



BANCA VALSABBINA

Code of Ethics
Valsabbina Banking Group

Approved by the Board of Directors on 19 June 2019

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INTRODUCTION

Article 1 - Subject matter of the Code

Banca Valsabbina was founded in 1898 with the aim of providing banking services and promoting economic growth in the local area, collecting private savings to direct them towards new productive investments.

In line with the mission assigned by the Articles of Association, which was pursued based on the principles of cooperative credit and with a special attention to the area in which it is located, the Bank has always been characterised as a local and independent bank, operating in the traditional banking sector, with a special focus on small and medium-sized enterprises and households.

Continuing in the wake of its tradition, the Banca Valsabbina Group pays particular attention to the relationship with shareholders, to whom it reserves facilities in the use of specific banking services, to the centrality of the customer and to the strong orientation towards a transparent relationship, constantly improving its services. In order to pursue this mission, the Group enhances human resources and maintains a system of relations with employees aimed at fostering their motivation and sense of belonging.

By virtue of these principles and strategies, each behaviour must be based on the principles of ethics, legality, transparency and respect for each individual without distinction, in line with the Group's values, guiding principles and processes and aware not to expose the Group to sanction and reputational risks.

Therefore, this Code of Ethics expresses the ethical commitments and responsibilities and defines the set of values, principles on which the Group's business management and corporate activities are based, excluding any behaviour contrary to rules of criminal law.

Article 2 – Recipients and related obligations

This Code of Ethics is approved by the Board of Directors of the Parent Company after receiving a favourable opinion from the Board of Statutory Auditors, and subsequently disseminated to Group companies for approval by the Competent body.

The Code of Ethics is addressed to the Directors and Statutory Auditors as well as to all persons with employment relationships ("Employees") and, in general, to all those who work with the Group, whatever the relationship that they have with it ("Collaborators").

The Code of Ethics is also addressed to those who have business relations with the Group (for example, persons with whom staff leasing or internship contracts have been signed) and to external consultants ("Third Parties"). The Group promotes, with regard to Third Parties with whom it has business relations, the signing of contractual agreements through which they undertake to observe the provisions of this Code.

The subjects mentioned above are also jointly defined as "Recipients".

Article 3 - Dissemination of the Code and raising awareness

This Code is brought to the attention of all those concerned by means of appropriate communication and awareness-raising activities.

The Group promotes the knowledge of and compliance with the Code of Ethics. All Recipients are required to know the contents of this Code and, in case of doubt, to ask and receive, from the relevant company functions, the appropriate clarifications regarding its interpretations, as well as to observe it and contribute to its implementation, reporting any deficiencies and violations (or even only attempted violations) of which they have become aware.

The administrative and organisational structures, in their various forms, undertake to disseminate the Code of Ethics and to promote its observance. To this end, the Group promotes the presence of the Code, both through the normal system of internal communications, circulars and operating manuals, and through the company's intranet site.

Any change in the code is communicated in the manner set out above. With specific reference to Collaborators and Third Parties, any revision of the Code is communicated exclusively by updating it on the website of Banca Valsabbina.

The Group devotes particular attention to training aimed at raising awareness among the personnel on the monitoring of the risks of non-compliance with self- and hetero-regulatory standards (e.g.: regulations on anti-money laundering, transparency, prevention of the offences referred to in Italian Legislative Decree 231/01, provision of investment services, privacy, etc.).

Article 4 - Compliance with applicable laws and regulations

The Group undertakes, through the adoption of prevention and control measures deemed necessary, to ensure full and unconditional compliance with the laws and regulations in force in each geographical context and operating area, at all decision-making and executive levels.

Personnel, on all occasions related to the performance of professional services on behalf of Group companies and on all occasions involving their interests, must comply with the laws and regulations in force, also refraining from forcing or instigating others, colleagues or workers outside the Group, to violate or circumvent, even slightly, these provisions.

Group personnel are required to be familiar with the laws, regulations and internal rules relating to their duties and, in case of doubt, to request information and clarifications from the relevant company sectors/services.

