

Code of Ethics



UBI  **Banca**

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1. Introduction

Unione di Banche Italiane (hereinafter “UBI Banca”) was established from the merger between Banche Popolari Unite S.C.p.A and Banca Lombarda e Piemontese S.p.A. concluded on 1st April 2007 and it originally took the legal form of a joint stock co-operative company. UBI Banca is the Parent and the network banks, the product companies and other service companies of the homonymous Group fall under its leadership. UBI Banca is listed on the *Mercato Telematico Azionario* (electronic stock exchange) organised and managed by Borsa Italiana SpA. It adheres to the principles of Borsa Italiana S.p.A.’s Corporate Governance Code for listed companies.

UBI Banca S.p.A. was formed from the transformation of the legal form of the company resulting from the above mentioned merger between Unione Banche Italiane Società Cooperativa per Azioni (a joint stock co-operative company) into an ordinary joint stock company following a resolution of an Extra ordinary Shareholders’ Meeting held on 10th October 2015 filed with the Bergamo Company Registrar on 12th October and approved in compliance with the provisions of Decree Law No. 3 of 24th January 2015, converted with Law No. 33 of 24th March 2015, which amended some of the provisions of the Consolidated Banking Act (Legislative Decree No. 385/93) relating to “popular” co-operative banks.

Following that transformation the distinction between a “registered shareholder” and an ordinary “shareholder” no longer applies there being only persons hereinafter termed “shareholders” who are automatically holders of corporate and financial rights with no need for approval procedures by the management body. The principle of per capita voting (independently of the number of shares possessed) also disappeared to be replaced by the normal principle for joint stock companies which confers one vote for each share possessed. The Articles of Association also place a transitional limit on voting rights equal to 5% of the share capital until 26th March 2017 (24 months following the entry into force of the law).

Even in its new configuration of a joint stock company, the values and history of the UBI Banca Group will continue to be reflected in its particular way of banking expressed as “*Fare Banca Per Bene*” (to bank fairly and well), which has distinguished UBI Banca on the market until now and which will continue to guide its steps.

From a governance viewpoint, the Parent, UBI Banca, has adopted a two tier system of management and supervision, which is considered better suited to the governance requirements of its reality and more appropriate for the protection of shareholders through the activity of the Supervisory Board.

The Supervisory Board, appointed directly by a Shareholders’ Meeting and representing the shareholders, ensures both the pursuit of corporate policies that are consistent with a “long term” vision and also effective control to prevent risks from arising. Pursuant to the Articles of Association, this body is responsible, on the basis of a two tier governance model and consistent with the aims for which it was adopted, for strategic supervision with the formulation, based on Management Board proposals, of the general policies, programmes and strategic objectives of the Bank and the Group. It is also responsible for control and has other powers typical of these bodies. The remuneration of members of the Supervisory board is set by a shareholders’ meeting, which, amongst other things, also approves the remuneration policies for members of the Management Board.

The Management Board is responsible for the management of the Bank.

This two-way division of power allows the separate aspects of corporate management to be identified and assigned to these two corporate bodies. With their respective roles and responsibilities, this results in corporate governance which functions in a manner more consistent with the structure of the Bank and the Group on the basis of a unified business plan, characterised by constant dialogue and co-operation between functions.

Today UBI Banca Group (hereinafter UBI) is a major Italian banking group with a significant presence in major regions in Italy. It operates at the service of families and businesses – medium and small-sized enterprises in particular – and community social organisations. They consist of:

- seven federated commercial banks (termed network banks) led by the Parent, UBI Banca S.p.A. – with strong customer relationships and deep roots in local communities – supplemented by an internet bank which also has a network of financial advisors (IW Bank Private Investment);
- companies specialised in the design, provision and distribution of asset management, leasing, factoring and salary/pension backed lending products and services (hereinafter the “product companies”);

1. Introduction

- two consortium companies for the provision of services common to all Group companies. These are UBI Sistemi e Servizi, which designs, develops and manages software applications, operating processes and organisational units, and UBI Academy, whose business purpose is the planning and provision of services for life-long learning and the professional and managerial development of the personnel of the companies in the Group.

The Group has its roots in the movement of the first “popular” and co-operative banks in unified Italy, although it also includes other realities originating from the Monti di Pietà banks, the Casse di Risparmio banks and ordinary banks also with strong roots in their local communities. They have always adopted banking practices based on sound, proper and prudent, management principles and they have developed contributing, in a determining manner, to the well-being and social and economic development of the local communities in which they were born. By their actions they anticipated the implementation of those corporate social responsibility principles, initiatives and objectives which today are considered of major importance to strengthen corporate reputation, manage risk and encourage competitiveness and the sustainability of good financial and operating results. UBI intends to continue with this management style, characterised by observance of professional ethics both in its strategic decisions and also in its everyday operations, faithful to its mission as a bank extraneous to approaches and intentions driven by mere speculation. It is oriented towards the sustainable creation of value over time for its shareholders and for all its stakeholders and towards the construction of a market economy that considers the needs of all groups in society.

2. Adoption and update

This Code of Ethics (hereafter the Code) applies to UBI Banca and its subsidiaries.

It enters into force for UBI Banca when it is approved by the Management Board and the Supervisory Board and for subsidiaries after it is adopted with a resolution taken by their respective governing bodies. Where necessary and subject to assessment by the Parent UBI Banca, individual companies make amendments to it required to adapt it to specific regulations governing the business sectors in which they operate and/or the foreign countries in which they are incorporated. All amendments to it must be adopted by following the same approval procedure.

When significant changes to the structure, governance or activities of the Group occur, the Code must be revised to ensure that it is constantly in line with developments in the reality of the Group and in the ethical principles expressed by the economic and social communities it relates to.

We ask associate companies (as defined by Art. 2359 of the Italian Civil Code) and other investees to pursue conduct consistent with this Code.

3. Objectives, persons covered and application criteria

We seek through the Code of Ethics to align the interests of UBI with those of civil society, in observance of the Charter of Values, which constitutes an integral part of this document (8.1 - Attachment A) and to achieve the Group's objectives to create value by regulating relations with stakeholders in a unified and consistent manner in all organisational units and in every geographical area in which UBI is located.

Relationships of trust with all stakeholders constitute an essential value for UBI and they are based on the good reputation that the Group gradually acquires through observance of the duties of trust that it has towards them, as defined in this Code.

Observance of commitments and responsibilities of an ethical nature, assumed with regard to the specific interests of stakeholders within corporate strategies, in addition to the concrete provision of products and commercial services and the achievement of operating and financial results, therefore constitutes the benchmark against which we measure our conduct and it is primarily on the basis of the Code of Ethics and observance of it, that we intend to form and enhance the reputation of UBI.

All those who operate, in any guise and with any function, for and/ or on behalf of UBI Banca and any other Group bank or company - whether they are members of management and supervisory bodies, employees or associate workers - in all the countries in which UBI operates, are required to know, observe and implement this Code without reserve, and those with greater responsibilities, such as members of management and supervisory bodies and senior managers, must set an example by adopting appropriate conduct.

