



Code of Ethics and Business Practices

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Introduction

Banca UBAE has adopted and disseminated this Code of Ethics and Business Practices, which is also in line with indications given by ABI (Italian Bankers' Association). It outlines rules covering the conduct expected of the Bank's Governing Bodies and their members, top management, employees, consultants and co-workers, suppliers, financial promoters, legal representatives and any other party empowered to act for and on behalf of the Bank.

Furthermore, the principles contained in the Code of Ethics and Business Practices summarize and supplement rules of conduct expected of the staff in accordance with regulations in force, collective labour contracts, the Organization, Management and Control Model adopted by the Bank in order to forestall and prevent possible illegal actions, as per the provisions of Legislative Decree no. 231 dated 8 June 2001.

In addition to conforming to specific rules concerning religious, cultural and social conduct provided for by all legal systems, the Code of Ethics and Business Practices is valid both in Italy and abroad, with such adjustments as may be necessary or opportune based on countries in which UBAE operates.

All recipients of the Code of Ethics and Business Practices are expected to read it and abide by the indications given, contributing to its divulgation and observance in an active manner.

Definitions

The following terms are defined as indicated below:

- **ANAC:** National Anti-Corruption Authority;
- **Authorities:** Judicial Authorities, Italian and foreign Institutions and Public Administrations, Securities and Exchange Commission (Consob), Banca d'Italia, Antitrust Authorities, Italian Stock Exchange, Italian Exchange Control Office, Privacy Ombudsman and other Italian and foreign Supervisory Authorities.
- **Bank:** Banca UBAE S.p.A.
- **CCNL:** Italy's Collective Labour Contract covering workers in the banking, financial and related sectors.
- **Co-workers:** all persons who cooperate with the Bank on a "quasi-employee" basis or in accordance with other similar contractual forms (temporary work, supply of manpower, project work, agency agreement, etc.).
- **Consultants:** individuals or legal entities who cooperate with the Bank on the basis of consultancy/individual contracts.
- **Customers:** individuals or legal entities who have contractual relations with the Bank.
- **Corporate Governance:** system adopted by the Bank in order to safeguard the interests of all its investors and other stakeholders, to ensure representation of the Bank's shareholders, protection of minority interests and also transparency as regards management procedures.
- **Legislative Decree 231/2001:** legislative decree no. 231 of 8 June 2001, entitled "Discipline of administrative and juridical responsibility for companies and associations (even those without juridical persons) pursuant to article 1 of law no. 300 of 29 September 2000", published in the Official Gazette no. 140 of 19 June 2001 with subsequent amendments and additions.
- **"Legislative Decree no. 24/2023":** Legislative Decree 10 March 2023, no. 24 on *"Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 concerning the protection of persons reporting breaches of Union law and containing provisions concerning the protection of persons reporting breaches of the provisions set out in national regulations"*, published in the Gazzetta Ufficiale no. 63 dated 15 March 2023;
- **Recipients:** the Bank's shareholders, directors, top management, employees and co-workers, consultants and suppliers, financial promoters, agents and any other party who can act for and on behalf of the Bank and are bound by the Bank's Code of Ethics and Business Practices.
- **Employees and personnel:** all persons employed directly by the Bank, including executives and the General Management.
- **Suppliers:** counterparts in agreements to purchase goods and services.
- **Confidential and/or price-sensitive information:** information concerning activities, commitments, agreements, projects, accounting and statistical data, and activities of the Bank or its Governing Bodies that have not been made public or that could significantly affect the market.

- **Investors:** parties who employ capital funds to achieve a financial return.
- **Organization, Management and Control Model or OM&C:** set of internal rules adopted to prevent illegal activities, as prescribed by article 6 and 7 of Legislative Decree no. 231/2001.
- **Financial operators:** institutional investors, rating agencies, financial analysts, brokers, banks.
- **Governing Bodies:** Board of Directors, Executive Committee, Board of Auditors.
- **Oversight Body:** an Authority instituted by article 6 of Legislative Decree 231/2001 with autonomous powers of initiative and control, responsible for supervising the operation and observance of the Bank's Organization, Management and Control Model, and its updating.
- **Equal opportunity:** Law no. 125 dated 10 April 1991 "Positive actions to promote equal job opportunities for men and women".
- **Financial promoters:** parties who as employees, agents or representatives, perform activities of financial intermediation.
- **Top-level bodies/individuals:** the Board of Directors, Chairman, Executive Committee, General Manager, as well as parties who hold powers granted directly by the Board of Directors.
- **Consolidated Banking Act/TUB":** Legislative Decree 1 September 1993, no. 385 containing the "Consolidated text of laws on banking and credit matters", published in the Gazzetta Ufficiale no. 230 dated 30 September 1993 and subsequent amendments and additions.
- **Values:** the values stated in the Code of Ethics and Business Practices to which the Bank subscribes.