The personnel must:

- refrain from behaving contrary to the Code of Ethics and comply with the body of corporate law;
- direct colleagues in their organisational units to fully comply with the Code of Ethics;
- disclose this Code to third parties with whom the Group and its companies have a legal relationship;
- report any violation of the Code of Ethics in that any behaviour contrary to the letter and spirit of the Code is relevant in terms of regulations. The reporting methods, the system of sanctions applicable and the checks are dealt with in the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01, to which express reference is made.

GENERAL PRINCIPLES

Article 5 – Fairness, honesty and impartiality

All the actions and operations carried out and, in general, the behaviour adopted in the performance of the work activity is based on the principles of honesty, integrity, fairness, professionalism, transparency and loyalty.

The Group undertakes to comply with the regulations in force in the various areas of activity in which it operates and with the principles on the protection of human rights, protection of work, recognition of fair competition, fight against corruption, organised crime and terrorism.

Any behaviour aimed at favouring corrupt practices and/or collusive attitudes, also committed through third parties, aimed at obtaining personal advantages or advantages for Group companies is expressly prohibited.

In its relations with most of the subjects with whom it operates, and in particular with its customers, the Group undertakes to promote equal treatment, avoiding any discrimination based on age, sex, state of health, nationality, political opinions and religious beliefs of its stakeholders.

In carrying out its professional activities, the Group requires each Recipient to behave in line with the principles of fairness and honesty and in a manner that respects the inherent duties of confidentiality of the management of information in its possession. From this point of view and by way of example, they refrain from behaving in the workplace in a manner that is not based on fairness and maximum respect for the dignity and moral personality of each individual and from engaging in activities, even in private life, that are potentially prejudicial to their financial situation (such as, for example, gambling, betting) or in any case unlawful or ethically incorrect.

Every operation and transaction carried out in the interest of the Group or that involves in any case its name and reputation must be based as much as possible on the correct management, completeness and transparency of information, formal and substantial lawfulness and clarity and truth in accounting records, in accordance with the regulations in force and with the procedures adopted by the Group, and must also be suitably documented and checked.

Article 6 – Information confidentiality and data processing

The Recipients, also in compliance with the law provisions, must use the utmost confidentiality to process the information in their possession regarding the activities of the Group and its customers.

Confidential information means data and knowledge not accessible to the public, processed or recorded in any way, relating to the Group's organisation, company assets, planned or initiated commercial and financial transactions, judicial and administrative proceedings, relations with customers and other institutional counterparties.

No confidential information relating to the Group, acquired or processed in the course or on the occasion of the various activities, can be used, communicated to third parties or disseminated, except within the limits of the requirements imposed by proper working activity and, in any case, never for purposes other than institutional ones.

In the event of relationships with other Market's competitors, the recipients are not allowed to transmit information in their possession, either referred to the Group and /or to the clients, neither in confidence

The persons of the Group who, according to the internal regulations, are aware of confidential information, or who occasionally become aware of it, are required to comply with the confidentiality obligations established by the Group.

Without prejudice to the exercise of political and trade union rights and in compliance with the constitutional principles of freedom of expression, the Recipients are obliged to refrain completely from publicly expressing (including through the use of any social network or blog) any type of opinion that is detrimental to the reputation or image of the Group and to disseminate news or communications or opinions on its behalf without express authorisation.

The Group is actively involved in the processing of personal data in accordance with the regulatory provisions in force on personal data protection. The maximum collaboration with the Privacy Guarantor is ensured following requests for information and documentation and/or inspections.

Article 7 - Information transparency and related obligations

The Group considers it a priority to communicate transparently not only with its stakeholders but with all subjects and, in particular, with those representing the territories and local communities in which it operates, with institutions of social and cultural interest and with religious institutions, keeping the channel of communication always open in order to perceive their needs.

The information disseminated by the Group, both to the public and to the Authorities, must be timely, complete, transparent, comprehensible and accurate, in accordance with the law provisions in force and in compliance with internal regulations, so as to allow anyone to make informed decisions.

The dissemination of such information as well as direct relations with journalists and the media are permitted only to the subjects identified by company regulations and are subject to compliance with the time limits and methods provided for therein and, in any case, without prejudice to the confidentiality obligations deriving from the law or from contracts.

Insider dealing is prohibited. Inside information means information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments. The processing and circulation (including within the Group) of inside information must be carried out in strict compliance with applicable laws and regulations.