3.1

Integrity and proactive conduct in observance of the Code

The Code of Ethics defines the manner in which UBI intends to pursue its mission and act in dealings with its various stakeholders, by basing its management and operating activities on observance of moral and legal obligations towards society. We therefore consider observance of the Code as a value in itself. At the same time, we expect those with whom we have dealings to act according to similar ethical principles and which are in any case consistent with universally accepted principles concerning human rights, work, the environment and commercial practices.

3.2

Relationship with other sources of regulation

The regulations of this Code do not replace, but are in addition to those adopted in relation to specific external regulations, whether they are of a compulsory or voluntary nature. Observance of them is therefore based on the assumption of respect for the courts and a constant commitment to working in full compliance, (i) with the provisions of the law and the regulations of public authorities in force in the different countries and environments of UBI's activities, (ii) with externally established voluntary codes and regulations which we observe or shall observe in future and (iii) with internal procedures.

The Code of Ethics is an essential component of the model of organisation, management and control adopted by the Bank in accordance with and for the purposes of Legislative Decree No. 231/2001, because it adds to that model in terms of the expression and communication of the Bank's values, principles and rules of behaviour and it also contributes to the implementation of the universal principles committed to by signing the Global Compact (8.2 -Attachment B).

The Code of Ethics is supplemented by a Code of Conduct for the personnel of the UBI Banca Group adopted by the single legal entities of the Group. It sets forth the main rules of conduct which all members of management and supervisory bodies, employees and associate workers must follow in the exercise of their duties and responsibilities and in their dealings with stakeholders.

4. UBI's stakeholders

In the performance of our activities, we have dealings with a large variety of stakeholders, i.e. groups and individuals who are holders of specific interests on which UBI's activities have effects and/or which contribute in various ways to UBI's activity and its very existence. The following are stakeholders for the purposes of the application of this Code:

- a) organisations and parties which have essential or significant interests with respect to carrying on business, due to the direct and specific nature of the relationships established or of the investments made, and therefore, without wishing to establish any order of importance, the following:
 - a-1) **customers**, who expect adequate services that are appropriate to their needs, insofar as they are: investors (individuals and institutions), who rely on a relationship of trust for the management of their savings or to conserve the value of their deposits; families and individual persons, whose life plans depend at certain times on the ability to obtain credit and banking services; nonprofit organisations, who use UBI services to produce socially useful goods and services; enterprises, whose business depends significantly at times on access to credit;
 - a-2) **personnel**, who represent the main investment of the Group - in terms of human, professional and intellectual capital - and in the case of senior management exert considerable influence on business because they provide the most important business and decision-making skills and fill roles of authority and management. From another viewpoint personnel consist of persons who - as employees or associate workers - trust UBI with their expectations of professional growth and permanent employment to achieve their life and work plans;
 - a-3) **investors**, whether shareholders or holders of bonds, with particular reference to small investors for whom the investment sometimes represents a significant proportion of their personal or family financial wealth and also to institutional investors in view of their role and professional expertise;
 - a-4) **suppliers**, including above all those suppliers that are strategic to UBI's business or which make specific investments to create a reciprocal relationship and those suppliers which may find themselves in conditions of weaker negotiating power with respect to UBI;
- b) entities and parties which have significant interests, not based on direct business relationships, that are affected by the external impacts of the Group's activities or by which UBI's activity is directly influenced or conditioned, that is:
 - b-1) **the community**, with particular reference to **local communities** (i.e. nonprofit organisations, local authorities, academia and the scientific community, cultural institutions) which hold an interest in UBI's activities being a driver of sustainable development and growth, through the creation and fair distribution of the economic value, contributing to the production of social goods and services and the maintenance of high levels of social cohesion;
- c) organisations and institutions which represent widespread interests or interests specific to different categories of stakeholder which are able to exert influence over UBI:
 - c-1) **public authorities** (e.g. Supervisory Authorities, market regulatory authorities and government authorities) which exercise powers of regulation and control over UBI's activities;
 - c-2) those who operate on **financial markets**, such as financial analysts and rating agencies, which operate as independent third parties and potential investors;
 - c-3) the **media and opinion leaders** to the extent that they can influence perceptions of UBI by other stakeholders;
 - c-4) **stakeholder organisations**, such as trade unions, employers' associations, staff pensioner associations and other associations which represent collective or widespread interests.

The relationships from which the expectations of our stakeholders arise constitute the basis of the duties of trust which we have, in the strict sense of the term, towards our registered shareholders and, more generally, towards all our stakeholders. These duties of trust in a broader sense consist of ensuring that UBI pursues its business mission by seeking a fair balance between the interests of all our stakeholders, also taking account of the existence of multiple interests and therefore of possible complementarities and conflicts of interest and of the Bank's status as listed company and therefore subject to obligations towards the market.

4. UBI's stakeholders

We share a responsibility with all our stakeholders to consider the economic and environmental sustainability of our present activities because they have a considerable impact on the conditions and life chances of future generations, in terms of health, growth and employment and social stability.

5. General ethical principles

The principles of the Code of Ethics constitute a guide for our decisions and actions from both a moral viewpoint and for balancing the interests of different stakeholders, in order to obtain their co-operation in the pursuit of UBI's business mission.

5.1

The principle of equality and non discrimination

Each stakeholder, whether an individual or group of persons, is equally worthy of consideration and respect, because they are not just a means of achieving our corporate mission, but also a value in themselves, to which the activities of the business are addressed. In view of this principle we believe conduct which might cause damage to the integrity and dignity of each person to be inadmissible, as is discrimination based on preferences or arbitrary exclusion, and that which is not linked to the importance of the contribution that a relationship with a party may offer or to the interest that such a relationship may present for the achievement of our corporate mission.

Therefore the following cannot constitute in themselves criteria for preference or exclusion: personal characteristics such as gender, sexual orientation, race, nationality or ethnic group, political and religious belief, age, civil status, physical appearance or disability, family or care responsibilities (e.g. for elderly or disabled persons), family ties or obligations of other nature and the personal interest of those who work for the Group or a generic advantage for the Group that cannot be measured in terms of specific economic costs and benefits.

Preferential treatment that may be given towards parties which belong to categories at risk of exclusion from the economic and social context as a consequence of social or personal conditions of disadvantage or who deserve particular attention due to their social role or who are defined worthy of particular protection by the law, does not constitute violation of the principle of non discrimination.

5.2

Principle of promoting the common good

We feel we have a responsibility to perform our activities in such a manner as to contribute towards the common good, considered as that condition of well-being in society which arises when all its members have an equal opportunity to perform their activities well and to achieve their life plans according to ideals of full human development and professional excellence.

5.3

Principle of the sustainable development of local communities

We operate in all the local communities in which we are present with the same spirit of service and with a careful vision of the particular economic and social characteristics which must be understood, respected and valued in order to foster long term sustainable development.

We consider our contribution to the development of each local community not just from the viewpoint of the creation of wealth, but also with a view to its environmental and social sustainability, and that is to the reduction of unjustified inequalities, to the growth of cohesion and social capital and to the prevention and reduction of the negative consequences of material and economic growth on the environment.

The relationships of trust that we establish in each local community must be able to include whoever is deserving of them and can make a reciprocally advantageous contribution to sustainable development.

5. General ethical principles

5.4

Principle of the creation of long term value for all stakeholders

The creation of value for all our stakeholders is one of the primary purposes of our business activities and not a mere formal declaration or an intention to use it as a means. It follows that our primary commitment to the creation of economic value for shareholders must at the same time allow the development of the business with account taken of the interests of all our stakeholders.