PRINCIPLES GOVERNING THE BANK'S CONDUCT

CODE OF ETHICS AND BUSINESS PRACTICES

Operations of the Bank are governed by observance of rights and responsibilities, including moral ones, which are the expression of values the Bank considers to be fundamental and inalienable. All the Bank's contacts and business relations will be organized to comply with these, so that suitable measures can be adopted to forestall and prevent illegal actions, as prescribed by Legislative Decree 231/2001.

Stated as general principles, these values are:

- Probity and honesty
- Impartiality
- Professionalism and enhancing the value of human resources
- Confidentiality and safeguarding information
- Adopting measures to prevent situations of conflict of interests
- Focus on customers and improving services
- Entrepreneurship and involvement of the entire staff
- Protection of health
- Safeguarding the environment

These principles will be supplemented by detailed indications of conduct observed by the Bank and that must be observed by its employees and partners, as stated in the Code of Ethics and Business Practices illustrated below.

Article 1 – Applicability of the Code of Ethics and Business Practices

The indications in the Code of Ethics and Business Practices apply to the Governing Bodies of the Bank and their members, its top management, employees and partners.

In contractual relations with suppliers, co-workers and external consultants the Bank must request third parties to comply with indications in the Code of Ethics and Business Practice and for this purpose must expressly state in each contract that the counterpart concerned has read and understood this requirement. Contracts must also include termination clauses in the event of any violation of the Code.

Article 2 – Disseminating and implementing the Code of Ethics and Business Practices

The Bank shall ensure:

- maximum dissemination of the Code of Ethics and Business Practices by means of publication on the Bank's Internet and/or Intranet sites;
- preparation of tools to explain, inform and make people aware of the content of the Code of Ethics and Business Practices;
- constant updating of the Code of Ethics and Business Practices, based on developments in the Bank's economic, financial and business activities, possible changes in its organization or management structure, but also in relation to the types of violation identified during the course of supervisory activities;
- predisposition of adequate tools for prevention, implementation of appropriate penalties for violations, and also the timely application of these in cases where there has been an evident violation of the Code of Ethics and Business Practices.

Article 3 – Communication and training activities

The entire workforce must be made aware of the Code of Ethics and Business Practices by means of appropriate communication; dissemination of information has been assigned as a specific responsibility within Human Resources.

Article 4 – Reporting violations

The Bank has taken steps to establish appropriate communication channels through which reports of violations of the Code of Ethics and Business Practices can be submitted to the competent department.

Those submitting a report as mentioned above are protected from whatsoever instance of retaliation or act that might constitute a form of discrimination or penalization.

All personnel are expected to cooperate in performing the activities involved and are assured free access to all documentation believed to be useful.

As regards relations with third parties, the Bank's staff must:

- give third parties adequate and timely information concerning commitments and obligations inherent in the Code of Ethics and Business Practices and to request that these be observed;
- not enter into or continue business relations with any party that expressly refuses to abide by or observe the provisions of the Code of Ethics and Business Practices;
- report any conduct that is in conflict, even potentially, with the Code of Ethics and Business Practices to the competent Bank department and/or Oversight Body.

Article 4 - Reporting

The Bank has activated an Internal Reporting channel compliant with the requirements of Legislative Decree 24/2023 which allows internal reporting of information on relevant illicit conduct pursuant to Legislative Decree 231/2001 and breaches of the Code of Ethics and Conduct and Model, as well as breaches of domestic and European legal provisions referred to in Legislative Decree no. 24/2023. Through the same channel, it is also possible to make internal reports on information regarding breaches of banking regulations pursuant to art. 52-bis of the Consolidated Banking Act/TUB.

The management of the internal reporting channel has been assigned to the Oversight Body.

All staff are required to cooperate in carrying out any investigative activities following the submission of reports, ensuring free access to all documentation deemed useful.

Anyone acting in the name or on behalf of the Bank is prohibited from carrying out retaliatory acts as a result of reporting against the reporting persons and other categories of subjects identified by Legislative Decree no. 24/2023.

Those who breach the measures to protect the reporting person as well as those who commit violations or make reports with intent or gross negligence that prove to be unfounded are subject to the penalties provided for by law, the employment contract or the contract binding the third party to the Bank.

The Bank's staff is also informed of the possibility of making external reports through the external reporting channel activated by the ANAC, under the conditions set out in Legislative Decree 24/2023.

For further information on the Internal Reporting channel, please refer to the relevant regulation adopted by the Bank.

In the context of relations with third parties, the Bank's staff is in any case obliged to do the following:

- promptly and adequately notify third parties about the commitments and obligations set out in the Code of Ethics and Conduct and to request their compliance;
- not establish or continue business relationships with anyone who expressly refuses to respect, or in any case does not observe, the provisions of the Code of Ethics and Conduct;
- report any behavior that is, even potentially, in conflict with the provisions of the Code of Ethics and Conduct to the competent company functions and/or the Oversight Body.