It is prohibited to disseminate false information (not only relating to Group data) or to carry out simulated transactions or other devices such as to cause a significant alteration in the price of listed or unlisted financial instruments or to have a significant impact on the trust that the public places in the financial stability of the Group or of any other company.

All Recipients who, for whatever reason (even as mere data providers), are involved in the preparation of the financial statements and similar documents, or in any case of documents representing the financial position, the results of the operations and of the cash flows of the Group, are prohibited from presenting untrue facts, even if subject matter of the evaluation, or omitting information or concealing data in direct or indirect violation of regulatory principles and internal procedural rules, so as to induce anyone to make a mistake.

The Group is actively involved in protecting the inside information in its possession, in compliance with law provisions.

Article 8 - Conflicts of interest

In carrying out all its activities, the Group is involved in correctly managing real or even merely potential situations of conflict of interest in which it may incur, guaranteeing the necessary transparency.

Employees, members of corporate bodies and, in general, all those who act in the name and on behalf of the Group, must avoid any possible situation of conflict of interest.

By way of example but not by way of limitation, the following situations may determine conflicts of interest:

- participating in decisions concerning business with subjects with whom a business representative, an employee or a close family member of the employee has an interest or from whom a personal interest may arise;
- using the Group name for personal gain;
- proposing or accepting agreements that may result in personal gain;
- carrying out deeds, entering into agreements and in general behaving in any way that may, directly or indirectly, cause damage to the Group, including in terms of image and/or credibility on the market;

- being in conflict with the interests of the Group, by affecting the decision-making autonomy of another subject responsible for defining commercial relations with or for the Group.

Employees who find themselves in a situation of conflict of interest, even if only potential, must immediately inform their direct superior who assesses the behaviour to be adopted.

Taking on any management or administrative assignment outside the Group always requires a prior written notice and consequent authorisation pursuant to the current National Collective Labour Agreement.

Article 9 - Management of financial resources and mitigation of related risks

Financial resources must be managed in compliance with the principles of transparency, lawfulness and traceability of operations.

The Banca Valsabbina Group, its Employees and Collaborators undertake to comply with all regulations and provisions, both national and international, regarding the prevention of the risk of involvement in money laundering and the financing of international terrorism, including the regulations set out in Italian Legislative Decree 231/2007 and relating to its implementation, by preparing specific internal measures to check the origin of financial flows.

It is absolutely prohibited for each Group employee to receive or conceal money or things coming from any crime, or to contribute to their purchase, receipt or concealment in order to obtain a profit for themselves or others.

Any recipient of this Code who is authorised, for reasons of duty, to manage cash flows from and to the outside is required to use special caution in checking the origin and recipient of funds, i.e. goods of any kind.

Article 10 - Transparency of accounting and tax documents

Accounting and tax transparency is based on the truth, accuracy and completeness of the basic information for the relevant accounting records. The Recipients are required to collaborate, within the scope of their responsibilities, so that the operational transactions are correctly and promptly represented in the management and administrative system.

All those who, due to their position, individually or collectively take decisions and resolutions relating to the management of Group companies and to their governance, are required:

- to strictly comply with the Law provisions, the Articles of Association and internal regulations relating to the operation of corporate bodies (in particular, the Shareholders' Meeting) as well as to share-capital reductions, mergers or demergers of companies;
- to be correct, lawful and honest in the processing of the company's data, accounting documents and financial statements and in their external representation, also for the purpose of guaranteeing the rights of the Shareholders;
- to comply with the principles of loyalty, fairness and transparency in their activities and in their relations with the supervisory and audit functions and authorities;
- to apply the principles of confidentiality, fairness, transparency, clarity, truthfulness and completeness in the activities relating to the circulation and dissemination of information concerning the Company, both internally and externally;
- to send clear and truthful communications to the outside world in accordance with company policies and programmes;
- to prohibit behaviour or give rise to omissions that may lead to the recording of fictitious operations or to the misleading recording of operations and transactions and, more generally, a behaviour that may prejudice the transparency and traceability of tax and financial information;
- to cooperate with the Board of Statutory Auditors and with the Independent Auditing Firm in charge of the audit, promptly complying with any lawful request from such bodies and avoiding omissive and obstructive behaviour.

