

CODE OF ETHICS

Approved by the Board of Directors of the Istituto Centrale delle Banche Popolari S.p.A. on 15 November 2013.

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1. Introduction

With the introduction of Legislative Decree no. 231 of 8 June 2001, the legislator introduced, for the first time in Italian law, administrative liability of legal entities, for acts constituting criminal offences. This liability is in addition to that of the natural person who materially committed the criminal act and is treated as independent with respect to the latter.

The Istituto Centrale Banche Popolari Italiane S.p.A. Group (hereinafter referred to as "Group"), meaning the Parent Company Istituto Centrale Banche Popolari Italiane S.p.A. and the companies it controls, has adopted this Code of Ethics (hereinafter "Code", for the purpose of setting out, clearly and transparently, the series of values on which the performance of its business operations is based.

The Code contains references and guiding principles, complementary to statutory requirements and self-regulation, providing guidance for conduct, on a continuous basis and in a consistent manner, with the Group mission and its fundamental values.

The Code of Ethics is the foundation to which the prevention control system is anchored, entrusted to a special Compliance Board vested with autonomous powers of action and control.

The Code and any updates are defined and approved by the Board of Directors of the Parent company of ICBPI, that sends them to all Group companies for relevant adoption.

2. Scope of application and recipients

The principles and the provisions of the Code are binding on Directors, Statutory Auditors, employees, temporary staff, consultants and co-workers, whatever their role and agents, attorneys-in-fact and any other person or party that may act in the name and on behalf of the Group (hereinafter collectively the "Recipients").

Recipients of this Code are required to have read and know the subject matter and comply with its rules and standards.

Given the wide range of activities in which the Group is engaged, any conduct, even if it has not been expressly considered in the Code, is required to be based on criteria of legality, transparency, common sense and personal ethics, in line with the corporate values and procedures and understanding that the Group shall not be exposed to regulatory risks and those affecting its good standing.

The principles contained in the Code of Ethics supplement the rules of conduct which Recipients are required to comply with, in accordance with applicable legislation, employment contracts, internal procedures and codes of conduct which the Group has endorsed and issued internally.

The Code prevails over any provision contained in internal policies and procedures which may be in conflict with the provisions provided therein.

3. Principles and values

The Group, in pursuing its mission, adopts the principles of fairness, correctness and transparency.

The conduct guidelines, embraced by all those who participate in corporate activities, are intended to implement the reference principles shown further on.

3.1. Ethics and values

The Group has as its objective the realisation of its institutional purposes and through this, also to contribute to creating and maximising value for shareholders.

In conducting its business, the Group operates in compliance with applicable legislation and aligns its business activities with the principles of fairness, correctness, transparency and compliance with the ethical rules contained in this Code, a key component of the Organisational Model and the entire internal control system.

The Group promotes the creation of an atmosphere marked by a strong sense of ethical integrity, in the belief that said factor is decisive for an effective internal control system, positively influencing attainment of the Company's success.

3.2. Objectives and values

In pursuing its business objectives, the Group believes in the need to obtain performance excellence in terms of quality and value of products and services offered, solely in compliance with the principles of correctness and professional ethics.

To this end, criteria of economy and efficiency are defined, through the optimisation of production processes, with the aim of providing solutions and services for ensuring the maximum efficiency of the processes of financial intermediaries and maximising the quality/cost ratio, achieving in this way full customer satisfaction.

Resources are employed responsibly, striving for sustainable development, while respecting the environment and the rights of future generations.

The Group is committed to fair competition, considering it functional to its interests, to that of market competitors, customers and stakeholders in general.

The Group protects and enhances the human resources it employs, ensuring defined career paths and guaranteeing the professional growth of its staff also through attendance of specialised training courses.

3.3. Compliance with applicable laws and standards

Compliance with existing laws and standards is a fundamental commitment of the relationship between the company, its corporate bodies, their members and every employee in the Group.

This commitment is extended to consultants, suppliers, customers and anyone who has or intends to have dealings with the Group. Business relations with those who do not embrace this principle will not be established or will be suspended.

The Group rejects the use of unlawful or, however, improper conduct (towards the community, public authorities, customers, workers, investors, suppliers and competitors).

The Group promotes the adoption of all organisational tools for preventing breach of legal provisions and the principles of transparency, fairness and loyalty by its employees.

