



Code of Ethics

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1 Introduction

1.1 Purpose

Banco BPM S.p.A. (hereinafter also referred to as the “Parent Company”) is a joint-stock company and performs, simultaneously, the function of bank and Parent Holding Company of the Banco BPM Group (hereinafter also referred to as the “Group”), with operating, governance and coordination functions. The Group, with registered office in Milan and administrative office in Verona, is listed on the Electronic equity market (MTA, *Mercato telematico Azionario*) organised and managed by Borsa Italiana S.p.A..

The Banco BPM Group carries out its activities in the banking sector and, more specifically, financial activities, chiefly, but not exclusively, in Italy. The Banco BPM Group was created from the merger between Banco Popolare and Banca Popolare di Milano (BPM).

The companies involved in the merger have always striven to promote and support economic, civil, social and environmental development in the regions where they have a presence, performing their role as a banking group in the best possible way with regard to all sectors of the economy: the private sector, i.e. families and businesses, with a particular focus on small and medium-sized enterprises; the public sector, i.e. the bodies and institutions that make up the local self-government system; the civil sector, i.e. associations and other organisations that make up the non-profit system.

The Group thus intends to continue its traditional customer-centric approach, ensuring transparency in its relationships and constantly seeking to improve its services with an offer tailored to the needs of its customers. In order to pursue this mission, the Group develops its human resources, maintaining a system of relationships with its employees aimed at boosting their motivation and sense of belonging.

In this regard, the Group has decided to issue its stakeholders with this Code of Ethics (hereinafter also referred to as the “Code”), which seeks to provide a clear and transparent definition of all the relevant values and responsibilities, along with guidelines to govern the conduct of the representatives and employees of the companies within the Group.

The companies within the Group shall undertake to ensure their employees and the Group’s other stakeholders are familiar with the Code of Ethics.

Every year, the Group drafts a social report, which lays down not only the activities carried out for its stakeholders, but also the behavioural rules adopted and the activities aimed at ensuring compliance with them.

All conduct should be inspired by principles of ethics, legality and transparency, and the respect of all persons without distinction, in accordance with the Group’s values, guidelines and processes, and every effort should be made not to expose the Group to regulatory and reputational risks.

The Group shall undertake to comply with the regulations in force in the various fields of activity in which it operates as well as with guidelines in terms of protecting human rights, employment protection, combating corruption, organised crime and terrorism. Any behaviour, during the exercising of one’s functions, that violates criminal legislation must be considered a breach of the Code of Ethics.

1.2 Scope of application and adoption arrangements

The guidelines and provisions of the Code are binding on all directors, auditors and persons linked to the Group by an employment relationship (“employees”) and all those who operate for the Group, irrespective of the relationship that links them to it (“associates”).

The Group’s directors, auditors, employees and associates are hereinafter referred to as the “Recipients”.

The companies within the Banco BPM Group adopt an Organisation, Management and Control Model (pursuant to art. 6 of Italian Legislative Decree 231 of 08 June 2001), hereinafter also referred to as the “Organization, Management and Control Model pursuant to Legislative Decree 231/01” or the “Model”, of which this Code of Ethics forms an integral part.

This Code of Ethics is approved by the Board of Directors of the Parent Company, subject to the favourable opinion of the Board of Statutory Auditors, and subsequently disseminated to the companies within the Group for approval by the competent Body.

The Code of Ethics and any updates are communicated to the Recipients and the public using the following instruments:

- distribution in paper and/or electronic format (e.g. e-mail);
- publication on the intranets of the Group companies;
- publication on the websites of the Group companies.

The administrative and organisational structures, in their various guises, shall undertake to uphold the Code of Ethics and promote compliance with it.

In particular, each Recipient is required to:

- refrain from behaviour that breaches the Code of Ethics and to adhere to all company regulations;
- guide the employees in their organisational units to ensure full compliance with the Code of Ethics;
- communicate this Code to third parties with whom the Group and its constituent companies establish a legal relationship;
- report any breach of the Code of Ethics insofar as any conduct contrary to the letter and spirit of the Code will be subject to disciplinary sanctions. The reporting procedures, the penalty system and the verification activities are addressed in the Organisation, Management and Control Model pursuant to Legislative Decree 231/01 of the individual companies within the Group, which should be referred to specifically.

In particular, the Banco BPM Group organises suitable training courses with the goal of developing, over time and among other things, the ability to recognise, analyse and resolve any doubts that may arise during standard operations with regard to the provisions within the Code of Ethics.

