



**Banca Intesa**

## **Group Internal Code of Conduct**

**July 2006**

# **GROUP INTERNAL CODE OF CONDUCT**

## **PART I** **Guiding values**

### **Premise**

Gruppo Intesa activities are conducted consistently with the values and principles contained in the Code of Ethics by which the behaviour of all directors, statutory auditors, employees and external collaborators is constantly inspired.

### **Art. 1** **Contents**

1. The present code defines the essential norms of conduct of directors, statutory auditors, employees and external collaborators who as part of their duties must act with professionalism, diligence, honesty and fairness, pursuing the interest of the Company and of Gruppo Intesa, of customers and of the generality of shareholders.  
The exercise of decisions-making powers must therefore be always compliant with the aforementioned values and principles.
2. The Company selects its external collaborators among those (individuals and juridical persons) who share its values and principles.
3. Non-observance of the present Code of Conduct must be considered non-compliance with deontological principles and with the duties of fairness with customers, the Company and shareholders.

## **PART II**

### **Obligations and prohibitions**

#### **Art. 2**

##### **Principles and rules of conduct**

1. Directors and employees must comply with the general conduct principles set out in the present Code and with the specific rules of the Company and their office, diffused by specific communications (circulars, regulations etc.). Statutory auditors must also conform to these provisions where applicable.

#### **Art. 3**

##### **Activities incompatible with duties of office**

1. Directors, statutory auditors and employees must abstain from taking decisions and from conducting activities contrary to, or in conflict with the interest of the Company, or in any case incompatible with their duties.
2. Employees are forbidden from being shareholders with unlimited liability and, in general, must not have appointments in any type of company, authority or entity, nor offer to third parties their work, save the prior explicit authorisation of the Company, whose release is subordinated to the circumstance that the activity, the appointment or the work do not entail:
  - negative effects on work to be rendered to the Company;
  - use of information that the employee may access only on the basis of the employment contract with the Company;
  - financial speculation to which the employee takes part even indirectly;
  - participation, even indirect, to activities in competition with those carried out by the Company;
  - situations which prejudice the dignity of the employee and lead to negative repercussions for the Company.
3. Employees must not lend or borrow from each other.

#### **Art. 4**

##### **Conduct in and outside the workplace, discriminations and sexual harassment**

1. Both in and outside the workplace, directors, statutory auditors and employees must comply with high fairness and integrity standards and abstain from conduct which is not compatible with their office in the Company and may compromise its reputation and image. From this viewpoint and as an example, they abstain from keeping, in the workplace, conduct which does not conform to fairness and utmost respect of dignity and moral personality of each person and to practise, even in their private lives, activities which are potentially harmful for their financial situation (such as, for example, gambling, betting) or in any case not licit or ethically unfair.
2. Religious, political, ethnic or gender discrimination are forbidden. Also forbidden is harassment in general and sexual harassment as well as undesired behaviour with sexual connotations, expressed in physical, verbal or non-verbal form which violates the dignity of the person and creates an intimidating, hostile and humiliating climate.