The Group ensures an adequate program of continuous training and awareness on issues related to the Code of Ethics.

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3.4. Fairness, transparency and impartiality

In dealings with third parties, such as shareholders, employees, customers, and suppliers, the Group adopts conduct inspired by the principles of utmost fairness and transparency.

The Group strictly adopts objective assessment criteria and does not permit any discrimination based on age, health status, gender, religion, race and political and cultural opinions.

All Recipients are forbidden from receiving, paying and/or promising, directly or indirectly, money, benefits and/or rewards of any kind to third parties, representatives of governments, public or private sector officials, including persons occupying senior management positions (such as directors, general managers, executives responsible for drafting corporate financial reporting documents, statutory auditors and receivers) of corporate counterparts and/or affiliated entities, for the purpose of unduly and/or unlawfully influencing their actions, also by resorting to unlawful mediation. In any case, the Group shall act in compliance with the reciprocal roles: business courtesies, such as entertaining expenses or gratuities are permitted only if of a modest value or such that they do not compromise the integrity or reputation of the parties and such that they may not be interpreted as intended for obtaining advantages in an improper manner.

The Group condemns any form of corruption with no exceptions, whether as corruptor or corruptee, also when committed against private individuals. Therefore, any form of favoritism is prohibited, aimed at:

- inducing a Public Official to adopt improper conduct in any role of a public nature or non-compliant with or contrary to his/her public duties, unduly influence and/or unduly influence the actions of a private sector counterpart.
- influence an official act (or omission) by a Public Official or any decision breaching his/her official duty; in any case, breach applicable laws, specifically for the benefit or in the interest of the Company.

This ban is not limited to the payment and/or promise of money, including, but not limited to, for the purposes of corruption:

- promise and/or offer of gratuities exceeding a modest value;
- promise and/or offer of contributions in kind, such as sponsorships;
- promise and/or offer of employment;
- dissemination of confidential information (insider trading) capable of influencing the market;
- other benefits or other rewards.

3.5. Confidentiality

The Group retains data and information which is confidential, including personal and business data processed in the performance of its business operations on behalf of its customers, ensuring full and timely compliance with security and protection measures.

3.6 Professional contribution made by human resources

The Group promotes continuous enhancement of the technical and professional skills of its human resources, with the aim of protecting and enhancing their value.

3.7 Work environment and conditions

The Group promotes the creation of safe and healthy work environments and working conditions which respect the dignity of individuals, as factors for promoting the physical and moral integrity of employees and co-workers. The Group also promotes the creation of a work environment in which personal attributes and orientation may not give rise to discrimination and may promote the wellbeing of all employees and/or co-workers.

3.8 Innovation and technological excellence

The Group assures quality, security, confidentiality, reliability and continuity of services through the constant upgrading of IT architecture to meet advancements in technology.

It identifies the best opportunities offered on the domestic and international market for creating innovative solutions and services, also through partnerships.

4. Corporate management principles

4.1. Administration and financial reporting

The preparation of the financial statements and any other type of reporting documentation is required to be carried out in compliance with current industry laws and standards, taking into account the most advanced practices and financial reporting principles.

Accounting records and financial statements are required to faithfully represent management events (business, assets and liabilities and financial position), in accordance with criteria of clarity, truthfulness and fairness.

Individual operating events and transactions, also for the purpose of identifying the reasons for the transaction and the different levels of responsibility, are required to be reconstructed and faithfully represented in the administrative/accounting systems.

Each recording is required to reflect exactly what is shown in supporting documentation; for this purpose, all documentation is required to be appropriately archived and ordered adopting logical criteria.

It is prohibited to engage in conduct that may adversely affect transparency and the traceability of financial reporting records.

4.2. Internal controls

An efficient and effective internal control system is a necessary condition for ensuring compliance with laws, internal procedures, the protection of company assets, efficient management and an administration ready to provide accounting and financial reporting data in a true and complete manner.

All Recipients of the Code are therefore called upon to contribute to ensuring that the internal control system operates in the best possible way.

The Compliance Body and Internal Control Committee, the Audit Service and the appointed independent auditing companies have free access to data, documents and information useful for conducting their activities.

5. Relations with shareholders

In pursuing its goal for creating value, the Group acts by providing shareholders with suitable, timely and comprehensive information about the salient aspects on corporate business management,

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basing its conduct, in addition to the principles and the values which have already been recalled, also on criteria of maximum transparency.