Non-compliant behaviour may render the Group civilly and/or criminally and/or administratively liable in accordance with the law, with the consequent application of penalties against it, while triggering disciplinary sanctions against its employees, or, in the worst cases, civil and/or criminal and/or administrative penalties.

It is thus mandatory for all Group personnel to comply rigorously with the provisions within the Regulations.

2 General Principles

Fairness and honesty

The Group operates in accordance with the legislation in force, internal regulations and professional ethics. The pursuit of the Group's interests may never constitute justification for conduct that breaches the principles of fairness and honesty; for this reason, it is not permitted to receive or offer benefits or gifts whose value may be considered an instrument for influencing the independent judgement and conduct of the parties involved.

All conduct aimed at facilitating corruption and/or collusion is prohibited, including if committed through third parties, the purpose of which is to obtain advantages for oneself or for the companies within the Group.

All activities and operations carried out and, in general, conduct adopted during the exercising of working activities must be inspired by principles of honesty, integrity, fairness, professionalism, transparency and loyalty.

Impartiality

In both internal relations and those with counterparties, the Group shall avoid any form of discrimination on the basis of nationality, gender, age, physical and mental disability, sexual orientation, political or trade union views, philosophical or religious beliefs.

Professionalism, development and protection of resources

The Group promotes the highest degree of professionalism in its directors, auditors, employees and associates.

The Group believes it is fundamental for its personnel to be selected according to transparent criteria, based on the verification of professional requirements, while ensuring equal opportunities; it continuously promotes professional growth, providing suitable training, upgrading and development instruments.

All employees are granted equal opportunities for professional growth and career advancement, in accordance with principles of meritocracy, transparency and equity. Behaviour, which may cause harm to personal dignity, integrity and liberty, is not acceptable; sexual harassment, physical or psychological bullying and mobbing/stalking will not be tolerated.

Confidentiality of information and data processing

The Group shall process personal data in full compliance with the legislative provisions in force concerning protecting privacy (Italian Legislative Decree 196/2003 and Regulation EU 2016/679).

The Group shall cooperate fully with the Data Protection Supervisory Authority when asked to provide information and documentation and/or permit inspections.

Processing inside information

The Group shall take every step to protect the inside information in its possession, in accordance with the regulatory provisions (Directive EU 2014/57 and Regulation EU 2014/596).

All parties who have access to inside information, as defined by Italian Legislative Decree 58/1998, must refrain from (i) disseminating such information outside of the cases specified by the Group (ii) using such information inappropriately for the buying/selling of financial instruments (for themselves or for others), in order to ensure maximum market transparency.

Group communications, both to the public and the Authorities, shall be transparent, exhaustive and prompt, and comply with the pro tempore regulations in force, including any internal rules.

Conflicts of interest

When carrying out its activities, the Group shall take steps to ensure correct management of any conflicts of interest, whether actual or merely potential, which may arise, ensuring the necessary transparency. In addition to the cases specified by the regulations, situations where a Recipient is operating for the satisfaction, including potential, of interests other than those of the company and its shareholders, shall constitute conflicts of interest.

With no prejudice to the stipulations in article 2391 of the Italian Civil Code, when the existence of a non-company interest applicable to a Recipient may entail prejudice to third parties or to the company, the Recipient must refrain from the activities, which generate the interest in question.

Transparency and completeness of information

The Group shall undertake to make prompt, accurate and comprehensible communications in accordance with the legal provisions in force, so as to enable anyone to make informed decisions.

It is forbidden to disseminate false information (not only concerning Group data) or implement simulated operations or other contrivances likely to cause a significant change to the price of listed or unlisted financial instruments or significantly affect the trust the public places in the financial stability of the companies and/or Group or any other company.

Transparency and accuracy of information concerning the economic and financial position and assets of the Banco BPM Group

All Recipients who, in whatever capacity (even as mere data providers), are involved in drafting the financial statements and similar documents, or any documents that show the economic or financial position and assets of the relevant company or Banco BPM Group, along with all directors, auditors and anyone holding managerial positions, are prohibited from expressing facts that do not reflect the truth, even if subject to evaluation, or omitting information or hiding data in direct or indirect breach of the regulatory provisions and internal procedural rules, in order to mislead any party whatsoever.