Adequate supporting documents are retained on file for each operation so as to allow:

- easy and accurate accounting entry;
- the identification of the different levels of responsibility and of division and segregation of duties;
- the accurate reconstruction of the operation, also to reduce the probability of material or interpretation errors.

All Group personnel involved in the accounting and preparation of financial statements are required to comply with the accounting standards in force. All transactions and operations must therefore be properly recorded in the accounts, so as to make it possible to check the process of decision, authorisation and carrying-out, as well as the characteristics and reasons for such transactions, identifying also the subjects who authorised, carried out, recorded and checked them. Each entry reflects what is shown in the supporting documents. All Recipients are responsible for ensuring that the documents are easily traceable and sorted according to logical criteria.

Recipients who become aware of omissions, falsifications, negligence in the accounting or documents on which the accounting records are based, must report the facts to the competent bodies.

Article 11 - Health and safety at work - Environmental protection

The Group is responsible for the physical safety and moral integrity of its personnel, which are considered primary values. The Group provides a working environment that complies with current health and safety regulations by fulfilling all law obligations relating to this matter.

In particular, risk monitoring, management and prevention activities ensure compliance with:

- the legal, technical and structural standards relating to equipment, plants, workplaces, chemical, physical and biological agents;
- the risk assessment and preparation of the ensuing prevention and protection measures;
- organisational activities, health surveillance, information and training, and supervision with reference to compliance with procedures and instructions for safe work;
- the acquisition of documents and certifications required by law;
- the periodic checks of the application and effectiveness of the adopted procedures;
- the prevention of crimes committed in violation of health and safety regulations.

The Recipients strictly comply with the prevention and safety measures put in place.

The Group is sensitive to the protection of the environment as a primary asset. To this end, it directs its choices, including the selection of suppliers, so as to ensure compatibility between economic initiative and environmental requirements in compliance with the regulations in force, paying special attention:

- to the collection and disposal of waste;
- to the use of qualitatively eco-sustainable energy sources;
- to reducing energy consumption;
- to the prevention of crimes committed in violation of the law requirements on environmental protection.

Article 12 - Benefits or gifts, received or offered

The pursuit of the Group's interests can never justify a behaviour contrary to the principles of fairness and honesty; for this reason, too, forms of benefits or gifts, received or offered, whose value could be understood as a tool to affect the independence of judgement and behaviour of the parties involved, are refused.

Therefore, the personnel are prohibited from offering, donating, asking for or accepting, also through a third party, remuneration or other personal benefits related to the management of the Group's activities, which are not of low value and are not generally considered as a common gesture of courtesy or of a commercial nature, acceptable and lawful according to current management practice.

The prohibition applies to what is given to (or received from) any person, including, for example, other Employees, future employees, customers, civil servants, public officials, competitors, suppliers and other persons with whom the company has, or would like to have, business relationships.

In any case, everyone is obliged to inform their superior and the Supervisory Body of any demand or offer of particular advantages proposed directly or indirectly to them.

The gifts used to support the current carrying-on of business are intended exclusively to promote the image of the Group and cannot exceed, in value and/or intensity, normal business practices and courtesy or, in any case, compromise the independence of judgement, operational correctness, integrity and reputation of the recipient.

Recipients are prohibited from accepting direct or indirect gifts, benefits or advantages of any kind or type, from suppliers or would-be suppliers, unless of low value: in case of doubt regarding this requirement, the prior written consent of the direct supervisor is required.

Gifts are allowed only if and within the limits approved by the management body and/or by the bodies delegated by the latter.

Article 13 - Use of company assets

The management and use of company assets must be based on the principles of integrity, fairness and responsibility; in particular, all Recipients are required to respect and safeguard the assets owned by the Group, as well as prevent their fraudulent or improper use.

The IT tools made available must be used exclusively for the carrying-out of work and in such a way as not to cause damage to the Group and its information system.

Each person is directly and personally responsible for the protection and conservation of the assets entrusted to him/her to carry out his/her tasks as well as for their use in compliance with the rules established on the conservation, protection and use of the assets.

In the light of the principles indicated above, it is prohibited to:

- tamper with the protection systems of the company's IT systems and of any entity with which the Group has working relations;
- fraudulently create, modify, export or delete Group and/or third party data;
- have unauthorised access to the computer network of Group companies and third parties;
- install devices for interception of communications of third parties;
- install and disseminate unlawful programmes or viruses through the company network.