Furthermore, the Group is committed to taking into due consideration the recommendations expressed by shareholders at the appointed times and places.

It is forbidden to perform any act, fictitious or fraudulent, aimed at influencing the will of members of the Shareholders' Meeting, for obtaining the irregular formation of a majority and/or a decision other than that which would have been otherwise adopted.

5.1. Privileged Information

The Group guarantees the correct management and protection of privileged information, safeguarding its accuracy, completeness and record-retention methods, in compliance with legislation and relevant procedures.

6. Relations with employees and co-workers

6.1. Selection and management of human resources

In the search and selection of personnel, the Group adopts objective, skills-based criteria which also take into account professional expertise, adopting the principle of equal opportunities without favouritisms, with the aim of ensuring that it recruits the best possible competences available on the employment market.

The management and development of human resources are a strategic factor for the Group.

Therefore, corporate plans and suitable training programmes are implemented, aimed at allowing all staff to express their full potential.

The Group is an equal opportunity employer, promoting professional development, based on merit criteria.

The Group takes all measures aimed at preventing any form of harassment – psychological, physical and sexual – involving employees.

6.2. Health and Safety

The creation and the management of job environments and places of work suitable from the standpoint of employee health and safety, in compliance with domestic and international directives, represents, for the Group, a factor of special importance.

6.3. Personal data protection

In compliance with prevailing legislation regarding data protection, the Group meets all provisions and informs each employee on the nature of personal data processed, on the processing methods used and on disclosure of data, adopting appropriate measures guaranteeing confidentiality. Likewise, the Group also defines the number of data which each employee/co-worker may legally process. Specifically, it provides for relevant letters appointing Data Supervisors.

6.4. Due care and good faith

Each employee and/or co-worker is required to have read and comply with the subject matter of this Code.

Conduct is required to be marked by respect, spirit of co-operation and reciprocal collaboration, acting loyally and in good faith,

complying with contractual obligations and ensuring performance of the services requested.

Group employees, regardless of position and/or responsibility level, are required to have knowledge of and comply with provisions and procedures and, specifically, those regarding environment protection, safety and data protection.

With regard to external co-workers, the Group will make this Code available to them, so that they may sign the relevant declaration stating to have received and read the Code and warranting to not engage in conduct breaching the principles under the Code.

The Group incorporates into agreements, express termination clauses for cases of serious breach of the provisions of the Code.

6.5. Conflict of interests

Each employee and/or external co-worker has a duty to perform their job in the exclusive interest of the Company, avoiding any situation of conflict that may cause harm or lead to situations of unlawful advantage in their favour, including through family members.

The Group also expects employees to avoid such situations, including those which may appear to present a conflict of interests.

Before accepting a consulting engagement and management and administration engagement in favour of another person or entity or whenever a situation may arise presenting a conflict of interests as described above, each employee is required to notify their respective company.

6.6. Non-disclosure of information

All employees and external co-workers have a strict duty of non-disclosure regarding information, documents, studies, actions, projects, contracts and plans etc., to which they are privy through their work, specifically, with reference to that which may compromise the image or the interests of customers and the company.

The Group implements physical and logical measures for conserving the integrity of the information managed and prevents that said information may be accessed by non-authorised staff.

All information, specifically that gained through work activities, shall be considered confidential and may not be disclosed to third parties or used for obtaining, directly or indirectly, personal gain.

6.7. Protection of corporate assets

Each employee/external co-worker is required to scrupulously adopt all measures prescribed in corporate security policies, for not compromising working features and the protection of information systems in use within the Group.

Employees and/or external co-workers, moreover, are required to ensure that security standards are also complied with also for activities performed by other third-party contractors or companies which operate under contract for the Company.

Employees and/or external co-workers warrant to comply with laws regarding patents, copyrights, trademarks and trade secrets, etc. which protect intellectual property rights of legal and natural persons. Software protected by copyright and used by employees for the Company's activities may not be reproduced, except for

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copies made for back-up purposes nor may it be reproduced for personal use by an employee.

Furthermore, it is forbidden to use unauthorised software and databases on computers belonging to the Group.

Employees/external co-workers are not permitted to use corporate tools, such as electronic mail for sending messages for purposes other than work-related ones and, in any case, such as to cause damage to the corporate image or that of third-parties; in addition, the browsing of websites containing illegal content or otherwise outside the scope of work-related activities is prohibited.