Health protection

The Group shall guarantee, in accordance with the legislation in force, a compliant working environment in terms of personal health and safety, and particularly with regard to:

- legal technical/structural standards concerning equipment, facilities, workplaces and chemical/physical/biological agents;
- risk assessment activities and the preparation of the resulting prevention and protection measures;
- organisational activities, sanitary inspections, information, training and monitoring in relation to ensuring compliance with safe working procedures and instructions;
- acquiring the documentation and certification required by law;
- periodic checks of the application and effectiveness of the procedures adopted;
- preventing offences committed through breaches of health and safety regulations.

Recipients shall adhere scrupulously to the prevention and safety measures implemented.

Environmental protection

The Group shall be sensitive to protection of the environment as a primary asset. To this end, it shall guide its choices, including for the purposes of selecting suppliers, in order to ensure compatibility between economic initiatives and environmental requirements in accordance with the regulations in force, paying particular attention to:

- the collection and disposal of waste;
- the use of qualitatively sustainable energy sources;
- the reduction of energy consumption;
- preventing offences committed through breaches of environmental protection legislation.

Use of company assets

The management and use of company assets must be inspired by principles of integrity, fairness and responsibility; in particular, all Recipients are required to respect and safeguard the Group's assets, and prevent fraudulent or improper use thereof.

The electronic instruments provided must be used exclusively for work activities and according to procedures that do not cause prejudice to the Group and its information systems. In particular, it is prohibited:

- to tamper with the protection systems for the information systems of the company and any entity with which the Group maintains working relations;
- to create, modify, export or delete data of the Group and/or third parties fraudulently;
- to access the IT network of the companies within the Group or third parties without permission;
- to install devices to intercept the communications of third parties;
- to install and disseminate illegal programs or viruses through the company network.

When sending e-mails, Recipients must exercise the same caution and care and use the same good manners they use in ordinary mail.

As regards any Internet connection provided, as well as telephones (including mobiles) and e-mail, such instruments must only be used for company purposes.

Company vehicles and all the assets and services made available to Recipients by virtue of the functions entrusted to them by the Group must only be used for company requirements. Personal use is possible only according to the cases, methods and conditions and within the limits permitted by the internal regulations or, possibly, in special cases, where stipulated by the employment contract.

The costs incurred by the Recipients for travel, food and lodging shall be reimbursed by the Group, exclusively within the limits and time frames and according to the methods provided for in the internal regulations.

Internal control

The Group has established an internal controls system, entrusted to suitable departments structured in accordance with legal requirements, secondary legislation and self-regulation rules.

All Recipients, within the context of the functions and duties assigned to him/her, must make an active contribution to ensuring optimum functioning of the internal controls system and the development of an internal controls culture.

3 Scope of application

3.1 Relations with customers

The Group shall undertake to create and develop relationships of trust and mutual and sustainable satisfaction with its customers.

Contractual relationships and communications to customers shall be marked by principles of fairness, professionalism and transparency.

In particular, in order to protect the image and reputation of the Group, it is essential for relations with customers to be based on compliance with the law, with particular reference to provisions concerning anti-money laundering and self-laundering, anti-usury, transparency and privacy, as well as supervisory regulations.

Moreover, when establishing commercial relations with new customers and managing existing relationships, it is necessary, based on information that is public and/or available in accordance with the legislation in force, to avoid:

- dealing with parties involved in illicit activities, in particular connected with arms trafficking, money laundering, terrorism, smuggling, the trafficking of narcotic drugs or psychotropic substances and, in any event, parties that do not fulfil the necessary requirements of professionalism and commercial reliability;

- maintaining financial relations with parties, which, even indirectly, obstruct human development and contribute to breaches of fundamental human rights (e.g. by using child labour, facilitating the trafficking of migrants or sex tourism etc.).

In their relations with customers, Recipients are required to ensure their conduct satisfies criteria of proactivity, courtesy, transparency, cooperation and consideration, by providing adequate, complete and prompt information about the products and services offered. The products and services offered to customers must satisfy their actual needs and it is not permitted to employ circumvention, bullying tactics or measures aimed at forcing their judgement or behaviour.

Customers shall be given clear and complete information about the products and services offered and the relevant conditions applied, so as to facilitate understanding thereof and the making of informed choices.

All customer complaints will be handled sensitively, according to suitable internal procedures, since they represent an opportunity to improve, overcome conflict and boost customer trust and satisfaction.

3.2 Relations with shareholders and the financial community

It is a priority for the Group to enhance the investments of its shareholders, by implementing a policy that seeks the creation of value over time.