Recipients must pay the same attention and caution when sending emails and use the same manners as for ordinary mail.

With regard to any Internet connection made available, as well as the telephone, including mobile phone, and email, the use of these tools must be limited to business purposes.

The use of company cars and of all the goods and services for which the Recipients obtained the possibility of using them due to the functions entrusted to them by the Group is strictly limited to company requirements. Mixed use is possible only in cases, ways, limits and conditions in which it is permitted by internal regulations or in special cases, if any, where provided for in the employment contract.

The expenses incurred by the Recipients for transport, board and lodging are refundable by the Group, exclusively and strictly within the limits, times and methods provided for by internal regulations.

Article 14 - correctness towards competitors, unfair business practices and misleading advertising

The Group recognize the value of a competitive market, strongly support the principle of the fair competition, both for business and consumer's interests, and supports the spread growth of this principles

The corporate activities are always complying with applicable laws and regulations and are to be applied in order to protect a free and fair competition (anti-trust Regulation), and reflect the meaning of the competition as integrant part of the corporate culture.

To be compliant with the a/m principles and behaviors means, inter alia, that the Group undertakes:

- To promote innovative behavior also favorable for competition;
- To oppose and reject any kind of behavior aimed to obtain confidential information concerning competitors, fully respecting the applicable antitrust and fair-competition regulation, with the commitment not to engage actions in breach of such regulations
- To promote in all sectors of his corporate activity, including business relationships, fair behaviours, at the same time condemning and avoiding both disruption to industry and trade freedom, and all kinds of unfair competition, fraud, falsification and or adulteration and or unlawful use of industrial properties, also imposing to all people working in the Group's interest the strict compliance to the rules concerning protection of authentication, certification and identification tools or signs, concerning protection of industry and trade and concerning copyright .
- To pursue factory goals fully respecting applicable laws and rules, assuming that fair competition is a positive motivation to the continuous improvement in offered product and services quality, aligning all business activities to principles of loyalty and fairness.

During placement and distributions of products, the Group aim for their typical competitive value, avoiding sentences that may be considered virtually tendentious or deprecative in respect to other competitor's products

All comparison with other products supplied by competitors must be fair and correct and founded on objective considerations, based on the actual quality of such products.

The recipients cannot agree with nor share with competitors about product pricing, neither about market sharing, furthermore they cannot conclude with clients agreements limiting the client advisability to deal with different competitors.

The group is aware about the importance of executing transparent (not unfair) business practices, and not doing misleading advertising, even in compliance with the provisions of the Consumer Code.

This means, inter alia, that the Group is committed:

- Avoid misleading and aggressive business practices
- Avoid misleading advertising

SCOPE OF APPLICATION

Article 15 – Relations with shareholders and the financial community

It is in the Group's primary interest to enhance the investment of its shareholders by implementing a policy that pursues the creation of value over time.

In order for investor decisions to be based on a correct assessment of corporate policies, operating performance and expected return on investment, the Group provides all the necessary information, not only with the instruments established by law, but also with presentations to institutional investors, analysts and the entire financial community at the time of the main financial deadlines and any extraordinary transactions.

Information that may have an effect on the trend of market trading is disseminated in accordance with the criteria and methods established by the regulations in force.

The Group undertakes to guarantee the utmost substantial and procedural correctness and transparency in the management of transactions with related parties, ensuring, where required, appropriate information to the market.

Article 16 - Relations with customers

In its relations with customers, the Group is committed to creating and developing trustworthy relationships and relationships of mutual and lasting satisfaction.

To this end, the Recipients are required to base their behaviour on principles of correctness, professionalism, proactivity, courtesy, transparency, collaboration and listening, providing adequate, complete and timely information on the products and services offered. The products and services offered to the customer must meet its real needs and resorting to elusive practices or to practices in any way aimed at forcing its judgement or its behaviour is not allowed. Customers are clearly and completely informed about the products and services offered and the relevant conditions applied, in order to facilitate understanding and making informed choices.