Employees and/or external co-workers are liable for the corporate property they have been allocated and are required to use said property with all due care for protecting corporate property from improper and incorrect use.

6.8. Gifts and rewards

It is forbidden to accept/offer gratuities and rewards (whether directly or indirectly), gifts, favours and hospitality, such as to compromise the image of the Company and which may be intended for obtaining preferential treatment which is not lawful and/or determined by fair market rules (see 3.4. Fairness, transparency and impartiality).

7. Relations with customers

In relations with its customers, the Group assures the best execution of assignments received, orienting its choices towards solutions which are increasingly more advanced and innovative, with a view to achieving greater integration, effectiveness, efficiency and cost-savings.

Full satisfaction of its contractual counterparts' needs forms a priority objective for the Group, also with the aim of creating a solid relationship, inspired by values of fairness, honesty, efficiency and professionalism.

The agreements entered into with customers are required to comply with legal provisions and be based on criteria of conciseness, clarity and completeness, avoiding any deceptive and/or unfair practices, however implemented.

In establishing business relations with new customers and managing those that already exist, it is necessary, in the light of the information available, to avoid establishing relations with persons or entities which may be implicated in unlawful activities, specifically, relating to arms and drugs trafficking, money laundering and terrorism and, in any event, persons who lack the necessary requisites of business integrity and reliability.

7.1. Non-disclosure of information

The Group warrants to maintain total discretion with regard to confidential information concerning its customers, both regarding strategic information regarding customers which are undertakings and personal data. In addition, it warrants to use said information only for strictly professional reasons and, however, only after relevant consent has been given by a customer, whenever required. Also, customers are required to comply with non-disclosure provisions regarding information, documents and personal data concerning the Group and its personnel.

7.2. Business negotiations and tenders

The appointed persons working for the Group, following any business negotiations or tender bid, are required refrain from adopting conduct of any kind aimed at obstructing or interfering with the regular conducting of negotiations or a contract tender bid, in compliance with the prescribed procedures.

7.3. Fair negotiation and bargaining

The Group enters into agreements with its customers adopting fair, complete and transparent clauses, striving to anticipate any circumstances which may significantly affect the relationship which has been established.

Whenever events or unforeseen circumstances may come about, the Group meets customer expectations, performing agreements fairly, without exploiting any weaker position or lack of knowledge on occurrence of the unforeseen events.

The Group is committed to ensuring the quality and reliability of the services and products it offers, by monitoring that services and products provided fully comply with legislation in force.

7.4. Gifts and rewards

It is forbidden to give/receive, directly or indirectly, to/from customers gifts and/or rewards (money, goods, services, benefits, favours or other rewards) that may be interpreted as being intended to obtain preferential treatment that is not legitimate and/or determined by fair market rules (see 3.4 Fairness, transparency and impartiality).

8. Relations with suppliers and external co-workers

8.1. Supplier selection

In the selection of suppliers for awarding contracts for works, supplies and services, the Group adopts the utmost transparency and efficiency in the purchasing process; it ensures fairness at all stages of the procedure; maintains confidentiality of information not subject to disclosure; and promptly reports any possible or potential conflict of interest.

In the choice of the contracting party, the Group guarantees all potential suppliers parity of conditions in the contract tender selection procedure. The selection process is based on objective appraisals, according to principles of fairness, economy, quality, innovation, continuity and integrity.

The Group asks all suppliers taking part in tenders to provide assurances regarding their resources, including financial resources, their organisational structure, expertise, know-how, quality assurance systems and other resources, suitable for satisfying its requirements and those of its customers.

For guaranteeing integrity and independence in dealings with suppliers, the Group has defined an internal policy for regulating the procurement process which staff are required to strictly comply with.

Amongst other things, said policy provides for:

- role separation – where actually workable – between the unit that requests the supply and that which executes the relevant agreement/contract;

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- the adoption of formal records suitable for adequately documenting the choices made (so-called “purchase process traceability”);
- record-retention of information and official tender documents or those regarding suppliers, as well as contractual documents, for the time required by applicable legislation and established in internal purchasing procedures.

The relevant business functions and, more generally, Recipients are not permitted to:

- induce suppliers into entering into a disadvantageous contract believing that they will attain advantages in the future;
- receive gifts or other forms of reward, which are not directly attributable to normal business courtesies.