In order for the investors' decisions to be based on the correct assessment of company policies, the performance and expected profitability of the capital invested, the Group ensures all the information necessary, both through the instruments stipulated by the law and by means of presentations to institutional investors, analysts and the entire financial community, at the time of both major financial deadlines and any extraordinary operations. Any information that may have an impact on stock market performance is disclosed in accordance with the criteria and procedures established by the legislation in force.

Management of related parties and/or connected parties

The Group shall undertake to ensure the maximum level of fairness and substantial/procedural transparency in the management of its operations with related parties and/or connected parties, ensuring, where requested, the provision of suitable information to the market.

Transparency of accounting and tax documentation

Accounting and fiscal transparency is based on honest, accurate and complete basic information for the relevant accounting records. Recipients are required to cooperate, within their remits, to ensure that management results are represented correctly and promptly in the bank's management and administrative system.

It is forbidden to behave in any way that may prejudice the transparency and traceability of tax and financial information.

Adequate supporting documentation is kept for every operation, so as to enable:

- easy and prompt bookkeeping;

- identification of the various levels of responsibility and allocation and segregation of tasks;
- accurate reconstruction of operations, including in order to reduce the likelihood of material errors or mistakes of interpretation.

Each record reflects the details in the supporting documentation. It is the duty of all the Recipients to ensure that the documentation can be easily traced and is ordered according to logical criteria.

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

Relations with Supervisory Bodies, auditing companies and other structures

The Group shall ensure the correct execution of the monitoring or auditing activities allocated by law to the shareholders, Board of Statutory Auditors, Supervisory Body and other company functions with control responsibilities, and guarantee that the decisions taken by the shareholders' meeting are made freely and properly.

All action, which hinders, or may hinder, the exercising of the control activities is illegal and shall be considered committed against the relevant company or Group.

3.3 Relations with employees

The Group believes that respecting the personality and dignity of each employee is essential for developing a working environment marked by mutual trust and loyalty.

Employee management policies

Employees are treated fairly and with respect, supported in their professional development and rewarded for results achieved in accordance with the remuneration policies. No form of discrimination or harassment shall be tolerated in the hiring and management of the personnel, nor in professional relationships.

The personnel will be sought and selected on the basis of objective criteria of competence and professionalism, ensuring equal opportunities for all.

A positive working environment will be promoted, where individuality and interpersonal relations are developed, by reinforcing a sense of belonging and a team spirit.

The Group shall take on new personnel, when necessary, in accordance with the legislative and contractual provisions in force at the time. No form of work that breaches any employment law provisions shall be tolerated. It is not permitted to establish any working relationship with persons without a residence permit, nor conduct any activity aimed at facilitating the unlawful entry of illegal immigrants into the Country.

Optimum consistency between the Group's objectives and the needs of its employees shall be sought.

Workplace health and safety

The Group shall ensure a working environment that complies with the regulations in force concerning health and safety, through the monitoring, management and prevention of risks connected with the exercising of professional activities.

The personnel, whose physical safety and moral integrity are considered fundamental values for the Group, shall be guaranteed working conditions that respect personal dignity, in appropriate workplace environments.

Protecting privacy

Information regarding the personnel, especially confidential details or sensitive data, shall be processed in accordance with the relevant legislation in force and using procedures suitable for ensuring the greatest transparency vis-à-vis the parties directly affected, while preventing any access by third parties.

Internal communication

The Group recognises the importance of internal communication as a tool for sharing institutional information and a source of motivation with regard to the personnel.

Group remuneration and incentive system

The Group's remuneration and incentive system is designed, in accordance with the regulatory and legislative provisions in force, to reflect the strategies, objectives and company results (including long-term), and is adjusted to take account of the risks assumed by the Group, in line with the levels of capital and liquidity necessary for supporting the activities undertaken. This enables the Group to avoid distorted incentives that might lead to breaches of the regulations or an excessive assumption of risk.

3.4 Relations with suppliers

The Group shall develop relationships with its suppliers that are marked by fairness and transparency.

They are selected subject to verification of probity and professionalism and according to technical and reputational criteria, with particular focus on anti-money laundering, the funding of terrorism and conflicts of interest, seeking the best value for money and, where possible, ensuring a rotation of suppliers.

The Group works with suppliers who undertake to comply with the Code of Ethics.

Any personal relationships or interests with suppliers must be declared prior to any negotiations, according to the procedures laid down in the internal regulations.

Any actual or attempted change to normal business relations must be reported immediately to the competent Supervisory Body, according to the procedures laid down in the internal regulations.

It is not permitted to accept goods and/or services that may influence the selection of suppliers.