GOVERNING BODIES AND TOP MANAGEMENT

Article 5 – Participation and implementation

When establishing the Bank's objectives the Board of Directors stated they would abide by the Code of Ethics and Business Practices and implement the principles included therein so as to strengthen trust, cohesion and team spirit.

The Governing Bodies and top management must carry out their activities in conformity with the values expressed in the Code of Ethics and Business Practices and must comply with it too.

Article 6 - Commitment

The Governing Bodies and top management may make commitments on behalf of the Bank they administer, manage or control in conformity with general laws and specific sector regulations, including the relevant provisions of the internal Organization, Management and Control Model.

EMPLOYEES AND CO-WORKERS

Article 7 – Centrality of human resources

The Bank recognizes the centrality of its own human resources, who are expected to perform in a professional manner, with dedication, loyalty, honesty and in a team spirit.

The Bank is committed to implement conditions of employment that safeguard the mental-physical health of its workers and respect their moral personality, avoiding whatsoever form of discrimination, improper indoctrination or unnecessary discomfort.

The Bank is committed to adopt criteria of impartiality, merit, competency and professionalism in all decisions concerning work relations with its employees and co-workers. Any form of discrimination as regards the selection, hiring, training, management, development and compensation of the staff is prohibited.

Top Management of the Bank shall ensure that, based on their area of competence, all department managers, employees and co-workers behave in conformity with the above mentioned principles and in a manner to implement these.

Article 8 – Personal safeguards

The Bank safeguards the moral integrity of its employees and co-workers, guaranteeing the right to employment conditions that fully respect the dignity of each individual. In this regard the Bank insists that in internal and external work relationships there be no acts of psychological violence or conduct that is discriminatory or harmful to an individual, his/her convictions or conditions. In particular the Bank:

- takes steps to prevent and opposes instances and the spread of all forms of discrimination, mobbing or harassment;
- takes all business decisions concerning personnel based on criteria of merit and the principle of equal opportunity;
- opposes all forms of discrimination for reasons relating to gender, sexual preferences, race, state of health, nationality, political and union opinions and religious beliefs.

In particular the Bank expressly condemns any form of sexual harassment in the workplace.

Any individual who believes that he/she has been the victim of discrimination or harassment must report the case to the competent office within the Bank's Human Resources Department. Appropriate measures will then be taken once the specific circumstances and degree of seriousness of the conduct concerned have been evaluated.

Article 9 – Safety and health

The Bank recognizes the importance of ensuring the best possible conditions of safety and health in the workplace. Consequently, the Bank will take all necessary preventive action to safeguard the health and safety of all staff members and any third parties who visit its premises, and will furthermore promote responsible behaviour among its employees.

The safety and health "culture" will be disseminated in a systematic manner by means of training activities and communication based on a continuous updating of methods and systems reflecting the best technologies available. Also by performing an in-depth assessment of risks and the criticality of procedures and resources to be protected.

Staff members performing sensitive roles from a safety and health standpoint, as prescribed by the reference legislative framework in force, shall act in conformity with the rules and obligations indicated therein as regards prevention and protection, and in any event shall strive to attain levels of excellence beyond the mere performance of their duties, being fully aware of the importance of safeguarding personal safety, health and well-being.

Article 10 – Personnel management

Access to roles and/or jobs is established in consideration of each individual's skills and abilities, based on the Bank's specific needs, without any form of discrimination. Compatible with requirements for general efficiency, the Bank promotes forms of organizational flexibility that facilitate handling the maternity period and, in more general terms, taking care of children.

As regards management procedures and personnel development, decisions taken (promotions, transfers or bonus awards) are based on the effective match between employee profiles and planned or reasonably attainable objectives, and also in consideration of merit.

Those responsible for this role must utilize all professional qualities found in the structure in order to encourage personnel development and growth by means of the most appropriate tools (job rotation, working alongside expert staff members, job experience with the aim of taking on increased responsibilities, etc).

Any form of abuse of positions of authority or coordination is expressly forbidden. Abuse is intended to mean any behaviour involving a request or inducement to offer personal services, favours or other benefits detrimental to the dignity, professionalism or autonomy of the person concerned.

Article 11 – Staff training and development

In pursuance of the principle of improving human resources, the Bank intends to encourage the growth and development of its staff without applying any form of discrimination.

Employees must work to improve their own skills and professionalism by means of experience and as a result of cooperating with colleagues. They must adopt a positive and constructive attitude, and, where applicable, should stimulate the professional growth of staff reporting to them.

The assessment system is managed in an objective and transparent manner. It constitutes a tool used to involve and develop people, given that autonomous identification of areas of strength and improvement means that training plans can be better defined.

Article 12 – Personnel selection

Assessment of candidates and personnel selection are performed based on the Bank's needs and the required professional profiles, while recognizing an equal opportunity for all candidates.

