



BANCA VALSABBINA

CODE OF ETHICS

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INTRODUCTION

Banca Valsabbina S.C.p.A. is a cooperative bank linked to its region. The achievement of the Bank's corporate and business objectives is pursued by all that operate within the context of the same, with loyalty, seriousness, honesty, competence and transparency, in full compliance with the laws and regulations in force. These are the ethical principles to which the Bank, in the scope of the over one hundred year mission of the cooperative bank, aspires - and from which its code of conduct derives - in order to effectively and legally compete on the market, meet the expectations of the communities of the territories within which it operates, improve customer satisfaction, increase shareholder value and develop the professional skills and growth of human resources.

The provisions within this Code of Ethics indicate important rules and values of corporate conduct, set out to protect the reputation and image of the Bank. Internal Bank employees, collaborators, suppliers and those with whom we have close business relationships must comply with these. The creation and dissemination of the corporate values cannot, in fact, be separated from the effective compliance with the fundamental principles such as professional fairness, personal integrity, effective protection of health and safety at the workplace, as well as transparent market competition by all parties.

For all requirements, it is noted that the Code of Ethics is the basis and reference for the Organisation Model implemented by the Bank pursuant to Italian Legislative Decree 231/2001.

Apart from the compliance with the requirements codified within the provisions of the law, the implementation of a Code of Ethics is an indispensable tool for the development of banking activity, such as developing its ethical and rule-based profile and, therefore its aim is to optimise the achievement of the company purposes, protecting the reputation of the institution from a commercial viewpoint and in other contexts..

It is a natural consequence that compliance with the provisions of this Code is to be considered an integral part of the contractual obligations undertaken by the employees of Banca Valsabbina, also pursuant to art. 2104 of the Italian Civil Code (*Diligence of the employee*). Violation of the provisions of the Code may, therefore, constitute a serious breach of the obligations pursuant to the employment contract and a source of tort, with every other personal liability.

The Bank reserves the right to protect its interests before any competent court towards employees (as defined in art. 1 below) and those (suppliers, consultants and strategic/trade operators) who, in the context of contractual agreements with the bank, violated the provisions of the present Code applying to them.

In relation to the above, the provisions within the present Code include the rules of conduct that the employees are required to comply , pursuant to the regulations in force, with individual and collective employment contracts, existing internal procedures and codes of conduct to which the Bank adheres or will adhere to. In the event of conflict, the provisions of the Code of Ethics shall be considered as prevailing over those provided within the internal provisions and regulations.

Knowledge of and compliance with this Code by all those who work within and/or were in close relationship with the bank, are, therefore, essential for the transparency and reputation of the same. Such conditions must be no less effective towards parties that entertain business relations with the Bank.

GENERAL PROVISIONS

Article 1 -Scope of application of the Code

This Code of Ethics sets forth the commitments and ethical responsibilities for carrying out the corporate business and activities of Banca Valsabbina (hereinafter, also only the "Bank") and defines the set of values and principles, as well as the guidelines of conduct that must be followed by the Directors and Auditors of the Bank, all persons associated to the Bank by employment relationships ("Employees") and, in general, all those who work with the Bank, whatever the relationship may be with the Bank ("Collaborators") as well as those that entertain business relations with the Bank ("Third Parties").

The provisions within this Code bind the Directors, Auditors, Employees and, more generally, all Banca Valsabbina staff, regardless of the contractual relationship that binds the party to the Bank.

They shall, where applicable, also bind any external collaborators (such as parties with which supply, internship or practical training contracts are entered) and external consultants, as well as third parties that entertain business relationships with the Bank, should the same form subject of negotiation with the Bank.

The above-mentioned parties are hereinafter jointly defined as "Recipients".

The Bank promotes, towards third parties with which it entertains business relationships, the execution of contractual negotiations through which to undertake the commitment to comply with the provisions of this Code.

Article 2 - Dissemination and implementation of the Code

The Bank promotes the knowledge and compliance with the Code of Ethics primarily for directors, auditors, employees, various collaborators as well as, when necessary, in the scope of specific contractual agreement, for trade and financial partners, consultants and suppliers, requiring compliance and applying, in the event of non-compliance, appropriate disciplinary or contractual sanctions.

All of the above-mentioned parties will, moreover, be expected to have knowledge of the contents of the present Code and, if in doubt, to request and receive, from the appropriate corporate departments, the necessary clarification relevant to its interpretation, as well as to comply with the same and contribute to the relevant implementation, pointing out any shortcomings and violations (or even simply attempted violations) of which they have knowledge.

