiency, risk management, and competitiveness—and report these findings regularly to the Board of Directors /Management. Furthermore, management plays a crucial role in coordinating efforts across different organizational functions, working closely with the AI Committee to ensure alignment between AI initiatives and governance frameworks.

- iii. **AI Committee:** An expert AI Committee has been established, comprising employees from diverse backgrounds including Information Technology (IT), Quality Assurance (QA), Finance, Legal Affairs (LA), Risk Management (RM), Regulatory Affairs (RA), Information Security (IS). Addressing governance issues related to AI requires a profound understanding of both technological contexts and legal/regulatory landscapes. The AI Committee will meet regularly to drive value-added implementation of AI within Median Technologies by:
- Mapping and monitoring how AI systems are developed, procured, and utilized internally.
 - Developing internal guidelines and processes for deploying AI and creating use cases that incorporate best practices.
 - Keeping the Board of Directors/ Management informed about technological advancements and regulatory changes.
 - Conducting the Cost-Benefit Analysis (CBA) and Impact Assessment.
 - Coordinating training for employees on the appropriate and effective use of AI.

The AI Committee may also seek external expertise as needed.

3. Reporting Structures and Escalation Pathway

Establishing clear reporting structures is essential for effectively implementing and maintaining AI governance. The AI Committee will maintain regular communication with the operational project functions, to provide guidance and support. In turn, the AI Committee will report consistently to the management and assist in their reporting obligations to the Board of Directors/Management regarding matters of AI governance.

Appropriate reporting and escalation will ensure that the AI Committee remain informed about performance metrics or issues related to AI systems. Risks or decisions must be addressed promptly at appropriate levels within the organization. Employees are encouraged to first report concerns to their supervisor or designated contact; if unresolved, issues should be escalated to AI Committee. For critical matters involving significant risks—such as legal, regulatory, or ethical concerns—the issue will be escalated by the AI Committee to the Board of Directors/ Management or, if the impact justifies it, external authorities.

This structured approach guarantees accountability, transparency, and efficient resolution of problems within our governance framework for artificial intelligence at Median Technologies.

This governance framework will undergo continuous evaluation and may be periodically updated in response to relevant regulatory, technological, and corporate developments.

II. AI Code of Ethics

1. Introduction

While AI is widely recognized for its transformative potential, studies consistently underscore the ethical, legal, and economic challenges it presents, particularly concerning human rights and fundamental freedoms. Notably, AI may pose significant risks to personal data protection and privacy and raise concerns about potential discrimination, especially when algorithms are applied in areas such as profiling and personal health information.

Equally concerning are the implications of AI and robotics on the labor market, with automation threatening the displacement of jobs. Additionally, there is a growing pressure to evaluate the impact of algorithms and automated decision-making systems in critical contexts, such as device safety, liability issues, and the execution of social and health policies, including patient safety.

In response to these challenges, Median Technologies acknowledges the imperative to embed ethical considerations throughout the AI lifecycle. Median Technologies is committed to harnessing AI's capabilities in a manner that adheres to the highest ethical standards. Fully aligned with the national, European Union and international 's regulatory framework, including the principles set forth in the AI Act, Median Technologies embraces the EU's ethical guidelines on AI, translating them into actionable day to day practices.

This AI Code of Ethics aims to guide the development and deployment of AI technologies in a way that ensures they are trustworthy, equitable, and ultimately beneficial to society.

2. Commitment

Median Technologies is committed to leveraging artificial intelligence (AI) to advance healthcare and medical imaging solutions while adhering to the highest ethical standards. This document reflects our corporate values, goals, and principles guiding the development, deployment, and use of AI technologies, models, and systems.

3. Corporate Values

Integrity: We ensure honesty and transparency in all our AI-related activities.

Innovation: We are committed to pioneering groundbreaking advancements that benefit society as a whole and individuals, particularly in healthcare, through the development of innovative AI/ML medical imaging technologies and software as a medical devices (SaMD) that could significantly enhance global health outcomes.

Accountability: We take full responsibility for the ethical and legal implications of our AI systems. Our commitment extends to strict compliance with all relevant laws, regulatory obligations, and technical standards required by applicable medical device regulations.

Respect: We prioritize respect for human rights, patient health, and data privacy in all our operations.