**Art. 5**  
**Personal transactions on financial instruments**

1. Directors, statutory auditors and employees must not close transactions on financial instruments directly with customers, even through the interposition of a third party.
2. Employees must also refrain from:
  - sending instructions directly to trading desks and, on the contrary, must necessarily use a channel for collection of instructions (for example, branch, internet banking, phone banking);
  - carrying out purchases or sales of the same currency and/or financial instruments on the same day, except for motivated exceptional reasons;
  - carrying out transactions on derivatives, as identified by Art. 1, par.3, of the Combined Regulations on Financial Intermediation, save for those aimed at hedging interest rate risk on residential mortgages, and in any case enact transactions and/or operating strategies with highly speculative characteristics: for example, those that in terms of size or risk profile may jeopardise the capital/financial situation of the person involved.
3. Without prejudice to the provisions set forth in the previous paragraphs, employees must also refrain from:
  - carrying out personal transactions that, in terms of number or frequency, are such to distract the person from exercising their duties for the Company;
  - inserting their transactions directly (that is without using the Company's normal collection of instruction channels such as the Internet) in the Company's instruction collection procedure or execute administrative-accounting transactions, in their own interest or that may be recorded on accounts on which the employee is joint holder or has a proxy (such transactions must be carried out by another employee or must be authorised in advance by the relevant manager).
4. In addition to provisions set out by the previous paragraphs, to employees, operating in the trading desks and the relative support areas, who carry out personal transactions in financial instruments, the following further prohibitions and/or limitations also apply:
  - they must not personally execute the transactions necessary to carry out on the market personal transactions (nor try to find a counterparty willing to close the transaction), even though instructions relative to such transactions have been routed via the structure which receives and transmits orders;
  - they must not carry out personal transactions on the same types of financial products and instruments they trade on behalf of the Company, without prior written authorisation given by the relevant manager.
5. Persons that, in any office, prepare research must not carry out personal transactions on financial instruments of issuers for which they normally give recommendations. The same prohibition also applies to the industries of the issuers for which they normally give recommendations. If financial analysts hold, directly or indirectly, financial instruments issued by companies which later become object of their recommendations, such holdings are disclosed in the relative research, applying all the further provisions in force at the time at the Company.
6. The personal transactions carried out by employees, via another intermediary, are subject to the same prohibitions set out in the present internal code of conduct.
7. The Company reserves the right to introduce, for single persons or categories of persons, limits or further prohibitions to the execution of transactions, communicating such prohibitions to the persons involved.

**Art. 6**  
**Other personal transactions**

1. Employees must refrain from:
  - granting loans or any other form of incentive to themselves, or to a customer who is their spouse or partner, relative or in-law up to fourth degree: in such cases, the relevant decision must be taken by another employee;
  - carrying out branch and back office accounting operations on accounts which are in their name, or in the name of their spouse or partner, relative or in-law up to fourth degree, or on accounts for which they have a proxy: in such cases the transaction must be carried out by another employee or validated by the relevant manager.

**Art. 7**  
**Data, confidential information and confidentiality**

1. Data and information acquired by directors, statutory auditors and employees, due to their position, must be treated in compliance with the Law and the procedures in force and so to always ensure confidentiality.
2. Directors, statutory auditors and employees must in any case maintain confidentiality of confidential information acquired from customers or which in any case they receive as part of their activity.
3. Confidential information may be transmitted to the various structures and offices of the Company or of other Group companies only to persons who have the real need of such information for work reasons.
4. Persons who manage confidential information must use utmost diligence to maintain confidentiality and must comply with the procedures adopted by the Company.
5. Directors, statutory auditors and employees must not use confidential information, received from customers (including investment and divestment instructions) or which they have become acquainted with as part of their activity, to carry out transactions for themselves or on behalf of third parties, even through the interposition of a third party, nor advise third parties to carry out transactions on the basis of such information.
6. The same persons must in no way use, in their interest or in the interest of third parties, including the Company they work for, confidential information relative in particular to listed companies which has come to their knowledge even outside their work.

**Art. 8**  
**Proxies and mandates**

1. The Company is prohibited from stipulating contracts, executing instructions or carrying out transactions with customers if for this purpose the latter intend to use as proxies persons who are director, statutory auditor, employee, personal financial advisor or external collaborator of the Company.
2. Directors, statutory auditors, employees, personal financial advisors and external collaborators of the Company must not accept proxies and mandates provided for in par.1.
3. The prohibition set out in paragraphs 1 and 2 is extended to joint accounts and accounts for which the person is delegated or has received a proxy, where third parties who hold the joint account or have the account are not the spouse or partner, relative or in-law up to fourth degree of the employee.
4. The prohibition set out in paragraphs 1 and 2 does not apply to legal representation or organic or functional representation.
5. The cases provided for by Combined Banking Regulations (TUB) are excluded from the application of the present article (Art. 136 TUB and relative application instructions).