Information requested during the selection process is strictly for the purpose of establishing the candidate's professional and psychological-attitudinal profile, while respecting the candidate's private life and personal opinions.

During the selection process the Bank utilizes methods that, depending on the role in question, are intended to ensure identification of the right candidate in the most objective and targeted manner possible.

The Bank prohibits any discriminatory practices when selecting personnel, including any form of nepotism or favouritism, and will only employ personnel hired in accordance with the type of contract foreseen by regulations and the applicable national collective labour agreement.

Article 13 – Communication and staff involvement

The Bank believes in the importance of staff involvement as a means to promote a team spirit and ongoing development. For this purpose it organizes activities and uses tools for communication purposes (for instance, newsletters, conventions, Intranet site) adapting them to the specific needs of the staff members concerned.

Article 14 – Union relations

The Bank believes that it is fundamental to establish and maintain correct and attentive relations with the unions.

Article 15 – Work atmosphere

All staff members of the Bank must observe the following rules:

- departmental managers must create an atmosphere free from prejudice and any form of intimidation, in which each individual is treated as a colleague and member of a team, with respect for their moral principles and without subjecting them to unlawful limitations and unwarranted discomfort;
- each employee must cooperate to create a climate in which all colleagues feel accepted and encouraged to achieve their own objectives;
- information acquired while performing the job must remain strictly confidential and suitably protected and may not be utilized, communicated or divulged, either within or outside the Bank, except as required by the regulations in force and the Bank's Organization, Management and Control Model;
- activities of each employee and operating, management and business departments must focus on achieving maximum cooperation in order to optimize customer satisfaction;
- in conformity with principles of sound and prudent management, executives in particular must propose and implement plans to increase the Bank's equity value, maximizing return on investment for shareholders and safeguarding the long-term interests of all employees;
- decisions taken by each individual must be based on principles of sound and prudent management, carefully evaluating potential risks and with an awareness that personal decisions contribute to the achievement of positive results for the Bank;
- each individual must respect and safeguard the Bank's assets and also prevent their use for improper or fraudulent purposes. Utilization of the Bank's assets by staff members and co-workers must be functionally and exclusively for the Bank's business purposes or those authorized by the internal departments concerned;
- employees and/or co-workers must ensure their personal financial situation does not have repercussions on proper performance of their job;

- staff members must not solicit or accept, for themselves or for others, recommendations, favouritism, gifts or other advantages from parties with whom they come into contact, and should avoid receiving any form of benefit that can or may seem to affect their independent judgement or impartiality. In the event an employee and/or co-worker should receive gifts or instances of hospitality that are not merely symbolic, then they must immediately inform their superior in order to evaluate whether the gift or otherwise should be returned or whether any other action should be taken;
- the Oversight Body, constituted in accordance with Legislative Decree no. 231/2001, must be informed of any instructions received that are in conflict with the law, labour contracts or indications given in the Bank's organizational model.

MANAGEMENT PROCESSES

Article 16 - Corporate Governance

As approved by the shareholders, the Bank has adopted a Corporate Governance system that aims to safeguard the interests of all stakeholders, protecting minority interests and ensuring transparency of rules and business conduct.

Article 17 – Organization, Management and Control Model

The Bank adopts sound and proper principles that comply with the law and regulations governing its sector. In furtherance of this, it has established:

- a fully comprehensive and rigorous system of internal rules organized and structured in an Organization, Management and Control Model in conformity with the provisions of Legislative Decree no. 231/2001 concerning crime prevention;
- an autonomous and independent Oversight Body for the purpose of reviewing and updating the organization and control model and monitoring that it is effectively applied.

Article 18 – Security of information

The Bank is committed to protecting the confidentiality of all information of any nature concerning whatsoever subject that comes into its possession during the course of its business activities, and will prevent all improper use or unauthorized divulgence of such information.

The Bank is responsible for applying and constantly updating specific procedures to protect information. In particular the Bank must:

- ensure the correct separation of internal roles and responsibilities as regards those individuals whose task is to process information;
- classify information based on different levels of confidentiality and adopt every opportune measure during each stage of processing;
- stipulate specific agreements (also concerning confidentiality) with external parties who are involved in acquiring or processing information, or who can in any way come into possession of confidential information;
- obtain the commitment of each employee or co-worker, with reference to all information obtained in the course of their work, to ensure maximum confidentiality, also in order to safeguard the Bank's technical, financial, legal, administrative, management and business know-how.

Article 19 – Protection of personal data

In full compliance with the provisions of Legislative Decree no. 196/2003 – "Law concerning the protection of personal data" ("Privacy Law"), the Bank is committed to protect personal data acquired, held and processed during the course of its activities.

Article 20 – Processing of price-sensitive information

The Bank has internal regulations for the management and processing of confidential information and communication of price-sensitive information to the market.