Since the mutual interdependence between the creation of value and the interests of all our stakeholders can only manifest itself and be appreciated in the long term, this is the time horizon on which we operate.

5.5

Principle of co-operation

UBI recognises that the creation of sustainable value over time depends on the co-operation that it succeeds in fostering with and between its stakeholders, considered in terms of proactive mutual interaction in relationships designed to share and respect mutual needs and legitimate expectations. We are therefore committed to maintaining corporate governance and management procedures with an orientation that encourages that co-operation.

This principle may in no manner compromise observance of the rules of free competition, which we consider a value in itself.

5.6

Principle of fairness and impartiality towards stakeholders

Fairness in the distribution of costs and benefits - in the broad sense - is an indispensable condition for mutually advantageous co-operation based on trust. We are therefore committed to conduct with all our stakeholders based on fairness in the sense of proportionality both with respect to the relative importance of needs - whether they are of an economic, financial or social nature - for the satisfaction of which the stakeholder, who is the bearer of the need, depends significantly on UBI and also with respect to the contribution that each stakeholder makes to the creation of value by UBI, both individually and jointly with other stakeholders.

Different stakeholders have interests and expectations which are not always the same, and therefore we recognize that the search for mutually advantageous solutions by balancing them fairly assumes that UBI is oriented towards solving all divergences of interest with impartial treatment.

5.7

Principle of effectiveness and efficiency in the use of resources

The creation of long term sustainable value assumes that all resources -defined as a professional or work contribution or as business relations as a whole, or as a factor of production of a financial, technological, environmental or natural nature -are employed according to their actual capacity to contribute to the purposes and aims for which they are acquired (effectiveness) and in such a way as to obtain usefulness that is not less than that of an alternative use (efficiency).

5.8

Principle of sober incentives and moral motivation for workers

We believe that people generate greater value in the performance of their work when they collaborate reciprocally with team spirit. These are conditions which in order to be sustained require trust in the justice of the procedures by which a company functions and in the mutual recognition of merits.

5. General ethical principles

To achieve this, remuneration must be based on fairness with respect to the quality and quantity of the work performed and it must offer adequate incentives in relation to the contributions made and the results achieved, in such a way that each worker continues to provide their services also in consideration of their moral appreciation of the organization in which they work.

We consider that observance of the principles of this Code is an important factor of moral appreciation and we therefore seek workers who attribute importance to working in an environment in which such observance is practiced and encouraged.

5.9

Principle of legitimacy and non abuse of authority

Hierarchical relations and those of authority within the Group are conducive to its good functioning and therefore to the pursuit of the interests of all stakeholders.

We are therefore aware of our responsibility to exert authority in a legitimate manner, i.e. on the basis of trust, freely acknowledged, that the decisions made are always taken in compliance with the law and observance of ethical principles, avoiding all abuse, defined as the intention to expropriate the investments or contributions made by any stakeholder or to profit from the co-operation of one party to the unjust advantage or disadvantage of another or to obtain a personal advantage unilaterally from one's position of authority.

5.10

Principle of legality and institutional co-operation

In a well ordered society, the protection of public and common assets, the reliable co-ordination of private sector activities, the guarantee of freedom, civil, social and economic rights of citizens and social equity depend on general observance of the principle of authority and of the law, set above all other personal and discretionary powers of individuals and organizations. For this reason, the pursuit of the interests of UBI, of individual components of the organization and of the other parties with which UBI has relations can never justify conduct contrary to the law in all the countries in which UBI operates.

We consider it our duty to ensure loyal co-operation both with the regulatory and control authorities of credit and financial markets, where we perform our business functions, and also with other public institutions at all levels, with whom we share a commitment to promote social cohesion and sustainable economic development in the community.

5.11

Principle of accountability

We consider the dialogue with our stakeholders, the transparent reporting of our decisions, of results achieved and of effects produced on our stakeholders as essential for the generation of new ideas and for the construction of a relationship of trust which favors reciprocally advantageous co-operation.

As concerns the federal structure of the Group, we recognize that the Network Banks and the Product Companies possess skills and a patrimony of relations which constitute a resource for UBI.

We also recognize the value of active participation in multi-stakeholder dialogue initiatives to support the identification of priorities for action and the search for solutions to economic, social and environmental problems that affect the local areas in which we operate and society in general.

We recognize that we have responsibilities with regard to our various stakeholders and we make commitments which arise directly from our declared general ethical principles and which are detailed here in the form of principles of conduct in our dealings with stakeholders in general and with individual categories of them.

6. Principles of conduct in relations with stakeholders

6.1

Relations with stakeholders in general

Corporate governance

In order to pursue our business and social mission with fairness and impartiality towards all our stakeholders, with whom we hold relations, we adopt organizational and corporate governance solutions which, through a clear distinction of roles and responsibilities, an appropriate balance of powers and the separation of duties, a balanced composition of bodies, effective controls, the management of all corporate risks and adequate reporting, ensure sound and prudent management in full observance - in substance and form - of laws and regulations currently in force and of the voluntary codes of conduct which have been and shall be adopted, and also of corporate values and the principles of this Code of Ethics. The governing bodies of the Group are involved in the process of the adoption of the Code and they have specific responsibilities with regard to its implementation as defined in sections 2 and 7.

Prevention of criminal activity

We adopt all the necessary measures to prevent crime and/or collusive conduct by personnel and/or parties which in any case operate on behalf of or in the interest of the Group with particular reference to the risk of involvement - both direct and indirect and also involuntarily - in crimes of corruption and bribery, corporate and tax crimes and fraud against the state, market abuse, computer crime, illicit trafficking in arms, drugs and tobacco, money laundering, "self money laundering" and the investment of money from illicit activities, support for terrorism, usury, crimes related to health and safety at the work place, environmental crimes and any other crime for which corporate liability or to which obligations by the Bank apply.

We ensure that active co-operation is provided in compliance with regulatory obligations (e.g. in the accurate identification and verification of customers and risk assessment, in reporting suspect transactions and in limitations on the use of cash) by means of appropriate organizational procedures and monitoring and control systems, adequate personnel training programmes and a prudent approach to the management of customer accounts.

Protection of investors and the integrity of markets

Given that this topic is regulated by law dispositions which we fully respect, we ensure that all our stakeholders are provided with equal information on our economic, financial and governance data, without discrimination and without preferential behavior, by means of the maximum disclosure of information, with exception made for the limits of confidentiality imposed by higher moral duties, consistent with the principles laid down by this Code or by the Law or External regulations. In order to achieve this we perform constant and accurate reporting to all our stakeholders, by adopting information management systems consistent with that objective, in order to favor full understanding of our strategy, situation and prospects, both in terms of profitability and financial position of the Bank.

In any case we ensure the maximum confidentiality and integrity in the management and disclosure of privileged information through appropriate organizational controls and we are committed to adopting adequate security measures to ensure that the criteria of faithful, accurate, transparent, prompt and rapid disclosure of that privileged information to the public are complied with, where it is required or permitted by the law and by regulations. We make the same commitment for the treatment of information on transactions involving the financial instruments of the issuer, performed by significant persons within the organizational structure of single Group companies or of the Group (internal dealing).