Collaboration: We engage with stakeholders, including healthcare professionals, regulators, and patients, to align our AI efforts with societal needs.

4. Our Goals

i. Advancing Healthcare:

- Deploy proprietary artificial intelligence, computer vision, and signal processing technologies to design and deliver software, imaging tests and services, addressing life-threatening unmet medical needs.
- Promote the use of AI to drive precision medicine and early disease detection.

ii. Customer Satisfaction:

- Ensure maximum customer satisfaction through personalized AI solutions and excellent support.

iii. Building Trust:

- Maintain transparency in AI decision-making processes to build trust among stakeholders.
- Communicate openly about the benefits, limitations, and potential risks of AI.

iv. Ensuring Ethical AI Use:

- Establish frameworks to ensure ethical AI practices across the company.
- Encourage stakeholder collaboration to align AI applications with societal needs.

v. Empowering Employees:

- Provide ongoing training and resources to employees to foster AI literacy and ethical awareness.
- Encourage employees to identify and report ethical concerns related to AI, and to use AI responsibly.

vi. Continuous Improvement:

- Regularly review and update AI policies and practices to reflect emerging technologies, laws, and ethical standards.
- Engage in research to develop innovative AI solutions while maintaining ethical integrity.

5. Our Key Principles in the Development and Deployment of AI Solutions

i. Human-centric Approach:

- We ensure that AI systems developed or deployed by Median Technologies are designed with human oversight and control, allowing for intervention and review of AI-driven decisions to maintain accountability and trust.
- Our AI technologies are developed with humans in the loop, ensuring that AI systems are transparent, explainable, and aligned with human values and ethical standards.

ii. Risk-Based Approach:

- Before we implement AI systems, we develop a clear understanding of potential risks of various natures and define appropriate mitigations.

- Risk assessments are conducted by the subject matter experts reviewed by the AI Committee throughout the AI lifecycle, including the development, deployment, and monitoring stages.

iii. Technical Robustness and Safety:

- We conduct thorough testing and vulnerability assessments to identify and mitigate potential cybersecurity risks, ensuring that our AI systems are secure and reliable throughout their lifecycle.
- We implement human-in-the-loop controls that allow operators to take over and abort AI functions in case of malfunctions or security breaches, maintaining safety and accountability.

iv. Compliance by Design and Default:

- All AI systems are designed to comply with applicable legal frameworks, including medical device regulations, GDPR, HIPAA, and AI-specific laws.
- Compliance is embedded in our processes, ensuring adherence to laws and ethical standards from inception.

v. Respect for Liabilities:

- The legal framework governing non-AI systems applies equally to AI, ensuring accountability and adherence to established liability standards.
- Our AI solutions are developed to meet strict safety and reliability criteria.

vi. Data Protection:

- We prioritize the security and privacy of all data, particularly sensitive and personal health information (PHI).
- Robust safeguards ensure data minimization, pseudonymization, and compliance with global data protection laws as applicable.

vii. Respect for Intellectual Property:

- We protect our intellectual property rights while avoiding infringement of third-party IP rights through rigorous due diligence and auditing.
- All AI innovations align with applicable IP frameworks to maintain fairness and legality.

viii. Respect for Humans and the Human Resources:

- Our AI systems support and increase human roles, avoiding bias or discrimination in hiring and employment decisions.
- Our AI systems do not replace human judgment in critical employment decisions.
- Our employees are empowered through training and awareness programs to understand AI's role and impact.

ix. Implementing Training and Literacy in AI:

- We encourage tailored training programs to enhance employees' understanding of AI technologies, ethical considerations, and responsible use, ensuring they are well-equipped to navigate the complexities of AI.
- We encourage continuous learning and provide specialized training for leaders on AI governance and ethics, fostering a culture of accountability and informed decision-making throughout the organization.

6. Conclusion

At Median Technologies, we are unwavering in our commitment to ethical and responsible AI development.

By adhering to this Code of Ethics, we do not only strive to create and deploy AI systems that respect human rights and comply with legal and regulatory standards but also aim to deliver transformative benefits to healthcare and society as a whole. Together, we will harness the potential of AI as a force for good: driving innovation, enhancing well-being, and respecting the health, safety, and fundamental rights of natural persons.