It is expressly forbidden to utilize information not in the public domain, acquired based on the position held within the Bank or by virtue of business relations with the Bank, in order to directly or indirectly trade shares or securities of the Bank or other companies or, in any event, to gain a personal advantage or one in favour of a third party ("insider trading is expressly forbidden").

Article 21 – Internal control system

The Bank promotes the culture of control, which is seen as a tool for improving business efficiency, at all levels within the organization. Internal controls involve the governing bodies, top management and all employees, each according to their role.

The internal control system is intended to mean the body of rules, procedures and organizational structures that aim to ensure compliance with the Bank's strategies and that its operations are both effective and efficient. Furthermore the system is used to safeguard the Bank's assets and protect it from losses, to ensure the reliability and integrity of accounting and management information, and also conformity of operations with the law, supervisory standards and internal policies, plans, regulations and procedures.

Article 22 – Independence of internal controls (2nd and 3rd levels)

Internal audit activities are performed by the Internal Audit department whose charter is to identify abnormal trends, violations of rules and procedures, and to provide support to top management for defining the framework of internal controls, including assessing the functionality of the overall internal control system, making proposals for possible improvements to risk management policies and tools used for measurement purposes and procedures.

The Risk Management Department deals with the various activities characterised by a common aim to create the knowledge databases used to draw up the strategies and the analyses of risk profiles and the Bank's revenues.

The main task of the Compliance & Money-Laundering Prevention Department is to ensure that the rules, procedures and operational practices are able to foresee and effectively prevent violations or abuses of the current regulations, at all times.

The Bank ensures the independence of the corporate control systems.

Article 23 – Accounting entries

The Bank's accounting system adheres strictly to general principles of integrity, accuracy, completeness, clarity and transparency of entries made.

In their conduct employees and co-workers must neither actively nor by omission directly or indirectly violate the above principles or internal procedures relating to the preparation of accounting documents and their presentation to external parties.

The Bank is committed to ensure maximum rectitude and transparency in handling transactions with associated parties, in conformity with instructions concerning these issued by the relevant authorities.

The Bank encourages employees to participate in training activities and refresher courses so that they become knowledgeable and are updated as regards the rules and procedures governing the production and management of accounting documentation.

Article 24 – Financial statements

The Bank's financial statements strictly conform to general principles requiring a true and correct representation of the financial and economic situation in accordance with both general and special regulations in force. Valuation methods are based on indications in the Italian Civil Code and generally accepted standards, and also directives issued by Banca d'Italia.

Article 25 – Supplier relations

The Bank manages the procurement process for goods and services according to principles of transparency, rectitude and cooperation.

Transparency in relations with suppliers is guaranteed by:

- adopting predetermined rules and mechanisms for selecting and managing suppliers, taking into account their technical, economic and financial reliability, in addition to aspects concerning social responsibility;
- defining a standard method for managing suppliers, ensuring that all suppliers are treated in the same manner and have an equal opportunity;
- defining and applying methods and systems to constantly monitor quality of performance and the goods/services supplied.

Rectitude means, on the one hand, refusing to adopt any mechanism that can be discriminatory and, on the other, adopting and utilizing methods of selection and appraisal based on merit throughout the entire process of managing suppliers.

Cooperation is intended as the continuous improvement of relations with suppliers in order to establish synergistic, cooperative and efficient relations with them based on an in-depth and reciprocal understanding, with the support of:

- an exhaustive database containing information about all parties with whom the Bank has relations of whatsoever nature;
- continuous monitoring of the supply market as regards commercial, financial and technical aspects.

The above mentioned principles are implemented by conduct, processes and procedures governing bids, negotiations, stipulating contracts, as well as control of goods and services provided.

Article 26 – External professional appointments

When appointing external professionals, the Bank adopts criteria that take into account competency, cost, transparency and rectitude.

More precisely, all compensation and/or sums for whatever purpose paid to those appointed to perform professional tasks must be adequately documented and in any event proportionate to the activity performed, also bearing in mind market conditions.

Article 27 – Gifts to customers, suppliers and consultants

In business relations with customers, suppliers and consultants it is expressly forbidden to make payments, give benefits (both direct and indirect) that may compromise the Bank's image and that could be interpreted as being for the purpose of obtaining special treatment that is unwarranted and/or recognized as normal market practice.

In particular, as regards relations, even non-business relations, between the Bank and the Public Administration, public officials or parties appointed by a public service, staff members must not:

- offer, even via a third party, money or any other benefit, which may even consist in a job or business opportunities, to a public official, their family or any party in some way linked to them;

- illicitly attempt to or actually enter into personal relations to favour, influence or intervene in a manner that directly or indirectly conditions the outcome of the relationship.

BUSINESS PROCESSES

Article 28 – Investor relations

The Bank is committed to clarity, transparency, timeliness and completeness in communications to the market, and ensuring that all financial operators have a correct perception of the Bank's business strategies, prospects and financial standing.