The Group adopts corporate policies that are consistent with the rules and principles of the regulations of reference, which constitute a significant aspect of its reliability on the market and in relations with customers. In order to protect the Group's image and reputation, it is essential that relations with customers are based on compliance with the law, with a special reference to the provisions on anti-money laundering and self-money laundering, anti-usury, transparency and privacy, as well as on supervisory regulations.

While not precluding in principle any customer or category of customers, the Group does not intend to keep up relations, directly or indirectly, with persons or entities known to be involved in the commission of crimes or suspected of being part of or linked to criminal or terrorist organisations or operating in countries where embargo measures are in force and to which the Italian State is party. More specifically, on the basis of public and/or available information in compliance with the regulations in force, the Group avoids:

- relations with subjects involved in unlawful activities, in particular those related to arms trafficking, money laundering, terrorism, smuggling, trafficking in narcotic drugs or psychotropic substances and, in any case, with subjects without the necessary requisites of seriousness and commercial reliability;
- maintaining financial relations with subjects who, indirectly or otherwise, hinder human development and contribute to violating the fundamental rights of the individual (e.g. by exploiting child labour, favouring the smuggling of migrants or sex tourism, etc.).

Any customer complaints are handled with sensitivity and according to specific internal procedures in that they represent an opportunity for improvement to overcome conflicts and improve customer confidence and satisfaction.

Article 17 - Relations with employees and collaborators

The Group promotes the highest degree of professionalism in its Employees and Collaborators.

The Group hires its own personnel only under a regular employment contract since no form of irregular work is tolerated. It is prohibited to establish any employment relationship with subjects without a residence permit

or to carry out any activity aimed at facilitating the illegal entry into the territory of the State of illegal immigrants.

The Group considers it essential that its personnel are selected according to transparent criteria, based on the verification of professional requirements, guaranteeing equal opportunities. The professional and personal profiles of the candidates are therefore objectively assessed in the exclusive interest of the Group in hiring or promoting the most suitable persons for the positions in question.

All Employees are equally guaranteed equal opportunities for professional growth and career advancement, in accordance with the principles of meritocracy, transparency and fairness. The Group avoids any form of discrimination and guarantees transparency in the management and career development phase of its personnel.

The Group provides its employees with training and refresher courses suitable for achieving a degree of professionalism appropriate to the performance of the tasks assigned to them and enhances their attitudes and skills over time.

The Group believes that respect for the personality and dignity of each employee is fundamental to the development of a work environment based on mutual trust and loyalty. Behaviour that may prejudice the dignity, integrity and freedom of the person are deemed to be inadmissible; sexual harassment, physical or psychological harassment, mobbing and stalking are not tolerated.

The Group recognises the importance of internal corporate communication as a tool for sharing institutional information and a motivational vehicle for its personnel and encourages it with appropriate tools and initiatives.

The Group enhances the spirit of corporate belonging and that of solidarity with and between people. A positive working climate is therefore fostered, which enhances individuality and interpersonal relationships, encouraging the strengthening of a sense of belonging and team spirit.

The Group rewards its Employees for the results obtained in compliance with the remuneration and incentive policies in line with the company's strategies, objectives and results, including long-term ones, appropriately adjusted to take account of the risks assumed, in line with the levels of capital and liquidity necessary to support the undertaken activities. This system avoids distorted incentives that could lead to violations of regulations or excessive risk-taking.

The Group enhances its Employees and Collaborators who undertake to take care of their skills and professionalism, enriching them with the experience and collaboration of their colleagues, as well as to adopt a constructive and proactive attitude, stimulating the growth of their Collaborators based on principles of professionalism, transparency, fairness and honesty, collaboration with colleagues and superiors.

Information concerning personnel, and in particular confidential information or information concerning sensitive data, is processed, in accordance with the applicable regulations of reference, in such a way as to ensure maximum transparency towards those directly concerned and inaccessibility by third parties.

Article 18 - Relations with suppliers of goods and services

The Group develops relationships with its suppliers based on fairness and transparency.

They are selected after checking the requirements of integrity and professionalism, as well as technical and reputational requirements with a special attention to the areas of anti-money laundering, financing of terrorism and conflict of interest, pursuing the best value for money, ensuring, where possible, the turnover of suppliers.