We are also committed to opposing and preventing the improper use of privileged or insider information, relating both to the Group and to its counterparties, for purposes that are not institutional, or in other words the performance of personal transactions involving financial instruments making unauthorized use of that information (insider trading) and we adopt the necessary measures to prevent the disclosure of false information or the performance of fictitious transactions or other devices designed to cause appreciable alterations in financial markets (e.g. market manipulation).

We consider financial education to be an effective instrument of protection for the investor, because a better understanding of the workings of financial markets and of the characteristics of different financial instruments, allows knowledgeable investment decisions to be taken that are consistent with an investor's risk appetite. We are therefore committed to contributing to the organisation of initiatives to that purpose in the local areas in which we operate.

6. Principles of conduct in relations with stakeholders

Confidentiality with regard to identity and personal data

While we assume full observance of the provisions of the law, we ensure that the acquisition and treatment of personal data always takes place in observance of the rights and fundamental freedoms, as well as the dignity of those concerned. In detail:

- we base our treatment of personal data on principles of legality, integrity, relevance and completeness, only acquiring the data necessary for determined explicit and legitimate purposes and storing the data only for the time necessary for the purposes for which it has been acquired;
- we ensure that all those concerned are informed of their rights concerning privacy and receive their personal data and information on how it is treated in intelligible form and we take care that all communication activities (commercial campaigns and marketing activities) are addressed to those who have given their explicit consent;
- we adopt specific security measures designed to prevent loss, non authorized treatment and illicit or improper use of personal data and/or unauthorized access to data banks and to the website of the Bank and this includes services provided through remote channels (e.g. telephone and internet).

Formulation and performance of contracts

In virtue of the principles of fairness and impartiality in the treatment of stakeholders and in the assumption of the full observance of the provisions of the law, we are committed to not implement opportunist behavior allowing us to profit unduly from our contractual relations and in particular we are committed to:

- formulating complete and comprehensible contracts, even with respect to conditional clauses relating to important events which may occur, the signing of which is based on a knowledge of the possible consequences and of the real alternatives and we abstain from underlining or falsely leading counterparties to believe that the alternatives preferred by UBI are also the only possible alternatives and from concealing areas of potential conflict of interest;
- performing each contract or engagement scrupulously according to the agreed terms and conditions, even when this is not perfectly verifiable by the counterparty concerned or by third parties

Accounting records

We adopt accounting procedures and systems of control designed to ensure prompt, accurate and complete measurement of operating events and the preparation of financial reports in full compliance with the law and the applicable accounting standards, in order to ensure a true and accurate presentation of the operating, capital and financial results of the Group and of single companies. The following apply to achieve this:

- each operation or transaction must be authorized, verifiable, legitimate, consistent and proportionate and must reflect the facts reported in the supporting documentation;
- the activity performed must be adequately documented, in order to allow appropriate analyses and verifications, both internal and those of the independent auditors and the competent authorities. For each accounting entry that represents a company transaction the supporting documentation must make it possible to identify the nature and the reasons for the transaction which generated the entry and the relative authorization;
- the supporting documentation must be easily accessible and filed according to appropriate criteria which make it easy to consult even by authorized internal or external control bodies.

Employees and associate workers are required to ensure that information reported is properly presented, completely, clearly and promptly both internally and externally, with maximum care taken in its preparation, custody and the updating of data and accounting and corporate information.

Protection and promotion of human rights

Although it must be considered that UBI operates in a political and social context in which the protection and promotion of human rights are firmly established, we nevertheless consider it our duty to work so that those rights are respected not only by us but also by our stakeholders as follows:

6. Principles of conduct in relations with stakeholders

- the right to personal integrity and dignity, avoiding any involvement, even indirect and involuntary, in the violation of human rights to life, safety and individual freedom, especially with regard to the use of child labor (as defined by Convention No. 138 of the ILO¹) and forced or compulsory labor (as defined by Convention No. 29 of the ILO) and to any other form of exploitation of minors, women and minorities;
- the right to health, safety and sustainable economic development, by promoting observance of regulations and the concrete application of the relative international conventions and protocols, with account taken of the standards and recommendations of operators and rating agencies that work at international level in the field of financial ethics and responsible consumption and that of corporate social responsibility in general.

Respect for and conservation of the environment

We recognise the legitimate interest of future generations to a possibility of life that is not compromised by the scarcity of natural resources, by the poor quality of the environment and by climate changes caused by the irresponsible behaviour of present generations and consequently we consider it a priority to proactively manage our environmental responsibilities, both towards the communities in which we operate and towards future generations with a medium-to-long term perspective. We are therefore committed to a preventative approach to environmental challenges, by implementing an environmental policy oriented towards the progressive reduction of the direct and indirect impacts of our activities and to the diffusion of greater awareness and commitment towards the protection of the environment, with regard to both the local context (the quality of the soil, air and water of the local areas in which we live) and to global challenges (biodiversity and climate changes).

We provide all our stakeholders with systematic, clear and transparent information on the objectives and the results achieved in the implementation of our environmental policy.

6.2

Relations with customers

It is our intention to develop long term economic relations with our customers based on trust and mutual satisfaction. To achieve this, commercial activity is based on rigorous professional ethics oriented towards integrity in the substance of customer relationships and continuous improvement in services, through accurate identification of needs and the provision of highly professional, reliable and thorough services. We are committed in all the business areas in which we operate to adopting responsible commercial and marketing practices and to safeguarding the interests of customers by means of:

- service models which, by treating customers with equal dignity, ensure that all customers receive standards of service that are consistent with the intensity and value of the customer's business and appropriate to the complexity of the requirements to be satisfied;
- products and services that customers can assess in terms of their actual needs, with transparent and comparable commercial proposals, based on accurate, clear and not misleading, pre-contractual information and contractual clauses that are complete, clear and understandable, which favor the full knowledge of the agreements signed with particular reference to the structure, characteristics and risks typically connected with the transactions to be performed;
- clear and prompt communications on the state of existing business relations, on changes in the conditions that govern those relations and on any other changes to existing contracts;
- the adoption, in observance of regulations, of the measures necessary to identify and manage possible conflicts of interest, with adequate information provided on the matter;
- abstention from any improper commercial practices and from any form of advertising that is deceptive or which in any case does not fully reflect the quality of the products and services advertised;

¹ The International Labour Organization (ILO) is a United Nations agency which seeks to obtain decent and productive work in conditions of freedom, equity, security and human dignity for men and women.

6. Principles of conduct in relations with stakeholders

- constant monitoring of the levels of customer satisfaction, by means of both statistical surveys and a precise orientation of the commercial network, and the management of complaints as an opportunity for improvement, with pursuit of solutions in substance and not just form and with a search for mutual agreement with customers to restore a relationship of mutual satisfaction;
- clear and full information on the complaints procedures and on access to independent bodies to resolve disputes (e.g. ombudsman and financial banking arbitrator).

We guarantee the maximum diligence to investors in the provision of investment services in assessments of the adequacy and appropriateness of the transactions and of the financial instruments proposed or requested, consistent with their requirements and their risk appetites.