**Art. 9**  
**Use of Company assets**

1. The work tools supplied by the Company to employees (such as for example, work positions, telephone, e-mail, Internet access) must be kept with the utmost diligence and used exclusively to perform their tasks.

**PART III**  
**Relations with third parties**

**Art. 10**  
**Relations with Authorities**

1. Relations with Italian and foreign Authorities must comply with principles of transparency, professionalism and full collaboration.
2. Communications and reporting, even periodic, must be provided in complete form and with timeliness, in full compliance with regulations in force.

**Art. 11**  
**Information to customers**

1. Without prejudice to compliance with information requirements set out by regulations in force at the time, the Company keeps at the disposal of customers the illustrative documentation on products and services offered.
2. Personnel in charge of specific activities also illustrates to the customer the nature, risks and costs of the products, transactions and services offered or specifically requested.

**Art. 12**  
**Conflict of interest in provision of investment services to customers**

1. The Company is particularly attentive to identify the situations of conflict of interest, even only potential conflicts of interest, with customers which may arise when providing investment services.
2. The conflict of interest between the Company and customers may arise as a result of both the Company's, direct or indirect, interest in the transaction, and relations or constraints with third parties.
3. Employees – if they come across a situation of conflict of interest in the exercise of investment services – must comply with regulations, internal and external, in force at the time, to safeguard and protect the interest of customers.

**Art. 13**  
**Unsuitable transactions**

1. Without prejudice to the obligations set forth by the regulations in force at the time, personnel in charge of specific activities must not offer or suggest products and services which are not suitable considering the customer's financial profile.
2. If the customer does not provide the information requested by the Company, the aforementioned personnel in any case assesses customer characteristics based on information available.

**Art. 14**  
**Research concerning issuers**

1. In the preparation of research concerning issuers of financial instruments, without prejudice to compliance with the specific rules contained in the regulations of the relevant office, financial analysts must operate independently and with objective judgement, selecting with autonomy

and professionalism the relevant aspects to be included in the analysis, identifying clearly the assumptions made for their projections on the prospective trend of the issuer's financial instruments and indicating clearly which elements of the research represent opinions expressed by the analyst.

#### **Art. 15**

##### **Relations with the Public Administration and other third parties**

1. Directors, statutory auditors and employees must maintain a conduct compliant with utmost fairness, integrity, impartiality and independence in relations with public administrations, political and trade union organisations, customers and other third parties.
2. In the aforementioned relations, directors, statutory auditors and employees must not promise, grant or receive favours, money or benefits of any kind, which are not directly ascribable to normal courtesy relations or which may induce conduct contrasting with the interests of the Company or of customers.
3. It is also forbidden to induce third parties to preferred treatment or undue influence the decisions of the counterparty.
4. The selection of suppliers and, in any case, the purchase of goods and services of any kind are carried out by specific offices, which have been delegated this activity, exclusively on the basis of documentable and objective criteria, in particular focused on: competitiveness, utility, price, integrity, soundness and supplier ability to guarantee an effective continuous assistance.

#### **Art. 16**

##### **Relations with the media**

1. Without prejudice to the attributions of the Chairman and of the Managing Director and CEO of Banca Intesa, the specific office provided for by the Parent Company's Internal Regulations represents for all Group companies the exclusive reference in the relations with the media in Italy and abroad, except for cases in which a specific delegated power has been provided for.
2. Relations with the media must be conducted according to the procedures set out in internal regulations and in the respect of the norms in force at the time.



## **PART IV**

### **Organisation and control norms**

#### **Art. 17**

##### **Chinese walls**

1. The Board of Directors approves the Company's general organisational structure, to ensure independent judgement, clear and appropriate attribution of responsibilities, separation of duties.
2. The Board of Directors also identifies the organisational model and the most suitable procedures for the purpose of preventing criminal offences, with particular reference to those which may lead to the Company's administrative responsibility.
3. Employees must rigorously comply with rules on Chinese walls, also for the purpose of a correct management of any conflicts of interest and of confidential information.