To this end, the Bank will disseminate this Code through the normal internal communication system, circulars and operating manuals, and through the company website.

Every amendment of the same will be communicated through the above channels. With specific reference to Collaborators and Third Parties, any amendment of the Code will be communicated solely by updating it on the Bank website.

Article 3 - Compliance with laws and regulations in force

The Bank undertakes, through implementation of the measures of prevention and control necessary, to guarantee full and unconditional compliance with the laws and regulations in force in every geographical context and operating environment, at all levels of decision-making and execution.

In particular, Bank employees involved in carrying out professional services on behalf of the Bank and at any time the Bank's interests are involved, must comply with the laws and regulations in force in the various Countries of residence, domicile or where the Bank regularly or occasionally supplies its professional service, refraining from forcing or inciting others, colleagues or external parties, to breach or evade, even to

a small degree, the laws and regulations in force in the countries where the Bank is present or in which the Bank has direct or indirect interests.

Anyone within the Bank who is compelled or induced to breach laws must promptly report to his superior or, should such a figure not exist or if that person is the cause of the compulsion or inducement, must promptly report the constraint and incitement to the Supervisory Board.

It is mandatory for Bank staff to have knowledge of the laws, regulations and internal rules pertaining to the tasks performed and, when in doubt, to request information and clarification from the competent company departments/services.

Article 4 – Correctness and impartiality

When carrying out its professional activities, the Bank requires that each director, auditor, employee and collaborator engages in correct, honest conduct that respects the obligations of confidentiality regarding the management of the information in its possession. In this context and by way of example, these people will refrain from engaging, at the workplace, in conduct that is not fair, or does not show the respect for the dignity and moral personality of each individual. They will also refrain in their personal life from activities that may be detrimental to their financial situation (such as, for example, gambling) or otherwise unlawful or unethical.

All operations and transactions executed in the interest of the Bank or that involve the Bank's name and reputation must show management fairness, complete and transparent information, legitimacy both in substance and form and clarity and truthfulness in the accounting pursuant to the laws in force and according to the procedures implemented by the Bank. They must also be properly documented and subject to verification.

In its relations with the parties with which it operates and, in particular with its clients, the Bank undertakes to promote equal treatment of all parties, avoiding any discrimination based on the age, gender, health, nationality, political opinions and religious beliefs of its counter parts.

Article 5 – Confidentiality, external communication and social networks

The Recipients, also in compliance with the provisions of the law, must treat the information in their possession relevant to Bank and Client activities with the utmost confidentiality.

"Confidential" information refers to data and knowledge not available to the public, no matter how it is processed or registered, pertaining to the organisation of the Bank, corporate assets, trade and financial transactions planned or undertaken by the Bank, to judicial and administrative proceedings, relations with Clients and other institutional counter parts.

No confidential information relevant to the Bank, acquired or developed in the performance or during different activities, can be used, disclosed to third parties or made public, except within the limits of the requirements imposed by correct working activity and never for purposes other than institutional.

Bank staff who, pursuant to internal regulations, have knowledge, or occasionally have knowledge, of confidential information are required to comply with the restrictions of confidentiality set by the Bank and to comply strictly with the Code of Conduct.

"Privileged" information refers to precise information that has not been made public, relating, directly or indirectly, to one or more issuers of financial instruments or one or more financial instruments that, if made public, could significantly influence the price of such financial instruments. The treatment and circulation (including internally within the Bank) of privileged information must occur in strict compliance with the provisions of the applicable laws and regulations.

The dissemination of the above-mentioned information, as well as direct relations with journalists and the media, is permitted only to parties identified in the company regulations and are subject to the compliance with the times and methods provided therein.

Without prejudice to the exercise of political and union rights and in compliance with the constitutional rights of freedom of speech, it is mandatory for the parties, pursuant to the section "Scope of Application of the Code", to completely refrain from any public expression (including through social networks or blogs) of any opinions that could be detrimental to the reputation and image of the Bank as well as to disseminate news or communications or opinions on behalf of the Bank without express permission.

Article 6 - Transparency of information

The information that is made public by the Bank must be complete, transparent, understandable and accurate.

Article 7 - Conflicts of interest

Staff, members of company bodies and, in general, all of those that operate in name and on behalf of the Bank must avoid all possible conflicts of interest.