In implementation of the principle of the sustainable development of the local communities in which we operate, we intend to maintain and enhance our close relationships with local economies, with particular reference to small-to-medium sized enterprises, by supporting the creation and growth of businesses that create value for communities. To achieve this we work to:

- assist businesses in the pursuit of a balanced financial and capital structure, with an appropriate range of credit and capital instruments;
- maximise our capacity to assess businesses and projects which we finance and in which we invest, including assessment of the relative risks and benefits of a social and environmental nature;
- support businesses even at times of difficulty, but with respect for criteria of diligent risk weighting, by taking account of the prospects for recovery based on valid business plans and entrepreneurial capacities.

We pay particular attention to the development of products and services and to the adoption of commercial and credit policies that are able to produce high social benefits for local communities in terms of:

- access to financial services for the weaker groups of consumers, as an important factor for the inclusion of persons in social communities;
- the granting of credit in line with customers' actual requirements, which are sustainable in relation to their cash flows and income;
- elimination of physical and cultural barriers to guarantee the use of services and access to offices and branches to all customers;
- support for the growth of social enterprises and other nonprofit organizations, which constitute a significant factor for social cohesion and the development of individuals;
- support for socially responsible investments (e.g. ethical funds), with a view both to improving risk-return profiles for investors and to educating businesses with regard to ethical and sustainable behavior.

We are open to discussions with representatives of consumers and with trade associations to improve standards of service and to increase opportunities for co-operation also as part of a common commitment to the promotion of financial education.

We operate in compliance with the law and proper commercial practices in our participation in public tenders for contracts for services and we formulate bids that are consistent with the policies, plans and procedures of the Bank.

6.3

Relations with personnel

Personnel represent a distinctive patrimony of values, skills and knowledge, which we are committed to safeguarding and developing, in a context of merit and continuous improvement in skills to the advantage of the Bank and of the entire social and economic system in which we operate.

6. Principles of conduct in relations with stakeholders

We therefore avoid any form of irregular work and we use forms of temporary work in compliance with the nature and aims of these practices as laid down by the legislation in force. We facilitate induction, optimum integration and training to fill positions by new recruits and we recognize the value of those initiatives, including those of a mutualistic and voluntary corporate nature, which, by enhancing personal interests and the social significance of UBI in communities, foster internal social cohesion and a spirit of solidarity.

We pursue protection of the physical and mental integrity of our employees and associate workers, by promoting health and safety at the work place and by paying attention to responsible life styles even in private life: we care for the quality of the working environment, tools, stations and methods; we implement educational and training programmes designed to provide workers with adequate knowledge and skills and we disseminate a culture of responsibility for its own sake and for others; we measure and manage risks and we seek to eliminate them at source by programming prevention and by giving priority to collective measures of prevention.

In the management of change, with particular reference to extraordinary operations, such as restructuring, company reorganizations and intergroup mobility, we adopt all possible measures to counsel the workers affected and to favor appointment to new positions, taking account of their personal requirements and prospects for career growth.

We are committed to ensuring the following for all personnel with no arbitrary discrimination of any kind:

- transparent selection procedures, which are based on verification of the professional and psychological-aptitude requirements of the job description and which always allow the decision making process to be clearly apparent, prevent conflicts of interest, favoritisms and forms of "clientelism" or nepotism from arising and guarantee equal access to information on vacancies, certainty over the timing of selection procedures and prompt communication of the decisions made to all those concerned;
- equal opportunities for career growth and access to training, salary levels and career advancement, with special attention paid to the needs of young people, to the reconciliation of work and family commitments (work-life balance) and to the enhancement of diversity (diversity management), with reference, amongst other things, to gender issues;
- policies and management systems based on criteria of fairness, consistency, uniformity and meritocracy, with respect to skills acquired, services delivered and individual growth potential;
- remuneration systems and incentive schemes which enhance the value of individual and team contributions to achieving corporate objectives, including profit sharing schemes, and which encourage the understanding and sharing of objectives that are not just economic;
- continuous training throughout the working lives of personnel, to effectively support the enhancement of individual potentials consistent with role and career growth, with structured training courses which take account of objectives to develop professional knowledge and skills and the quality of managerial behavior to guide and motivate workers and to instil full and accurate knowledge of regulations for the proper performance of operational activities and the effective and ethically correct management of business relationships;
- adequate circulation of information by means of internal communication based on principles of completeness, promptness, clarity and transparency in order to share the Bank's patrimony of values, skills and experience and for each worker to knowledgeablely participate in the implementation and achievement of corporate policies and objectives;
- full and effective freedom of association and participation in trade union activities, by abstaining from exerting any form of pressure on trade union representatives, trade union organizations and their protagonists;
- a dedicated channel of communication for confidential consultation to deal with issues concerning employment and to solve problems and dissatisfactions in relations with superiors, colleagues and associate workers, with a commitment made to assessing issues within reasonable time periods and maintaining the person concerned informed during the investigation.

We are committed to adopting salary schemes which are consistent with policies for the prudent management of risk and with long term corporate policies, including the correct balance between fixed and variable components of remuneration. With particular reference to board members and other senior managers, should forms of incentive

6. Principles of conduct in relations with stakeholders

remuneration be based on financial instruments or linked to company performance, they are weighted on the basis of the risk assumed by the company and structured in such a way as to avoid conflicts of interest in a long term context, ensuring the link between the remuneration and the actual and long term results and consistency with corporate culture. The remuneration systems are subject to reporting to stakeholders in general.

6.4

Relations with investors and the financial market

We pursue investor loyalty objectives and we attribute particular importance to the presence of institutional investors which operate with non speculative intentions (e.g. pension funds, SRI² investors) and to investors who are private individuals resident in the areas in which the Group has its strongest roots.

We are committed to guaranteeing a contained risk profile to all our shareholders along with high capital strength and a capacity to create value in the medium-to-long term by means of:

- a dividend policy that is attentive both to the appropriate periodic remuneration of capital and to maintaining a proper level of capitalization of the Bank;
- observance of adequate levels of capital and respect for the interests of all shareholders in capital operations;
- the consistency of possible corporate operations (e.g. mergers or acquisitions) with the mission, the vision and the values of UBI, in the exclusive interest of the Bank and in observance of sound reasons and prospects of a business nature for value creation.

The following is guaranteed to the shareholders of UBI Banca and to the minority shareholders of subsidiary and associate companies:

- the fullest opportunity to participate directly in the proceedings of shareholders' meetings, as special occasions for discussion on the management of the Bank;
- the effective and proper exercise of rights in shareholders' meetings, in compliance with the by-laws and shareholders' regulations currently in force and, more specifically, the exercise of the right to an informed vote free from conditions, with the provision of accurate, clear and full information concerning the decisions to be taken.

We provide equal information and constant attention without discrimination and preferential behavior to all investors - whether current or potential - and to the financial community in general. We maintain proper independent relations with all associates - financial analysts, rating agencies and auditing firms -and we are committed to preventing and managing potential conflicts of interest.

6.5

Relations with suppliers

We recognise the importance of relations with suppliers based on mutual independence, trust, proper conduct, transparency and reliability to ensure the acquisition of the goods and services required to ensure the efficiency and continuity of corporate production processes. To achieve this, we employ purchasing processes designed to seek the best price-quality ratio on the basis of the requirements of the users of the goods and services supplied, and on the basis of the requirements of expense, quality and technical, commercial and financial reliability and periodic assessment of the standards of service. Where requirements are the same, preference is given to those suppliers who demonstrate the implementation of good practices of social responsibility and/or possession of social or environmental certifications.