#### **Art. 18**

##### **Administration and accounting**

1. Operations must be represented fairly, completely and with timeliness in the Company's books and data bases. Every accounting record must be traced and adequately documented, in the respect of the regulations and procedures in force at the time, for the purpose of permitting their complete reconstruction at any time.

#### **Art. 19**

##### **Controls and restrictions on activities**

1. The Parent Company ensures that the Group's internal auditing is conducted independently according to adequate professional standards and, in particular, that:
  - persons who perform internal auditing have adequate experience and professionalism;
  - the Internal Auditing Department operates with resources and instruments adequate to the volumes and complexity of the activity to be controlled;
  - control activities are planned, regularly addressed to the areas with the highest corporate risk, conducted with the utmost care and diligence and adequately documented for the purpose of supporting the results of verifications and recommendations made;
  - managers are informed with timeliness of any problem issues to be addressed.Personnel of the Internal Auditing Department has full access to Company data, archives and assets.
2. The Parent Company's Internal Auditing Department coordinates control on compliance with the norms of the present Code of Conduct activating, in performing this function, the necessary procedures for the verifications deemed to be fit.
3. Any person who becomes acquainted with illicit or in any case non-compliant situations – be they referred to regulations or procedures – must promptly inform the Internal Auditing Department, also via their relevant manager.

The Internal Auditing Department is bound, as concerns all consequent effects, to utmost confidentiality; the Company guarantees those who report in *bona fide* from any retaliation, discrimination or penalisation, ensuring utmost confidentiality, without prejudice to laws in force.
4. The Company, also for the purpose of favouring internal controls on the conduct of its employees and for the purpose of preventing any abuses, may introduce forms of monitoring for employees who receive confidential information relative to issuers of listed financial

instruments and may also use means (such as the restricted list) to limit or prohibit transactions by single persons or categories of persons on specific financial instruments.

## **Art. 20 Sanctions**

1. Following the ascertainment of violations of the norms above by employees, the Company may take the disciplinary actions provided for by the national labour contract.
2. The Company may also take any further measures it may deem fit in relation to such violations, for both employees and the other persons that must comply with the norms of the present Code of Conduct.

## **Art. 21 Scope of application**

1. The provisions contained in the Premise as well as in Articles 7, 9, 15 and 19, par. 3, of the present Code of Conduct also apply to external collaborators and, where compatible, to suppliers and partners. To personal financial advisors who do not have a subordinated labour contract with the Company in addition to the aforementioned norms, provisions contained in Articles 5, par.1, 8, 9, 11, 12 and 13 also apply; the other provisions herein are applicable to such parties where compatible with their activities.
2. The provisions of the present Code of Conduct are also applied to employees with staff leasing contracts, without prejudice to provisions of Art. 23 of Legislative Decree 276/2003 on the exercise of disciplinary powers.
3. Non-compliance with the obligations and prohibitions provided for above leads to the resolution of the contract with the parties mentioned in the present article and may lead the non-compliant party to be liable to pay damages.

## **Art. 22 Definitions**

**External collaborators:** all persons, which do not have a subordinated labour contract with the Company, which perform, even not exclusively, their activity in favour of the Company, with the exclusion of personal financial advisors.

**Confidential information:** any non-public information referring to the activities of a company, listed or unlisted, concerning facts or circumstances which are not of public domain, that are particularly significant in organisational, balance sheet, statement of income, financial, strategic terms or for its business development, as well as for the financial instruments issued by the company.

**Regulations:** the set of:

- laws in force in the State and the relative implementation provisions, including the Regulations issued and the interpretations provided by the competent Authorities;
- internal regulations, which are in force at the time in Banca Intesa and/or other Group companies.

**Procedure:** the set of internal operating norms, including reporting requirements and information technology flows, which are in force at the time in Banca Intesa and/or other Group companies.

**Personal transactions:** refer to all transactions carried out by directors, statutory auditors and employees, on financial instruments and products and currencies, given by a person directly or by the interposition of a third party.