The following are examples only of situations that could give rise to a conflict of interest:

- participation in decisions that involve business with parties with whom the employee or an immediate family member of the same has an interest or from which a personal interest could arise
- use of the name of the Bank for personal gains
- propose or accept deals from which personal gain may result
- carry out acts, stipulate agreements and generally engage in any type of conduct that may, directly or indirectly, cause damage, including in terms of image and/or credibility on the market, to the Bank and/or group
- conflict with the interest of the Bank, influencing the decision making autonomy of another party entrusted to establish trade relations with or for the Bank.

Employees in a conflict of interest, including a potential one, must promptly inform their direct superior, who will evaluate the steps to be taken.

The undertaking of any role of management or administration outside of the Institution always involves the prior written notification and subsequent approval of the Bank pursuant to the Collective National Labour Contract in force.

Article 8 - Management of financial resources. Anti-money laundering fulfilments and prevention of funding terrorism

Management of financial resources must be transparent and legal. All transactions must be traceable.

The Bank, its Employees and Collaborators undertake to comply with all of the regulations and provisions, national and international, regarding money-laundering, including the regulations pursuant to Italian Legislative Decree 231/2007, and relevant to its implementation, providing specific internal measures to verify the origin of the cash flows.

It is strictly forbidden, for every Bank employee to receive or conceal money or property resulting from any type of crime, or to participate in the acquisition of the same, and receive or conceal money for the purpose of obtaining a profit for him/herself or others.

Every recipient of this Code that is authorised, for his/her office, to manage outgoing cash flows is required to use special caution for the verification of the recipient of the funds, meaning assets of any kind.

Article 9 - Accounting and financial statements

All Bank operations and transactions must have an appropriate accounting registration in order to allow verification of the decision making, authorisation and execution process, as well as the characteristics and reasons for such transactions, also identifying the parties that have authorised, executed, registered and verified them.

It is strictly prohibited to engage in conduct or create omissions that may lead to the registration of fictitious transactions or the misleading registration of operations and transactions.

All Bank staff involved in the accounting functions and preparation of the accounting situations are required to comply with the applicable accounting standards. They are required to collaborate to ensure that the results of operations are properly and timely presented in accounting.

For the same purposes, it is mandatory to cooperate with the Board of Statutory Auditors and the External Auditor, promptly complying with all legitimate requests from such bodies and avoiding any omissions and obstructive conduct.

Article 10 - Collaboration with audit activities

Communications addressed to the audit bodies (Auditors, External auditors and Supervisory Body, Corporate Audit Functions) must be complete, truthful and correct.

It is forbidden to obstruct or otherwise obstruct the performance of the audit activities attributed to the same.

Article 11 - Relations with trade unions

The Bank's relations with Trade Unions will be carried out responsibly and constructively, fostering a climate of mutual trust and dialogue in pursuit of profitable industrial relations.

Article 12 - Relations with corporate assets

Everybody is directly and personally responsible for the protection and preservation of the assets allocated in order to execute their duties as well as the use of the same in compliance with the regulations established for the preservation, protection and use of the assets.

Article 13 - Health and safety

The Bank guarantees a working environment in compliance with the applicable standards for health and safety, ensuring the fulfilment of all of the relevant legal obligations.

Article 14 - Relations with Employees and Collaborators

Employees and External Collaborators, whose physical safety and moral integrity are considered the core value of the Bank, are guaranteed working conditions that are respectful of personal dignity and provide appropriate working environments.

Knowledge of the laws, on every level and in every degree, that govern the activities falling within their respective functions is a necessary condition for their assignment.

The Bank provides its Employees with training and updating tools to achieve the level of professionalism appropriate for the performance of their duties, and which over time enhance their skills.

The Bank recognises the importance of corporate communication addressing Employees and develops it with dedicated instruments and initiatives.

All Employees and External Collaborators are required to develop their skills and professionalism, enhancing it with experience and collaboration with colleagues. They must also be constructive and positive, stimulating their colleagues' professional growth.

Employees must be able to express their opinions freely and, where necessary, their disapproval.

The Bank emphasises the spirit of belonging to the company and that of solidarity among the Bank's personnel.

Employees are recruited with regular employment contracts, as no form of irregular employment is permitted.

The Bank avoids all types of discrimination and guarantees transparency both in the recruitment stage and that of career and development management for the Employees.

The candidates' professional and personal profiles are evaluated objectively in the sole interest of the Bank in order to hire or promote the most suitable people for the positions in question.

The Bank implements rules to ensure that Employee recruitment activities cannot be influenced by patronage decisions or even to appear as such.