By way of example but not by way of limitation, the Group does not have any relations with subjects:

- involved in activities related to arms trafficking, money laundering, terrorism, smuggling, trafficking in narcotic drugs or psychotropic substances;
- who, indirectly or otherwise, hinder human development and contribute to violating the fundamental rights of the individual (e.g. by exploiting child labour, favouring the smuggling of migrants or sex tourism, etc...);

- who employ foreign workers without a residence permit or whose stay is irregular, or who recruit or employ labour, including through intermediation, subjecting workers to exploitation conditions taking advantage of their state of need.

Employees and/or Collaborators involved in the purchasing process:

- operate in compliance with the principles of loyalty, integrity, confidentiality, diligence, professionalism and objectivity of judgement, ensuring in the purchasing activity on behalf of the Group the observance of all relevant regulatory provisions;
- are required to comply with the principles of impartiality and independence in the carrying-out of the tasks and functions entrusted to them;
- must remain free from personal obligations towards suppliers; any personal relations of Employees and/or Collaborators with suppliers must be reported to the General Management or to the Head of the organisational unit to which they belong before each negotiation;
- must maintain relations and conduct negotiations with suppliers so as to create a solid basis for mutually beneficial and long-term relations, in the interest of the Group;
- are required to report immediately to their manager and to the Supervisory Body any attempt or case of alteration of normal business relations;
- must not offer goods or services, in particular in the form of gifts, to personnel of other companies or bodies in order to obtain confidential information or significant direct or indirect benefits, for themselves or for the Group, without prejudice to the provisions of the general provisions of this Code of Ethics;
- must not accept goods or services from external or internal subjects in exchange for the release of confidential information or the start of actions or behaviour aimed at favouring such subjects, even if there are no direct repercussions for the Group.

Article 19 - Relationships with Control bodies, independent auditing firms and other structures

The Group ensures the correct performance of the control or audit activities legally assigned to the shareholders, the Board of Statutory Auditors and the Supervisory Body.

The Group envisages a system of internal controls, entrusted to adequate and structured functions in accordance with law requirements, secondary regulations and self-regulation rules.

Each recipient, as part of his or her own functions and tasks, must be actively instrumental in improving the operation of the internal control system and in developing a control culture.

Article 20 - Relations with Supervisory and controlling authorities

Institutional relations with the Supervisory Authorities are based on principles of fairness, transparency, professionalism and availability, in respect of their reciprocal roles, excluding any behaviour and/or attitude aimed at improperly and/or unduly influencing their work or which may even appear to be so.

The Group, with the help of expressly dedicated functions, maintains - where provided for - constant and punctual information flows with the Authorities, ensuring the completeness, truthfulness and integrity of the provided information, the objectivity of the assessments and the timeliness of the forwarding.

Communications addressed to the bodies in charge of control (Statutory Auditors, Independent Auditing Firm and Supervisory Body, Company Control Functions) must be complete, true and correct. It is prohibited to present facts that do not correspond to the truth, albeit assessed, on the economic or financial situation of the companies of the Group or to conceal, by other means, facts concerning the same situation that should have been communicated.

It is prohibited to prevent or in any case hinder the carrying-out of the control activities assigned to the bodies themselves.

Article 21 - Relations with the Public Administration

In relations with the Public Administration, it is prohibited:

- to influence official acts, omissions or any decision in violation of an official duty by a Public Official;
- to unduly offer or promise to a Public Official, officers, public employees or persons in charge of public functions as well as subjects belonging to the Public Administration, money or other benefits;
- to accept or press for requests for money or other benefits, or to authorise someone to do so, from a Public Official or a person in charge of a public service in order to obtain, secure or maintain an advantage in relation to business activities.

Therefore, it is not permitted, either directly or indirectly or through a third party, to offer or promise money, gifts or remuneration, in any form whatsoever, or to exert unlawful pressure or promise any object, service, performance or favour to executives, officers or employees of the Public Administration or to persons in charge of a public service or to their relatives or cohabitants in order to induce them to perform an official measure or a measure adverse to official duties (the purpose of favouring or damaging a party in civil, criminal or administrative proceedings in order to bring a direct or indirect advantage to the Group should also be considered as such).

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

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

The provisions indicated in the preceding paragraphs must not be circumvented by resorting to various forms of aid and contributions that, in the form of assignments, consultancy, advertising, etc., have the same purposes as those prohibited by this paragraph.