8.2. Contract performance

The corporate business functions and employees of the Group are required to strictly comply with the internal procedures regarding the management of relationships with suppliers and to comply with and enforce compliance with applicable legal provisions and contractual terms and conditions in all supply relationships.

This Code shall be made available to suppliers, so that they may duly acknowledge its subject matter.

The Group incorporates into agreements express termination clauses for cases of serious breach of the provisions of the Code.

8.3. Selection of professional advisors

In the selection of professional advisors who are entrusted with assignments, the Group is committed to adopting criteria based on the principles of competence, economy, transparency and fairness and the moral and professional integrity of the person to be involved in the selection process.

Fees and/or any sums paid for whatever reason are required to be suitably documented and proportionate to the tasks performed, also considering market conditions; payments may not be made for any reason whatsoever to a person other than the contractual counterpart.

8.4. Non-disclosure of information

The Group is committed to maintaining total confidentiality regarding information regarding suppliers and shall use said information only for strictly professional reasons and, however, on having obtained specific consent, whenever required. Also, suppliers are required to comply with non-disclosure provisions regarding information, documents and personal data concerning the Group and its external co-workers.

8.5. Gifts and rewards

It is forbidden to accept/offer gratuities and rewards (whether directly or indirectly), gifts, favours and hospitality in the course of dealings with suppliers and external co-workers, such as to compromise the image of the Group and which may be interpreted as intended to obtain preferential treatment which is not lawful and/or determined by fair market rules (see 3.4. Fairness, transparency and impartiality).

8.6. Business negotiations and tenders

The appointed persons working for the Group, following any business negotiations or tender bid are required to refrain from adopting conduct of any kind aimed at obstructing or interfering with the regular conducting of negotiations or a contract tender bid, in compliance with the prescribed procedures.

8.7. Money laundering prevention

The Group operates in full compliance with money laundering legislation and regulations issued by the competent authorities; for this purpose, it is committed to refusing to execute suspicious transactions from the standpoint of fairness and transparency.

Therefore, the Group is required to: check beforehand the information available regarding business counterparts, suppliers, partners and consultants, for the purpose of ascertaining their respectability and the legitimacy of their business activity before establishing business relations; operate in such a way as to avoid any implication in transactions such as to facilitate the laundering of money from illegal or criminal activities, acting in full compliance with applicable money laundering and internal control procedures.

9. Relations with the Public Administration

Relations between the Group and the Public Administration, public officials, or public service employees should be based on the strictest compliance with applicable laws and regulations and they may not in any way compromise the integrity or reputation of the Group.

Only the corporate business functions appointed are authorised enter into commitments and manage relations, regardless of the nature, with the Public Administration, public officials or public service representatives.

Recipients of this Code are required to refrain from offering money to any public official involved, including interposta persona, or other rewards (which may include a job offer or business opportunity); to seek or unlawfully establish personal relationships which may consist in favouring, influencing and interfering, directly or indirectly, with the outcome of the relationship.

Any consultant and “third party” who may be appointed to represent the Group in dealings with the Public Administration, is required to comply with the same provisions applicable to Group employees.

The Group shall not be represented in dealings with the Public Administration by a consultant or third party, when this may create a conflict of interest.

Any breach (actual or potential) committed by Recipients is required to be reported promptly to the relevant internal business functions.

9.1. Gifts and rewards

The Group prohibits any conduct, committed by any persons for its account, consisting in promising or offering, directly or indirectly, money or other rewards to representatives of Public Administrations, Italians or citizens of other States, or to their family members or next of kin, by means of which an interest or advantage for the Group may be procured, including potentially procured.

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This conduct is regarded as corrupt acts whenever committed by corporate representatives or employees or whenever committed through persons acting on behalf of the Group, such as, for example, consultants, external co-workers, agents, attorneys-in-fact and third parties linked to the Group by similar or equivalent relationships (see 3.4 Fairness, transparency and impartiality).

10. Loans and State funding

In dealings with the Public Administration, the Group may not procure advantages unless under contractual agreements, measures obtained unlawfully or via the disbursement of funds, whatever the nature, duly obtained and intended for the purposes for which they were granted.

It is forbidden to unlawfully obtain to the detriment of the Public Administration contributions, loans, soft loans or other disbursements, whatever the name, granted or disbursed through the use or submission of false or misleading documents or the omission of relevant information.