All Bank employees and collaborators are required:

1. To work according to the principles of professionalism, transparency, fairness and honesty, contributing with colleagues, supervisors and collaborators to the pursuit of corporate goals, in compliance with the provisions of this Code
2. To be familiar with of and comply with the internal procedures for reimbursement of expenses, acting according to the principles of loyalty, fairness and transparency for the request and ensuring, in particular, that each request for reimbursement is adequately documented/can be documented.
3. Not to use their position within the Bank for personal gain and, similarly, to not use the name and reputation of the Bank for private purposes
4. to be familiar with and implement the corporate policies on security and dissemination of information concerning the Bank.

Article 15 - Relations with Clients

The Bank pursues the growth of the number of Clients and their level of satisfaction in the context of services geared towards families, businesses and public and private entities.

In relations with Clients, Recipients are required to behave pro-actively, with courtesy and transparency, and to collaborate and listen, providing adequate, complete and prompt information on the products and services

offered. The products and services offered to the customer must be in line with the customers' real needs. It is prohibited to resort to practices that are elusive or aimed at forcing customers' the judgement or behaviour.

The Bank implements company policies that are consistent with the rules and principles of anti-money laundering regulations, which constitute an important aspect of its reliability on the market and relations with Clients.

Despite not having preclusions in principle towards any client or category of clients, the Bank, notwithstanding the compliance with the provisions regarding the abstention from starting relations (see anti-money laundering law), does not intend to entertain relations, directly or indirectly, with persons or entities known to be dedicated to the commission of crimes or known or suspected to belong or be tied to criminal or terrorism organisations or operating in Countries subject to embargoes to which Italy adheres.

Article 16 - Relations with suppliers of goods and services

Every purchase in favour of the Bank must be conducted with loyalty, integrity, confidentiality, diligence, professionalism and objectivity of judgement, by qualified personnel that undertakes the responsibility of its evaluations and judgements, ensuring the Bank of the compliance with all of the relevant provisions for the purchasing activities.

The Employees and/or Collaborators responsible for the purchase process:

- are required to comply with the principles of impartiality and independence in the exercise of the tasks and functions entrusted to them
- must have no personal obligations towards suppliers - any personal relations between Employees and/or Collaborators with suppliers must be reported to the pertinent Management prior to any negotiation
- must maintain relations and conduct negotiations with suppliers in order to create a solid base for mutually advantageous and long lasting relations, in the interest of the Bank
- are strictly required to immediately report to their supervisor and Supervisory Body any attempt or case of changes from normal trade relations
- must not offer goods or services, in particular as gifts, to employees of other companies or entities in order to obtain confidential information or significant direct or indirect benefits, for themselves or the bank, without prejudice to the general provisions of the present Code of Ethics
- must not accept goods or services from external or internal parties against the release of confidential news or the start of actions or behaviours aimed at favouring such parties, also where there are no direct repercussions for the Bank.

Article 17 - Communication and training services

This Code is brought to the attention of all of the interested parties by means of appropriate communications and awareness activities.

The Bank pays particular attention to training activities aimed at raising awareness among employees regarding the risk of non-compliance with the rules of self and external regulations (i.e. anti-money laundering rules, transparency, prevention of offences pursuant to Italian Legislative Decree 231/01, supply of investment services, privacy, etc.).

Article 18 - Relations with Public Offices

It is not permitted to directly, indirectly or through third parties, offer or promise cash, gifts or compensations, under any form, nor is it permitted to exert undue pressure or promise any object, service, supply in favour of executives, officers or employees of the Public Administration or subjects appointed to public service or their relatives or common law partners in order to induce them to perform an official act or acts contrary to official duties (including to favour or damage a party to civil, criminal or administrative proceedings in order to create a direct or indirect advantage to the Bank).

Anyone receiving explicit or implicit requests for benefits of any kind from the Public Administration, as defined above, must immediately:

- suspend all relations with the same
- inform the Supervisory Body and its direct superior in writing.

The requirements mentioned in the previous paragraphs shall not be avoided by using different forms or aids and contributions that, in the capacity of appointments, consultancies, advertising, etc. have similar purposes to those prohibited by this paragraph.

In the event that trade relations are established with the Public Administration, including the participation in public tenders, it is necessary to always operate in compliance with the law and fair business practices.