Purely by way of example, the Group shall not maintain relations with parties:

- involved in activities connected with arms trafficking, money laundering, terrorism, smuggling or the trafficking of narcotic drugs or psychotropic substances;
- which, even indirectly, obstruct human development and contribute to breaches of fundamental human rights (e.g. by using child labour, facilitating the trafficking of migrants or sex tourism etc.);
- which employ foreign workers without a residence permit or whose residence is illegal, or which recruit or employ workers, including through intermediation activities, place them in exploitative conditions and take advantage of their financial difficulties.

3.5 Relations with the Supervisory Authorities and Public Administration

Institutional relations with the Supervisory Authorities and the Public Administration shall be marked by principles of fairness, transparency, professionalism and helpfulness, in accordance with their respective roles, avoiding any conduct and/or attitude aimed at improperly and/or unfairly influencing their dealings, even if this only seems to be the case.

It is forbidden for all those who have relations with the Supervisory Authorities, in particular the directors, auditors and top management, to hinder their work.

All parties concerned must cooperate fully with the said Authorities. It is thus forbidden to express facts that do not reflect the truth, even if subject to assessment, concerning the economic and financial position and assets of the companies within the Group or conceal, through other means, facts concerning the said position, which should have been disclosed.

In relations with the Public Administration, it is forbidden:

- to influence official acts, omissions or any decision in violation of the official duties of a Public Official;
- to make an improper offer or promise of money or other benefits to Public Officials, officers, public employees or persons tasked with public functions, or parties belonging to the Public Administration;
- to accept or solicit requests for money or other benefits, or authorise anyone to do so, from a Public Official or public service employee in order to gain, ensure or maintain an advantage in relation to company activities.

3.6 Relations with other external parties

Relations with political organisations

The Group shall not make donations, nor support through sponsorship, movements or organisations with a political purpose.

Recipients may participate in political organisations on a personal basis, without any link with the function performed within the Group and according to the procedures stipulated by the legislation in force.

Relations with the media and public relations entities

Communications for an external audience must be accurate and transparent.

Activities such as the publication of documents, the granting of interviews, the giving of presentations concerning the companies within the Group or the Group itself are permitted subject to authorisation from the specific company departments and within the limits of the relevant procedures adopted by the Group; any event, the confidentiality requirements established by law or by any contracts shall remain binding.

Relations with Trade Unions

The Group shall deal with Trade Unions responsibly and constructively, in accordance with their respective roles, by promoting an environment of trust and dialogue and continuing to seek fruitful industrial relations.

Relations with other parties

The Group believes it essential to conduct transparent dialogue not only with its stakeholders but with all parties and, in particular, those who represent the areas and local communities where it has a presence, institutions of social and cultural interest and religious institutions, keeping a communication channel permanently open in order to understand their needs. In this context, the Group identifies the needs and requirements (not only material), of the community, and supports them, in accordance with statutory procedures. When choosing its areas of intervention, the Group checks consistency with the reference values, the merit of the proposed initiatives and social needs it intends to satisfy, taking care to avoid any risk of corruption or conflict of interest.

Such initiatives must be properly justified, including with regard to the consistency of the economic commitment, the quality of the initiative and participants and the concrete economic and social benefits for the region concerned by the initiative.

4 Reporting breaches of the Code of Ethics

Reporting breaches

All Recipients are required immediately to report any breach of this Code or the Organisation, Management and Control Model adopted by the Banco BPM Group in accordance with Italian Legislative Decree 231/01. The Group shall undertake to conduct investigations of any breach of which it becomes aware.

Such reports must be made to the Supervisory Body, using the postal or e-mail address, which each company within the Group publishes using what it considers the most suitable tools. The Group shall guarantee that the identity of the party who makes such a report will remain confidential.

Recipients are also required to cooperate in any internal investigations concerning breaches and conduct that inconsistent with this Code.

Consequences arising from breaches of the Code

As regards the employees, any breach of the Code shall constitute an offence punishable in accordance with the disciplinary provisions in force. In addition, should the breach committed also fulfil the criteria for violation of the Organisation, Management and Control Model adopted by the Banco BPM Group in accordance with Italian Legislative Decree 231/01, the penalties stipulated by the said Model shall also apply.

As regards the Group's associates, any breach shall give rise to contractual liability and must be treated as such.

As regards the members of the Company Bodies, any breach committed by such persons, unless covered elsewhere, shall be punished through measures proportional to the breach, by the Company Body in question.