If business relations are established with the Public Administration, including participation in public tenders, it is necessary to always operate in compliance with the law and good business practice.

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

- examine or propose employment and/or business opportunities that may benefit civil servants or persons related to them;
- offer or in any way give gifts;
- press for or obtain confidential information that may compromise the integrity or the reputation of one or both parties.

It is prohibited to use or present forged or untrue statements or documents, or to omit information in order to obtain, for the benefit or in the interest of the Group, contributions, loans or other disbursements, however called, granted by the State, by a Public Body or by the European Union.

It is also prohibited to use contributions, loans or other disbursements, however called, granted to the Group by the State, a Public Body or the European Union for purposes other than those for which they were assigned.

If the Group uses consultants or, in any case, subjects external to the Group to represent it in relations with the Public Administration or with public service concessionaires, third parties involved are expected to accept the rules of the Code.

Article 22 - Relations with political organisations and with trade unions.

The Group does not make charitable donations, nor does it support them through sponsorships, movements or organisations with political purposes.

The personal participation of the recipients in political organisations takes place without any connection with the function performed within the Group and in accordance with the procedures envisaged by the laws in force.

The Group bases its dialogue with trade unions in a responsible and constructive manner, by promoting a climate of mutual trust and dialogue, in the continuous search for profitable industrial relations.

Article 23 – Relations with other market competitors and Trade Associations

Relationships with others entities, both Banks and different Financial Institutions, must always respect free and fair competition, within loyalty, correctness and transparency criteria.

It is absolutely forbidden: the utilization of information, howsoever acquired, aiming for misleading or defamatory purposes; dumping; creations of trust, even if temporary.

Relationships with Trade Associations must aim at maximum loyalty and cooperation, avoiding behaviors, initiatives and communications that use Trade Association's not yet public confidential information, nor that take undue advantage from the use of institutional communications (i.e. press releases, advertising campaign and so on).

REPORTING OF VIOLATIONS AND FINAL PROVISIONS

Article 24 – Reports

Each recipient is obliged to immediately report possible violations of this Code or of the Organisation, management and control model adopted by the Group pursuant to Italian Legislative Decree 231/01 of which he/she is aware of. The report must be made to the Supervisory Body, for matters of direct concern, to the email addresses that the Group makes known with the tools it considers most appropriate.

The Group undertakes to investigate in relation to any violation of which it becomes aware otherwise.

The reports of violations are taken into consideration only where they contain sufficient information to identify the terms of the violation and to enable an appropriate investigation to be carried out.

The Group does not tolerate any kind of retaliation for reports made. In any case, the identity of the reporting party must be kept confidential, without prejudice to law obligations and the protection of the rights of the Group or of persons accused wrongly or in bad faith.

All recipients of the Code are also required to cooperate in internal investigations into violations and behaviour not in line with this Code.

Article 25 - Consequences of breaching the Code

The Group does not tolerate any violation of the provisions contained in this Code.

They are subject to the same penalty system envisaged in the Organisation, management and control model adopted by the Group pursuant to Italian Legislative Decree 231/01 or to sanctions provided for by other codes or labour legislation.

The competent company functions report to the Supervisory and Administrative Bodies, analytically reporting the most significant violations, including those attributed to non-employee Recipients, as well as the consequent measures adopted or in the process of being adopted.

With regard to suppliers, external collaborators, consultants and commercial "partners", the Group assesses the possible termination of the respective contracts if it becomes aware of unlawful behaviour:

- pursuant to Italian Legislative Decree 231/2001;
- or, where contractually agreed, in accordance with this Code.

As far as the members of the corporate bodies are concerned, any violation on their part, unless otherwise provided for, is sanctioned, with measures proportional to the violation, by the Corporate body to which they belong.

Article 26 - Procedure for reviewing the Code

In case of amendments to the current law or to the Group's organisational structure, and in any case where it is deemed appropriate, the Supervisory Body proposes to the Board of Directors the amendments to be made to this Code of Ethics.

Amendments to the Code are widely disseminated and made public in accordance with the general provisions.

Article 27 - Entry into force

This Code (and any subsequent amendments/updates thereto) enters immediately into force on the date of its publication on the company's intranet.