In particular, the following actions are not to be, directly or indirectly, taken:

- analyse or propose employment and/or trade opportunities that are advantageous to employees or parties connected to the public administration
- offer or in any way provide free gifts
- solicit or obtain confidential information that can compromise the integrity or reputation of both parties.

It is prohibited to use or submit false documentation or declarations or certifying untrue facts, or omit information to achieve, as an advantage or in the interest of the Bank, contributions, loans or other disbursements however denominated granted by the State, a Public Entity or the European Union.

It is also prohibited to use contributions, loans or other disbursements however denominated, granted to the Bank by the State, a Public Entity or the European Union, for purposes other than that for which they were assigned.

In the event that the Bank avails itself of consultants or parties external to the Bank to be represented in relations with the Public Administration or providers of public services, third party providers of services must accept the rules of the Code.

Article 19 - Relations with Supervisory and Control Bodies

The relations between the Bank and the national, supranational and foreign Supervisory and Control Authorities are based on principles of legality, transparency and fair collaboration.

The Bank, with the help of specifically dedicated functions, maintains - where provided - a consistent and timely flow of information with the Authorities, ensuring the completeness, accuracy and integrity of the information provided, the objectivity of the assessments and timeliness of the forwarding.

Article 20 - Rules for complimentary products, common to all relations.

It is strictly prohibited to offer, donate, request or accept, including through third parties, fees or other personal benefits, related to the management of the Bank's activities, which are not small in value and thus

which are not generally considered as a common gesture of courtesy or of a commercial nature, acceptable and legally acceptable within current management practices.

The prohibition is applicable to that which has been given (or received by) every person, including, for example, other employees, future employees, public employees, public officials, competitors, suppliers and other individuals with which the company has, or would like to have, business relations.

It is mandatory for everybody to inform their hierarchical superior and the Supervisory Body of any solicitation or offer of particular advantages directly or indirectly proposed.

The free gifts used to support the current course of business are intended only to promote the image of the Bank and cannot exceed, in amount and/or intensity, normal trade and courtesy practices, or in any way compromise the operational correctness, integrity and reputation of the recipient.

It is strictly prohibited for the Recipients to accept from the Suppliers, or those aspiring to become such, gifts, benefits or advantages, direct or indirect, of any type or nature where the same are not of a moderate value: in the event of doubt regarding such requirement it is necessary to obtain the prior written permission of a direct manager.

Free gifts to the Recipients of the Bank are permitted only if within the limits approved by the Administration Body and/or bodies appointed by the latter.

Article 21 – Whistle blowing

Every Recipient must immediately report possible violations they become aware of. The report has to be made to the Supervisory Board, for matters within its competence, to the mailing or e-mail address that the Bank publishes using the most appropriate tools.

The Bank undertakes to investigate every violation of which it becomes aware.

The reports of violation shall be taken into consideration only when they contain sufficient information to identify the terms of the violation and to allow the performance of an appropriate investigation.

The Bank will not tolerate any kind of retaliation for reports made. Confidentiality regarding the identity of the whistle blower is guaranteed, without prejudice for legal requirements and the protection of the rights of the Bank or persons accused wrongly or in bad faith.

All of the Recipients of the Code are also required to cooperate in the internal investigations relevant to the violations and conduct that is not in line with this Code.

Article 22 - Consequences arising from breach of the Code

Breaches of the provision contained in this Code cannot be tolerated by the Bank.

They will be subject to the same penalty system provided within the Organisation, Management and Control Model implemented by the Bank pursuant to Italian Legislative Decree 231/01, or penalties provided by other labour law codes or regulations.

The competent company functions refer to the Supervisory Body and the Administration Body, analytically reporting the most significant breaches, including those of Recipients that are not Employees, as well as the consequent measures adopted or to be adopted.

With reference to suppliers, external collaborators, consultants and commercial partners, the Bank will evaluate the possible termination of the respective contracts should it become aware of illegal conduct:

- pursuant to Italian Legislative Decree 231/2001 or part of the same
- or, where contractually negotiated, pursuant to the present Code.

FINAL PROVISIONS

Article 23 - Procedure for revision of the Code

In the event of amendments to the applicable legislation, or the organisational structure of the Bank and whenever it is deemed necessary, the Supervisory Body will propose to the Board of Directors of Banca Valsabbina the amendments to be made to the present Code of Ethics.

Amendments to the Code will be widely disseminated and advertised, pursuant to the general conditions.

Article 24 - Entry into force

The present Code (as well as every amendment/update hereto) shall become effective immediately as at the date of its publication on the company Intranet.