We guarantee the following to all our suppliers:

² The SRI (Socially Responsible Investment) sector identifies investors who incorporate ethical, social and environmental considerations in their criteria for the selection of companies in which to invest.

6. Principles of conduct in relations with stakeholders

- clear and transparent selection procedures, which guarantee equal information and equal opportunities for appointment as suppliers;
- conditions of proper and fair competition in the conduct of negotiations, which includes prevention and opposition to any forms of conflicts of interest and the pursuit of interests other than those of UBI;
- the employment of all measures required to ensure proper and legal conduct in making payments, with particular reference to parties other than those who supplied the goods or provided services, or to foreign parties or to payments to be made on current accounts held with foreign banks;
- a constant and constructive dialogue to identify areas where the business relationship can be improved, with particular reference to transparency and respect for contract conditions, and for the promotion of greater social and environmental responsibility along the supply chain.

To ensure the independence of suppliers, we seek to avoid the establishment of exclusive business relationships, or those characterized by excessive financial dependence on the Group. In the case of long-term business relationships, which involve specific, mutually advantageous, investments, we work to ensure fair respect of commitments and of the expectations on which contract agreements are based.

The most significant suppliers and more specifically those on the approved suppliers list are required to accept this Code of Ethics as part of the relative contract agreements. All suppliers are required:

- to observe all the provisions of the law and regulations and also any voluntary codes of conduct adopted, with particular reference to environmental and health aspects and to safety at the workplace;
- to provide clear, full, truthful and accurate information when negotiating and establishing contract agreements and to abstain from making offers that are not consistent with their technical, commercial and financial capabilities, or which are inconsistent with normal market conditions;
- not to disclose reserved information relating to the Bank and/ or its counterparties and its business partners obtained in the course of the business relationship and to abstain from any conduct which might cause harm to the reputation of UBI or compromise the normal course of its business;
- to allow, where requested, inspections and on site visits at their premises and operating units to be performed to ensure that the requirements requested during supplier selection and contract award procedures are met;
- in relations with UBI personnel, to abstain from giving, promising, offering, accepting or receiving money, free gifts, hospitality or any other utility or benefit exceeding the normal practice of courtesy and ordinary commercial relations, in order to achieve undue advantages in the selection of suppliers;
- to report to UBI any violation or suspected violation of the Code that comes to their knowledge, committed by any person, according to established procedures.

In the event of a supplier violating this Code, UBI has the right to take measures which may even consist of terminating the contract and excluding the supplier from further business relations, either temporarily or permanently, in addition to demanding compensation for any damages incurred.

6.6

Relations with local communities

We consider that the quality and depth of relations with local communities and economies is crucial to being recognized as a bank that is present and close to them a community bank, actually involved in their growth as a driver of development.

We contribute to the material and other needs of communities in response to requests made by not for profit organisations, institutions and associations of various nature. We support activities and projects to protect our historical, cultural and natural heritage, to educate and train young people, to conduct scientific, academic and humanitarian research, to provide assistance with health and welfare, the arts, sports and recreation, following an approach based on solidarity and subsidiary.

6. Principles of conduct in relations with stakeholders

No donations - neither direct nor indirect and in any form - are permitted to political parties, movements, political committees and other political organizations, their representatives and candidates, congresses or festivals with political propaganda purposes.

We guarantee the following to all the nonprofit organizations whose production of public and social services we support with donations and sponsorships:

- procedures for the selection of intervention based on the transparency, efficiency, effectiveness, sustainability and the consistency of the initiatives with the values and local community roots of the Group, with account taken of the urgency of the social needs and social causes to be satisfied;
- independent assessment and the absence of conflicts of interest;
- systematic, clear, full and transparent reporting on the commitments undertaken and on the results achieved.

All the initiatives undertaken are adequately documented with the motives given and they are managed exclusively by the relevant organizational units, with particular attention paid to transparency and proper conduct in relations with public institutions at all levels.

In order to concretely implement the principle of the sustainable development of local communities we maintain relations with a variety of local public and private sector partners, for whom we guarantee that the resources that they make available are actually directed towards the aims of the agreements signed.

6.7

Relations with Public Authorities

We are aware of the need to maintain a banking system and financial and insurance markets that are sound and efficient, as a necessary basis for the sustainable creation of value over time and we therefore base our activities on principles of fair competition, co-operation and transparency.

Our relations with supervisory and market regulatory authorities are based on criteria of independence, transparency and professionalism and they are managed with a view to:

- minimizing non compliance risks and the related operational and reputational risks by making constant improvements to processes and the promotion of a compliance culture among personnel;
- prompt compliance with periodic disclosure and reporting obligations, by ensuring the completeness, integrity and truthfulness of information and data and the objectivity of assessments;
- co-operating actively with investigations by providing the information, documents and figures requested without reticence, omissions or delays;
- contributing actively to the identification of solutions and the implementation of initiatives to improve regulation of the sector and markets, with particular reference to the prevention of fraud and the fight against criminal activities.

We recognise the social value of proper relations with institutions³ and therefore the assumption of commitments and the management of relations of any kind, both in Italy and abroad, with public institutions or in any event of institutions of public or general interest, takes place in rigorous compliance with the law and the applicable regulations, in a spirit of co-operation and with respect for the figures involved. In order not to compromise the integrity and good name of UBI in any way whatsoever:

³ For the purposes of this Code, the term institutions refers to any public sector authority, independent administrative agency, physical person or other legal entity which acts as a public official or as a public service appointee, or as a member of an EC body or EC official or official of a foreign country. Again for the purposes of this Code, the definition also includes private sector organizations which for reasons of a mainly political and economic nature fulfil a public service function designed to protect the general public interest.

6. Principles of conduct in relations with stakeholders

- we represent the interests of UBI transparently, rigorously and consistently, avoiding attitudes and conduct that might be interpreted by a third party and impartial observer, as actions designed to obtain improper and undue advantages and favors;
- we adopt organizational models designed to prevent and hinder the occurrence of conflicts of interest, the commission of crimes and all forms of pressure, either direct or indirect, designed to influence in an improper manner the decisions and the work of the institution concerned or of another party mandated to manage relations with the personnel of the institution (including offers of jobs to the personnel and family relatives of the entities and institutions with which negotiations or commercial relations are in progress or by which we are subject to controls, inspections and verifications);
- we maintain stable channels of communication, with no type of discrimination or preferential behavior, exclusively through the corporate units appointed and duly authorized, taking care to ensure that all communications - and financial reporting and all other types of compulsory communication in particular - are made promptly, fully, truthfully and accurately;
- we provide full co-operation with all authorities in the fight against corruption, usury, money laundering and terrorism and all other types of crime connected with carrying on a business (e.g. in accordance with Legislative Decree No. 231/2001), by making adequate resources and tools available for the prompt performance of the operations requested in observance with the legislation and regulations in force;
- we ensure that any contributions, financing or other payments of any kind, granted by the state, by the European Community or by other public sector parties to UBI are not used for purposes other than those for which they were granted.