A qualifying aspect of the Bank's strategy is to maintain a symmetry of information for all individual and institutional financial operators.

Article 29 – Customer relations

The Bank conducts its business relations in conformity with the law and regulations issued by oversight bodies.

The Bank's priority objective is to fully satisfy the requirements of its contractual counterparts, also in order to create a solid relationship based on general values of rectitude, honesty, efficiency and professionalism.

The Bank carries out projects and activities that are intended to strengthen the quality of service provided to its customers and to improve relations with them. In line with this commitment, the Bank has created a specific internal function whose task is to monitor and define, by means of a suitable, objective method, the current and planned level of customer satisfaction. In addition it must develop a procedure for handling indications and complaints made by customers with the aim of ensuring an ongoing improvement in services provided.

All contracts, forms of communication and relations with customers, including advertising, are handled in such a manner as to ensure clarity and transparency.

While the Bank does not preclude relations with any customer or category of customers, it will not enter into either direct or indirect relationships with persons who are known or even just suspected of belonging to criminal organizations or who in any event operate outside of the law (persons associated with money-laundering, drug traffic, usury, etc).

Article 30 – Prevention of money-laundering

The Bank operates in full compliance with anti-money-laundering regulations in force and instructions issued by competent authorities. Consequently, the Bank will refuse to carry out transactions that are suspect from the standpoint of rectitude and transparency.

Therefore, the Bank's staff must:

- verify in advance all available information concerning business counterparts, suppliers, partners and consultants in order to ascertain their respectability and the legitimacy of their activities, before establishing a business relationship with them;
- operate so as to avoid whatsoever implication in transactions that may, or potentially can facilitate money-laundering of funds produced by illicit or criminal activities, acting in full compliance with the primary and secondary anti-money-laundering regulations and internal control procedures.

Article 31 – Prevention of subversive activities and terrorism

The Bank takes great care to comply with the Italian law and international agreements concerning subversive activities and terrorism.

Therefore, the Bank's staff must:

- verify in advance all available information concerning business counterparts in order to ascertain their respectability and the legitimacy of their activities, before establishing a business relationship with them.

Article 32 – Aiding and abetting

In the event of a crime being committed, the Bank and its staff will not aid or abet any individual to elude investigation by the authorities or to avoid enquiries made by the latter.

RELATIONS WITH OFFICIAL RECEIVERS

Article 33 – Winding up the Bank

In the event of the Bank being wound up, the official receivers will ensure that steps are taken to pay the creditors, or will ensure provisions are made for this purpose, before dividing up assets among the shareholders.

RELATIONS AND COMMUNICATION WITH EXTERNAL BODIES

Article 34 – Relations with the Public Administration

In its relations with the Public Administration, public officials¹ or parties appointed by a public service² the Bank must strictly abide by provisions of the law and applicable regulations and cannot in any manner compromise the integrity or reputation of the Bank.

Making commitments to and handling relations of whatsoever nature with the Public Administration, public officials or parties appointed by a public service, is the exclusive domain of relevant Bank functions for this purpose and authorized personnel.

In any event, the parties concerned must diligently keep on file all documentation relating to occasions when the Bank has come into contact with the Public Administration.

Article 35 – Relations with Institutions, the Oversight Body and Supervisory Authorities

The Bank conducts relations with public bodies based on principles of integrity, rectitude and professionalism.

The aim of relations with such bodies is to learn and assess the implications of legislative and administrative activities as they affect the Bank and make its position concerning significant issues known, acting in concert with indications given by the ABI.

The Bank identifies and establishes channels of communication with all institutional interlocutors at local, national and international level.

The staff must scrupulously observe regulations in force in sectors related to their areas of activity and instructions issued by competent Institutions and/or Supervisory Authorities.

As regards inquiries involving Italian and EU public Institutions or Supervisory Authorities, the Bank will take steps to ensure that no applications or requests are made containing untruthful

¹ For criminal law purposes, public officials are those who exercise a legislative, judicial or administrative public function. In the same context, public is intended to mean the administrative function regulated by public law and authorizations, and characterized by the constitution and expression of the Public Administration or its performance by means of authorized or certified powers (Art. 357 Criminal Code).

² For criminal law purposes, parties appointed by a public service are those who, in whatsoever role, perform a public service. Public service is intended as an activity regulated in the same way as the public function but characterized by the lack of typical powers attributed to the latter, and excluding the carrying out of simple instructions and performance of solely material services (Art. 358 Criminal Code).

statements, also for the purpose obtaining public funding, grants or facilitated loans, or to obtain unjustified preferential treatment, concessions, authorizations, licenses or other administrative acts.

Similarly, in cases when staff members are called to give public evidence they must avoid inducing administrative bodies to act unduly in favour of the Bank.

The staff must check that public funding, grants or facilitated loans received by the Bank are utilized for performing activities or taking actions for which they were granted.