It is not permitted to use grants, subsidies or loans intended for the Group for purposes other than those for which they were granted. Likewise, the Group is not permitted to unlawfully detain or delay the transfer of funds intended for third-party beneficiaries, disbursed as contributions, subsidies or public fundings which have been granted.

It is not permitted to implement acts for obtaining, for third parties or for the Group, any type of gain (licences, permits, relief, including on social security contributions, tax relief or non-payment of social security contributions), to the detriment of the Public Administration, employing artifices or scams (for example: sending false documents or attesting misrepresentations).

Recipients shall refrain from making or promising donations in the name or in the interest of the Group.

11. Relations with Judicial Authorities, law enforcement and authorities with inspection and control powers

Recipients of this Code are required to strictly comply with prevailing legislation and regulations issued in the sectors related to their respective areas of activity.

The Group demands the utmost availability and collaboration with representatives of Judicial Authority, law enforcement and Public Officials who have the powers of inspection on behalf on the Italian Social Security agency (INPS), the Ministry for Employment and Social Policy and any other Public Administration.

Recipients of this Code are required to comply promptly with any request from competent Institutions or Authorities.

It is forbidden to destroy and alter recordings, verbal records, accounting records and any kind of document (paper or electronic) or make false statements to the competent authorities in the course of judicial proceedings, investigations or inspections.

All employees and/or external co-workers are required to report to the Group any request to make statements or bear testimony before the Judicial Authority which may be used in criminal proceedings related to the exercise of their duties; the Group is forbidden from inducing or encouraging employees and/or co-workers

to refrain from making such statements or bearing such testimony or making false statements and bearing false testimony.

11.1 Gifts and rewards

It is forbidden to attempt to persuade, by means of professional engagements, gifts or promises of gifts, money or other rewards (directly or *interposta persona*) to persons conducting investigations or inspections or the competent Judicial Authority (see 3.4 Fairness, transparency and impartiality).

12. Relations with political organisations and trade unions

The Group shall not make any direct or indirect contributions, in any form, to parties, movements, committees and political and trade union organisations, their representatives and candidates, except those provided for under specific legislation.

It is forbidden to adopt conduct any kind with the aim of preventing, hindering or conditioning the free exercise of the right to vote at the time of electoral consultations.

13. Relations with the media

The standards of conduct in relations with the media are based on principles of transparency, fairness and timeliness.

Information about the Group and intended for the mass media may only be disclosed by the appointed corporate communications office or with the authorisation of Senior Management.

Outbound disclosure of data or information shall be truthful, timely, transparent and consistent with Group policies; therefore, Recipients shall refrain from any conduct or release any statements which may in any way affect the Company's image.

14. Relations with Competitors

The Group is committed to competing fairly, in accordance with antitrust laws and in compliance with laws in force, refraining from abuse of dominant position or compromising free competition. In the event the Group and/or its employees breach antitrust provisions, they shall be subject to serious civil and criminal sanctions.

It is forbidden to use names or distinctive signs capable of creating confusion with legitimate names or distinctive signs used by others or servile imitation of a competitor's product or the commission of any other act capable of creating confusion with products and with the activity of a competitor.

Furthermore, the dissemination of information and opinions on the products and the activity of a competitor, capable of discrediting or claiming the merits of products or the business of a competitor is forbidden.

It is forbidden to use, directly or indirectly, any other means not complying with the principles of professional fairness and capable of damaging another company.

It is forbidden to counterfeit or alter, in any form, trademarks or distinctive signs, domestic or foreign, of industrial products, namely, domestic or foreign patents, domestic or foreign industrial drawings or designs, as well as the use or importing of such trademarks, forged or altered industrial patents, drawings or designs.

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15. Implementation of the Code of Ethics

15.1. Compliance Board

As part of the measures for adjusting its organisational model, the Group entrusts the task of ensuring compliance with the rules provided under this Code of Ethics to a Compliance Board, with autonomous powers of action and control.