The challenge posed by competitors constitutes an opportunity to improve performance and to establish a distinctive identity in terms of ethics and consistent conduct. In this respect we abstain from agreements and conduct which impairs competition and is designed to impose prices and make collusive offers, sharing out or dividing up markets with the assignment of customers, suppliers, geographical areas or lines of business.

In the context of relations with trade associations we contribute to the formulation of proposals for the development of regulations, the implementation of self-regulatory initiatives, the development of personnel training and awareness programmes, and the financial education of consumers.

6.8

Relations with the media and opinion leaders

Relations with the media and representatives of public opinion are maintained by the corporate units appointed or by personnel that are duly authorized by them in observance of the criteria of propriety, transparency, independence and equality. They are designed to provide reliable and relevant information on a regular basis on the activities, structure and financial position of the Bank, on its policies and strategies, including social and environmental aspects, and on the impacts of its actions. Those same principles apply to advertising and social involvement activities implemented through a presence on social networks.

6.9

Relations with stakeholder organisations

We are open to discussions with organisations that represent our stakeholders as part, amongst other things, of a common commitment to promote financial education in society, with a special focus on young people. More specifically, we seek co-operation with professional and business associations to improve standards of service and to seek solutions that contribute to the sustainable development and growth of local economies. We ensure relations based on equal treatment and open and constructive discussion characterized by reciprocal respect with all trade union organisations represented at UBI for all decisions that may have an impact on personnel and for the constant verification of their implementation and of the corporate climate.

7. Methods of implementation and control

7.1

Distribution

This document has been prepared and published in the Italian language and has been translated into English. It is available to stakeholders in hardcopy and electronic form through a variety of channels which include:

- the websites and the Intranet of the Group;
- the magazine of corporate information and culture for Group personnel;
- internal training and communication activities;
- the branch network.

The Code must be brought to the knowledge of the members of management and supervisory bodies when they are appointed, of all employees before they are appointed and of all associate workers, consultants and suppliers. It must also form part of training programmes for all employees and associate workers, in accordance with the different roles and levels of responsibility.

7.2

Implementation

All the operational and management units of the Parent and of subsidiaries work to disseminate and promote knowledge and understanding of the Code and observance of it both internally and among their stakeholders. In this context:

- the heads of each organizational unit - as persons responsible for first level controls - are required to perform their duties of supervision and control over the personnel for which they are responsible and this includes in relation to observance, in form and substance, of the rules of this Code and those it makes reference to;
- by means of monitoring and control activities conducted by organizational units as part of the system of internal control, the Bank verifies that its regulatory and organizational systems are consistent with the objective of preventing violation of the Code of Ethics and it ascertains the actual compliance of individual conduct and transactions performed with the ethical principles and general principles of conduct laid down (ethical auditing).

The Group Corporate Social Responsibility Manager of UBI Chief Financial Officer provides support and advice for training and communication activities and for the interpretation and implementation of the principles of the Code. It provides for adequate monitoring procedures and also identifies appropriate performance indicators. It co-operates in the implementation of corrective action concerning organization in relation to violations detected or to potential difficulties that emerge from monitoring, compliance and ethical auditing activities and it formulates proposals for the amendment and update of the Code.

7.3

Reporting and management of violations

Reports of violations of the Code are sent in written and not anonymous form to:

UBI Banca
Chief Audit Executive
Piazza Vittorio Veneto, 8
24122 Bergamo

or to the email address codice.etico@ubibanca.it.

If the person reported belongs to the Internal Audit Function, then the report should be addressed to:

7. Methods of implementation and control

UBI Banca
Chairman of the Supervisory Board
Piazza Vittorio Veneto, 8
24122 Bergamo

or to the email address ubi-supperto.consiglio.sorveglianza@ubibanca.it.

The report is free and spontaneous. The only obligation on the part of the person reporting is to declare whether they have a personal interest connected with the report itself. The absence of supporting documentary evidence to back up a report is not considered an essential factor in assessing its validity, on condition that the report is not based on mere suspicion or rumours, but on concrete facts with full details. It must provide all useful and appropriate details to allow careful investigation of its accuracy.

No form of direct or indirect retaliation or discriminatory measures against those making a report shall be allowed or tolerated. Nevertheless, the bank reserves the right to protect its reputation and its personnel and to claim any damages resulting from reports made in bad faith.

In order to protect persons making reports from any harmful consequences as a result of making a report, measures have been put in place to guarantee, from the time a report is received and at all subsequent stages, the confidentiality of the identity and the protection of the personal data of the person making the report, without prejudice to obligations under the law in the event of investigations or measures taken by the courts. Confidentiality and the protection of personal data are also guaranteed for the person presumed guilty of a violation on whom the report is made.

The function which received the report shall make a record of it and an initial assessment to determine its seriousness and it shall then forward it to bodies with management functions and with supervisory functions at the Parent (Management Board, Supervisory Board, Internal Control Committee) and the subsidiaries (Board of Directors, Board of Statutory Auditors) and:

- to the Supervisory Body of the company in question, if the alleged violation is potentially significant also with regard to company liability, if the necessary conditions are met for the application of regulations pursuant to Legislative Decree No. 231/01;
- to the organisational unit that manages relations with the stakeholder who has committed the alleged violation, or the relative body in question, in other cases.

It is underlined that in relation to the concrete circumstances that are reported and if specific necessary objective and subjective conditions are met, the UBI Banca Group has two other processes for reporting illicit facts or conduct to the Bank that are separate from those provided for in this Code:

- a) the reporting process provided for by the model of organisation, management and control pursuant to Legislative Decree No. 231/01 of UBI Banca and Group companies as specified in the section on "Reporting obligations to the Supervisory Body – reporting lines" concerning actions, behaviour or events that might determine a violation of the Model or which, more generally, are relevant for the purposes of Legislative Decree No. 231/2001;
- b) the reporting process provided for to implement Art. 52 bis of the Consolidated Banking Act and Art. 8 bis of the Consolidated Finance Act and the relative measures to implement it for reporting internally in Group banks/companies by personnel⁴ of actions or facts that have come to their knowledge in carrying out their duties at work which may constitute a violation of the regulations governing banking and financial activities ("Whistleblowing").

⁴ In accordance with Group policy on internal systems for reporting violations ("Whistleblowing") personnel are defined as: employees and natural persons who work on the basis of personal contractual relationships with Group companies which determine their presence in the organisation of the company even in forms that differ from those of normal employees. This therefore includes all forms of contractual relationships that fall within the perimeter laid down by the new framework legislation for employment contracts (Legislative Decree No. 81 of 15/6/2015 – Jobs Act) and also other types of worker present in the company's organisation (e.g. financial advisors and agents). Suppliers and their employees and board members including statutory auditors (directors and equivalent) do not fall within the definition of personnel.

7. Methods of implementation and control

7.4

Sanctions

Observance of the rules contained in the Code is considered an essential part of the obligations for those required to observe it. UBI employs appropriate rigor in its treatment of violations of the Code, whoever they are committed by, and it is committed to providing for and imposing sanctions in proportion to the seriousness of the violations, consistently, impartially and uniformly. Except in fraudulent, recidivist or particularly serious cases, UBI considers it best to implement corrective training and education action, without prejudice to the adoption of appropriate disciplinary and contractual sanctions.