The staff must reply to requests made by public bodies and authorities in a timely manner, ensuring full cooperation and avoiding all forms of obstructionism.

Article 36 – Relations with the Judicial Authorities

If the Bank and its staff are the subject of inquiries, they must operate in an appropriate and correct manner when performing specific activities, cooperating with the Judicial Authorities and bodies delegated by the latter. In the event of inspections, documentation in existence will be made available to the Judicial Authorities; it is absolutely forbidden to destroy or alter records, minutes, accounting entries and any other type of document, or to lie or persuade others to do so.

Article 37 – Relations with political parties and unions

The Bank does not make direct or indirect contributions to political parties, unions, movements, committees and organizations, or to their representatives and candidates. The sole exception concerns small presents of limited value (gifts in relation to festivities, invitations, conventions).

Article 38 – Relations with the media

Criteria for conduct in relations with the media are based on principles of transparency, rectitude and timeliness.

The Bank conducts relations with media representatives in full compliance with the principles mentioned. It has appointed a specific office that has the task of handling relations with the media in a manner that is efficient and consistent with the above-mentioned principles.

The Bank has adopted a communication policy covering all employees and co-workers on the basis of which criteria are established governing conduct involving the mass media. The aim is to ensure univocal information and support for those who come into contact with the media; the policy indicates the need to contact the competent office before giving interviews or making statements concerning internal matters.

SOCIAL ISSUES

Article 39 – Relations with the community

The Bank is aware of its fundamental role as regards the development of the socio-economic and environmental context, and establishes its strategies and areas of action concerning the community in a manner consistent with its business objectives.

Article 40 – Environmental sustainability

The Bank promotes a policy that is attentive to socio-environmental issues and the territory.

Consistent with its attentiveness as regards environmental issues, the Bank has instituted the following actions:

- constant technological updating of systems intended to ensure a reduction of factors causing pollution;
- management of purchases and disposals in a manner that, wherever possible and economic to do so, ensures recovery/reutilization of raw materials;
- observance of anti-pollution regulations and use of environment-friendly materials when carrying out construction or restructuring works.

Article 41 – Social sustainability

The Bank promotes and supports humanitarian ventures and solidarity, cultural and sporting activities, with the aim of providing support to and for the development of the community in which it operates, achieved by means of contributions, sponsorships and donations.

The Bank supports numerous small non-profit organizations and through its network organizes activities and events to create customer awareness of solidarity issues.

SYSTEM OF SANCTIONS

Article 42 – General principles

The Bank uses procedures, organization models and control systems, and any violation of these is subject to the sanction system in force.

The Bank has complied with the requirement to adopt an **Organization, Management and Control Model** in accordance with the provisions of Legislative Decree no. 231/2001.

No illegal conduct or conduct in violation of the provisions of this Code, or unlawful, or even improper conduct can be justified or considered less serious, even instances carried out in the interests or to the advantage of the Bank.

On the contrary, given the Bank's precise, forthright and undeniable intention not to condone any case involving the above mentioned "interests" or "advantages", with no exception, such an attempt – which takes place despite countermeasures adopted by the Bank – will constitute one of the specific fields of application of this system of sanctions.

Disciplinary-type sanctions will be applied independent of the outcome of possible criminal proceedings. This, inasmuch as conduct imposed by the Organization, Management and Control System and the Code of Ethics and Business Practices has been defined by the Bank in a fully autonomous manner, regardless of any crime that may be attributable to such conduct.

Article 43 – Sanctions for attempted violations

Obvious direct acts or omissions that violate rules established by the Bank are also subject to sanctions, even in cases of where, for whatsoever reason, the action is not carried out or the event concerned does not effectively take place.

Article 44 – Sanctions for individuals holding top management positions

As regards those holding top management positions, any fraudulent or negligent conduct that represents a breach of the law or fundamental duties of the function or position held will be assessed bearing in mind the specific nature of the said job or mandate. Consideration will be given to the extreme fiduciary nature of the relationship and the fact that for such individuals there is no prescribed system of sanctions. In particular the Bank needs to rely on the professionalism, willingness and competency of top management to implement the principles indicated above and for observance of the principle of legality and all the Bank's procedures and regulations.

Article 45 – Sanctions for employees

The procedures for notifying violations and application of relevant sanctions will take place in full compliance with the provisions of article 7 of Law no. 300 dated 20 May 1970, the applicable CCNL and internal regulations in force.

The law, collective agreements and internal regulations also include principles concerning the scale of sanctions and indications of who has the power to apply them.