The tasks of the Compliance Board are defined as follows:

- to supervise actual implementation of the provisions under the Code of Ethics;
- to promote initiatives for the dissemination of knowledge and understanding of the Code, contributing, together with the other units involved, to its review and updating;
- to initiate review of the oversight and supervision system for effective implementation of the principles and compliance with the provisions under the Code;
- to verify the efficacy and consistency of the oversight activities undertaken by operational managers with the provisions of the Code and timely reporting of any irregularities;
- to verify that financial reporting data processing, business case-related administrative processes, and control systems are in line with generally accepted principles and best practice standards;
- to report to the Corporate Bodies on the implementation of the Code, reporting any critical issues that may emerge;
- to request targeted audits in the event of reports of maladministration or commission of criminal offences subject to prevention activities, by notifying Corporate Bodies of the outcome of activities conducted in the course of performing its allocated tasks;
- to monitor the application of the disciplinary sanctions adopted by the competent business functions for those responsible for breaches of corporate procedures or the principles under the Organisational Model.

In performing these tasks, the Compliance Board has free access to all business functions of the Company – without the need for any prior consent – for obtaining any information or data deemed necessary for the performance of its duties provided under Legislative Decree no. 231/2001.

Recipients of this Code are required to cooperate with the Compliance Board in the performance of its duties, ensuring free access to all documentation deemed useful.

The Compliance Board is required to be notified of the system of delegation of powers and/or functions adopted by the Company and any changes made thereto.

The Compliance Board shall report to the Board of Directors, at least annually, on the steps taken for the implementation/review of the Organisational Model adopted and by reporting on any issues identified and recommending possible operating solutions.

The Compliance Board will establish regulations governing its activities, establishing the frequency of controls and identification of analysis criteria and procedures, etc. Said regulations are subject to approval by the Board of Directors.

The Board of Directors shall dedicate a special section of the Directors' Report on Operations of the Annual Report to the activities performed by the Compliance Board.

15.2. Dissemination of the Code

This Code shall be given the widest possible circulation to all internal and external individuals who work in and with the Company, via targeted communication activities.

The Group HR function and each organisational Unit is required to ensure that all employees have a proper understanding of this Code and knowledge of the ethical principles and standards that it contains.

15.3. Reporting to the Compliance Board

The Compliance Board is required to be notified by Recipients of this Code of any breach which may give rise to liability of the Group under Legislative Decree 231/2001.

The Compliance Board shall evaluate the reports received and take any actions required, in accordance with the reporting procedures specified in the Company "Organisational Model 231 – General Part".

The Compliance Board, through the Audit Service, shall undertake necessary checks, also by contacting the sender of the report, for the purpose of establishing the facts and for taking appropriate measures including recommendations for the adoption of sanctions against liable persons, whenever applicable and in accordance with the procedures prescribed by law and under collective bargaining agreements and employment contracts.

Persons making a report in good faith shall be ensured protection against any form of retaliation, discrimination or unfair treatment and, in any case, the confidentiality of the identity of the reporting person shall be assured, without prejudice to legal requirements and the protection of persons falsely accused or accused in bad faith.

Those who, for circumstances relating to the employment relationship, are subject, also personally, to investigations and inspections or who are ordered to appear before a court and/or those who are served other judicial orders are required to notify the Compliance Board.

16. Disciplinary system and sanction mechanisms

The disciplinary sanctions provided in the event of breach of the measures contained in this Code are intended to contribute to the effectiveness of the Code and the control action of the Compliance Board.

They shall have a deterrent effect and be commensurate with the gravity of the breach, taking into account any repetition of the criminal act and the degree of fault, in compliance with article 7 of Law no. 300 of 20 May 2007 and provisions under employment contracts.

Application of the disciplinary system is independent regardless of the conduction and outcome of criminal proceedings which may be brought by the competent Judicial Authority.

The provisions of this Code are also applicable to temporary staff (and, more generally, to those individuals who have "para-subordinated" employment relationships with the Company) who are also required to comply with Code provisions. Breaches of the Code are sanctioned with disciplinary action taken against offenders by their respective employment agencies which are required to sanction

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said conduct under a specific contractual commitment agreed with the Group.

As regards suppliers, co-workers and external consultants, breach of the provisions under the Code is punishable by termination of the agreement in force, without prejudice to the right of the Group to seek remedy for damages, as a result of such conduct.

17. Monitoring and updating of the Code

This Code shall be reviewed annually to ensure that it is up-to-date. The Compliance Board shall report annually to the Group Board of Directors on the status of implementation and any need for updating.

The Board of Directors of ICBPI, on motion by the Compliance Board and after having consulted the Board of Statutory Auditors, which may also submit recommendations to the Board of Directors, shall approve any updating required of the Code of Ethics on an annual basis.