More specifically, the violation by employees of the principles laid down in the Code of Ethics and in the attached Code of Conduct, may lead to disciplinary responsibility and in the most serious cases may affect the relationship of trust underlying contractual obligations. Violations will be punished promptly through the adoption, in accordance with the regulations currently in force, of appropriate and proportionate disciplinary measures, independently of the criminal relevance of the conduct. The disciplinary measures for violations of this Code are adopted in line with the laws in force and with the relative national labor contracts and in particular with the corporate disciplinary code in force which makes reference to the provisions of Legislative Decree No. 231/2001.

In the most serious cases of violations of the Code performed by external stakeholders in relation to contracts entered into with Group companies, termination of the contract, or withdrawal from it for just cause, may be performed subject to an opinion from the legal department of UBI Banca, independently of agreements and of any criminal relevance of the conduct and/or the initiation of criminal proceedings where a crime has occurred. This is nevertheless without prejudice to the right of the Bank to compensation for damages which may have been incurred.

7.5

Reporting

In observance of the principle of accountability, we are committed to reporting the state of progress in the implementation of the Code to all our stakeholders in the Social Report of the Group, prepared in compliance with the ethical, social and environmental reporting standards and criteria recognized at national and international level.

8. Attachments

8.1

Attachment A

The Group Charter of Values

The Group Charter of Values - officially adopted in January 2008 following detailed activity of analysis which involved the Parent and all its subsidiaries - identified the corporate vision and mission and it established the values on which the management of business and relations with all stakeholders must be based, in addition to the provisions of the law and regulations and the self disciplinary and external codes adhered to.

Vision

We want to be a **driving force in the banking market** with our experience and capacity to blend tradition with innovation.

We want to be **recognized for a style** of working with a constant sense of ethics in our business and with transparency, integrity, dialogue and respect in the pursuit of **relationships of trust** with all our stakeholders.

We want to be a **great team** able to attract talent and ready to generate profit that is sustainable and long lasting, with the intellectual qualities and passion of the people who are part of it and will be part of it.

Mission

We are an **alliance of banks** rich in history and united by an integrated multi-functional federal structure, able to capitalize on the distribution strength of our sales network and to express our potential for creating synergies on the market.

We **participate actively in the economic and social life of the communities** in which we operate, with a distinctive ability to interpret, serve and encourage the development of local economies.

We pursue the objective of **promoting progress and creating value** for all our stakeholders. We support the **development of a healthy economic and business community**, we grow together with our customers with products and services of excellence.

The values that guide us

The values that guide us and on which the conduct of all of us must be based, whether in strategic decisions or everyday operations, are as follows:

Centrality of the customer **Customer satisfaction** is the guide to our work. Trust and quality of service lie at the heart of how we develop relations with our customers.

To make each meeting exceptional. To listen constantly to Customers, helping them to focus on their needs and offering them the best solutions in a perspective of continuity and growth of the relationship.

To develop a highly experienced and **specialist relationship** with all the different types of Customers to guarantee mutual satisfaction over the medium to long term period.

Integrity

To work with **confidence and optimism**, aware of our own skills and capabilities, proud to represent a banking group which looks to the future strengthened by its past and open to the new.

To express a deep sense of responsibility in individual and team behavior and **to keep our commitments** to all our other stakeholders.

8. Attachments

To **translate skills into action**, including those acquired through training, with conduct which enhances the reputation of the Bank and gives further depth to the two-way relationship between Bank and Customer.

Co-operation

To interact, whether between colleagues or different realities in the Group, in the full knowledge of the value added generated by the choice of a **Federal, Multi-functional and Integrated model** for the Group, with respect for the operational autonomy of individual companies.

To be **dynamic and enterprising**, drawing benefit from the capabilities of others and putting one's own capabilities at the service of others and the Group.

To operate with an **open and proactive attitude**, seeking, with conviction, a contribution to the Group from Customers, Suppliers, Investors, Institutions, Associations and all stakeholders.

Creation of Value

To give full implementation to our statutory vocation, to achieve overall sustainable creation of value over time. To interpret our institutional role in terms of **attention to others**.

To make efforts to **improve our qualities**, in order to help achieve expected results.

To implement **an integrated system of Corporate Social Responsibility** which is able to interact effectively with the Group business model to the advantage of stakeholders and Shareholders.

Communication

To favour a **participatory culture**, achieved, amongst other things, through management levers and incentives, which stimulates employees to share their knowledge with each other.

To activate communication channels to guarantee **prompt delivery of clear and complete information** to all parties.

To streamline decision-making processes with clearly defined responsibilities, achieved, amongst other things, by **relations between managers and workers** that are always constructive and based on mutual respect.

Fairness

To favour a working environment based on **the value of individuals**, which preserves the proper balance between private life and professional commitment.

Go **give value to differences**. To promote the development of individual aptitudes, rewarding individual talent through transparent assessment systems based on merit.

To contribute to the growth of the Bank, by combining profit and capital objectives with respect for ethical principles and the interests of all stakeholders.

Identity

To promote a corporate image which, by drawing on the Vision, Mission and guiding Values, is able to **express its own identity** and the consistency of its philosophy, strategy and operations.

To **integrate localism with a vision of the whole**, capitalizing on the great variety of corporate experiences and vocations present in the Group.

To consolidate the **spirit of belonging** to a professional community with a long history which directs both its daily actions and its strategic choices in the constant search for excellence.

8. Attachments

The community

To pursue a **growth path** for **the Group** which moves in parallel with that of the geographical areas in which it operates, contributing to the generation of economic culture, especially in the new generations.

To encourage and support the growth of a healthy economic and business community, capable of generating **social value** in the medium-to-long term.

To formulate **commercial and support policies** that are attentive to the real needs of the individuals, families, small, medium and large size enterprises, professional communities and associations.

Innovation

To increase the capacity to **generate new ideas** through listening and dialogue with all our partners; to adopt streamlined decision-making and operational processes, in a perspective of constant improvement to procedures, products and service efficiency.

To meet challenges with a positive and pro-active spirit, seeking **to learn constantly** and to improve skills and to stimulate oneself and others to embrace change, trusting in the recognition of one's merits.

To encourage the habit of **measuring up to and respecting competitors**, with full confidence in one's strength and capacity to lead markets.

8. Attachments

8.2

Attachment B

The Global Compact

The Global Compact is an appeal launched in 2000 by the then secretary general of the United Nations Kofi Annan to all players in society - governments, companies, trade unions and other organizations - to co-operate to build a fairer and more sustainable global economy. In particular it recognizes the crucial role played by the creative forces of enterprises in promoting respect for the needs of the disadvantaged and of future generations through compliance with ten universal principles in the field of human rights, the protection of labor, the environment and the fight against corruption:

In the field of human rights

1. to support and respect human rights in our sphere of influence;
2. to ensure that we are not, even indirectly, a party to human rights abuses;

For the protection of labour

3. to uphold the freedom of association of workers and recognize the right to collective bargaining;
4. to be sure not to use forced and compulsory labor;
5. to abstain from employing child labor;
6. to eliminate all kinds of discrimination in recruitment and dismissal policies;

To the environment

7. to use a precautionary approach to environmental challenges;
8. to promote initiatives for greater environmental responsibility;
9. to encourage the development and diffusion of environmentally friendly technologies;

To fight corruption

10. to promote and adopt initiatives against all forms of corruption, including extortion and bribery.