In addition to the above, the following rules apply:

- every deliberate, or in any event, fraudulent offence committed as per Legislative Decree 231/2001, or violation of fundamental duties in terms of the function, job or position held will result in termination of employment, independent of whether the conduct in question has or has not produced financial damage;
- also any unlawful, imprudent, negligent conduct (including omission) or behaviour in violation of Legislative Decree 231/2001 could lead to a similar sanction, based on the seriousness of the case in point, its detrimental consequences (not necessarily only of a financial nature), or in cases of relapse, impact on the Bank's internal environment, or in relation to the importance of the principles or procedures violated, or its effect regarding the trustworthiness or reliability of the individual's future behaviour;
- disciplinary measures will still be taken in less significant cases that have no detrimental consequences, depending on the degree of importance and seriousness of the case in point.

Particularly strict measures will be adopted in cases of responsibility for any lack of control by individuals prescribed in general or in specific cases to perform such functions (for instance, auditing, supervisory or surveillance functions).

IMPLEMENTATION OF THE CODE OF ETHICS AND BUSINESS PRACTICES

Article 46 – Oversight Body

The task of supervising compliance with this Code, and reporting at least once annually on activities to the Board of Directors, is the responsibility of the Oversight Body set up in accordance with Legislative Decree 231/2001 by the Board and governed by regulations approved by the Board itself, to which specific reference is made (see Oversight Body Regulations).

Since the responsibilities of the Oversight Body will be exercised by the Board of Statutory Auditors, the task of appointing members has been entrusted to the Shareholders' Meeting.

CONDUCT OF EMPLOYEES / CO-WORKERS

Duties of employees and co-workers

All the Bank's employees and co-workers must also:

- operate in accordance with principles of professionalism, transparency, rectitude and honesty, contributing together with colleagues, superiors and staff to pursue the Bank's mission while complying with the provisions of the Code of Ethics and Business Practices;
- prepare all documentation concerning their work in a clear and exhaustive manner so as to facilitate possible checks by parties authorized to do so;

- be aware of and comply with internal procedures concerning expense reimbursement, conducting themselves in an honest, correct and transparent manner in requests and especially ensuring that each request is or can be adequately documented;
- not exploit the position held in the Bank for personal gain and similarly not make improper use of the Bank's good name and reputation for private reasons;
- not accept payments, benefits (both direct and indirect), gifts, acts of courtesy and hospitality that could compromise the Bank's image or could be interpreted as being for the purpose of obtaining favourable treatment that is unwarranted and/or recognized as normal market practice.
- be aware of and comply with the Bank's policies as regards security, confidentiality and dissemination of information concerning the Bank, particularly as regards confidential and/or price-sensitive information.

Should an actual or potential case of conflict of interest arise while performing their activities in the Bank, employees and co-workers must immediately report the matter to their superior and in the meantime refrain from behaviour or activities associated with the situation reported. They must also not take advantage personally of business opportunities of which they have learned during the course of their work.

Each of the Bank's employees and co-workers must operate diligently to safeguard the Bank's assets, behaving in a responsible manner in line with the Bank's operating procedures and instructions prepared to regulate the use of such assets. In particular the individuals concerned must use assets within their charge with due diligence and as necessary in order to avoid an improper use that may cause damage or loss of efficiency or, in any event, may appear to be contrary to the principles governing the Bank's operations.

With special reference to IT equipment, each of the Bank's employees and co-workers must use the hardware and software made available exclusively for purposes linked to their job and, in any event, in accordance with the Bank's policy.

In particular, each employee and co-worker must:

- scrupulously follow the procedures prescribed in the Bank's security policies in order not to compromise the functionality and level of protection of IT systems;
- not make pirate copies of programs installed on computers;
- scrupulously adopt procedures prescribed in policies for the use of emails;
- not navigate web sites containing any indecorous or offensive content.

The Bank expressly prohibits any actions to change the functioning of IT or computer systems and/or manipulation of data they contain, which may lead to unjust damage to others.

Conduct expected of employees and co-workers

The Bank's employees and co-workers are expected to operate in an active and participative manner, in line with the responsibilities assigned to their role and cooperating fully with other roles and activities (integrated view).

Relations employees and co-workers have with colleagues and external parties must be conducted based on principles of rectitude, honesty and cooperation.

The Bank's employees and co-workers must treat information, data and news concerning their work in a manner that ensures its integrity, confidentiality and availability.

Confidential information must be communicated in a clear and correct manner and should only be disseminated within the Bank to individuals who need to know for their work purposes.

Especially as regards privacy each individual must:

- only acquire and process information and data required in furtherance of the aim of the function to which they belong and that is directly related to the latter;
- acquire and process information and data solely within the limits prescribed in procedures adopted by the Bank on this issue;

- store information and data in such a manner as to prevent their becoming known by unauthorized persons;
- communicate information and data in accordance with established procedures or as expressly authorized by their superiors and, in any event, in cases of doubt or uncertainty, only after ascertaining (by contacting superiors or based objectively on the Bank's practice) that the specific information or data concerned can be divulged;
- ensure that no absolute or relative constraints exist as regards the possibility to divulge information or data concerning third parties associated with the Bank as a result of relations of whatsoever nature and, if necessary, to request consent for this.