

Document Type: *Policy*

Anti-corruption Policy

Competent Structure: Compliance & AML

Date: March 2020

Version 4

Internal Use Only

illimity Bank S.p.A

DOCUMENT IDENTIFICATION

Document Type:	Policy	
Structure In Charge of Document:	Compliance & AML	
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Structures involved in the process of agreeing this version	Human Resources & Organization	
Recipients of the standard	Parent Company	Other Companies
	illimity Bank S.p.A.	Entities of the Banking Group
Version approved by	Board of Directors	
Date of approval	05/03/2020	
Date of validity	06/03/2020	

VERSIONS

Title of standard and version #	Main changes	Approving body and date
Anti-corruption Policy V.1	Drafting of the document	Board of Directors (Banca Interprovinciale S.p.A.), 17 December 2018
Anti-corruption Policy V.2	Revision of the Policy in light of the Bank's changed organizational and business structure	Chief Executive Officer, 12 July 2019
Anti-corruption Policy V.3	Revision of the Policy for changes in the Group's perimeter	Chief Executive Officer, 15 November 2019
Anti-corruption Policy V.4	Revision from a Group standpoint of the main activities at risk of corruption, the means of filing reports and the process adopted by the Bank for combatting corruption	Board of Directors, 5 March 2020

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1 SCOPE AND FIELD OF APPLICATION

This Policy establishes the anti-corruption principles and roles and responsibilities for managing corruption risks within the sphere of the activities carried out by the Parent Company and identifies those activities most at risk. In particular, all Personnel and, for the applicable profiles, all parties collaborating with the Bank from time to time, are required to comply with this Policy.

The guidelines set out in this document apply to all the entities of the illimity Banking Group, under the management and coordination of the Parent Company illimity Bank S.p.A., for the parts for which they are responsible and depending on the nature of the activity performed by the individual subsidiary. Group entities are accordingly required to adopt these guidelines and adapt their internal rules and regulations, where necessary, to bring them into line with the Parent Company's indications.

This Policy is adopted in accordance with the principles of transparency, objectivity and traceability of activities set forth in Legislative Decree no. 231/01 and contained in the Organization, Management and Control Model adopted by the Bank.

2 GLOSSARY

Definitions	
231 Model	Organization, Management and Control Model pursuant to Legislative Decree no. 231/01
Authority	The government authority with regulatory and sanctioning powers set up by a member state that is in charge of ensuring compliance with the rules at a national level. By way of example, ANAC (the Italian anti-corruption authority) for the matters dealt with herein
Bank/Parent Company	illimity Bank S.p.A. with registered office at Via Soperga 9 - 20127 Milan - Italy
Business Courtesies of Modest Value	Gifts or entertainment (e.g. invitations to sports events and theatrical shows, free tickets, etc.) whose value does not exceed 100 euro
Business Gifts	Gifts of modest value, such as diaries, calendars, gadgets or greetings cards, personalized with the logo of the Bank, of other Group companies or of third party companies
Charitable Donations	Voluntary contributions made to support the needy. These may be in monetary form (cash or equivalent) or in kind (movable or immovable assets, services)
Conflicts of Interest	All situations that involve the Parent Company, its Personnel or the Personnel of other Group companies, where such are in a position to benefit from a professional opportunity or official role to obtain an undue advantage, either of a personal nature or for the Parent Company and/or other Group companies (or also potentially to their detriment), harming one or more customers. A conflict of interest may also exist every time there is the perception of potentially improper conduct capable of damaging trust in the Parent Company, its work or that of other Group companies, despite the absence of inappropriate or in any case unethical behavior
Corporate Bodies	Body with a strategic supervisory function, body with control functions, body with management functions

Corruption	The offer or acceptance, by direct or indirect means, of money or other Utilities able to influence the recipient, in order to induce or reward the performance of a function/an act or the omission of such. This leads accordingly to the distinction between “active corruption” (the offer) and “passive corruption” (acceptance), both in the case where a public subject is involved (“public corruption”) and in relations between private subjects (“private corruption”); corruption having either the aim of carrying out an act contrary to one’s official duties (“direct corruption”) or that of performing an act of one’s own office (“indirect corruption”); and corruption carried out before (“pre-corruption”) or after (“post-corruption”) the performance of the official acts
Corruption Perception Index	A statistical index published on an annual basis by Transparency International since 1995
Courtesy Gifts	Gifts of modest value given on particular and universally recognized occasions such as those given at specific periods of the year (e.g. at Christmas)
Entertainment	Hospitality events, meals, tickets to attend entertainment events organized by the Parent Company, by other Group companies or by third parties, at which at least one employee of the Parent Company or other Group company who works in the business structure in which the relationship with the beneficiary is based is always present. Hospitality events, meals and other activities taking place at the same time as business events or seminars are also considered to be entertainment
External/Third Parties	Suppliers, agents, consultants, professionals, commercial partners, self-employed workers or semi-subordinate workers, etc., who provide their services as persons who are not members of the workforce of the Parent Company or other Group companies in order to realize the activities carried out by such
Facilitation Payments	Payments of small sums in order to speed up, foster or ensure the performance of a routine activity or in any case one envisaged as part of the duties of the recipient
Gift(s)	Benefits of any nature given free of charge or acts of generosity, including those with commercial propaganda aims
Group	The Bank and the subsidiaries forming part of the illimity Banking Group registered in the Roll of banking groups
Management Bodies	Chief Executive Officer and Board of Directors
Organizational Structures (or Structures)	The type of organizational structures used by illimity to which the detailed responsibilities set out in the “Function Chart” are assigned
Personnel	The Parent Company’s Personnel, identified as any person having an employment relationship with the Parent Company, not necessarily on a continuous basis, and being under that company’s direct or indirect control
Politically Exposed Persons	Natural persons who hold important public positions, or who have ceased to hold them for less than a year, as well as the

	members of their families and those who have close ties with such persons as a matter of common knowledge
Public Official/Public Service Officer	All those persons acting on behalf of the public administration; those holding decision-making powers, certification powers, attestation powers, enforcement powers and collaboration powers, also of an occasional nature
Real Estate Owned Companies	Companies set up internally by a bank whose activities consist in buying real estate, originally given as security to the Parent Company, so as to avoid the value of the collateral from falling
Red Flag	<p>Possible items that are indicators of a potentially high risk of Corruption, which emerge when the counterparty:</p> <ul style="list-style-type: none"> operates in a country with a high risk of Corruption that is other than that in which the Bank is established. In this case the Bank considers “at high risk” to be a score less than the average CPI calculated annually by Transparency International; is a Public Official or Public Service Officer or Politically Exposed Person; is represented by one of such persons; has close relations with one of the mentioned persons, with decision-making powers over the activity of interest to the Bank; has unusual corporate features (an especially complex, or in any case non-transparent, corporate structure, the absence of operating structures in the country in which the Bank operates); adopts improper conduct (objections to the inclusion of contractual clauses on anti-corruption matters, requests for unusual contractual terms, requests for non-standard commissions, requests for payments to persons other than the counterparty or in countries where the counterparty does not have any activities); has been involved in criminal proceedings
Sponsorships	Acts that lead to the payment of an agreed fee for being able to develop commercial opportunities connected with such consideration. The sponsorship fee may be paid in cash or in a corresponding form. Unlike charitable donations, sponsorship is a commercial act based on the expectation of obtaining a benefit from the agreed consideration
Utilities	The following are examples of utilities that must not be accepted by the Personnel of the Parent Company or other Group companies: gifts and free-of-charge services (other than those envisaged for Gifts, Entertainment and Charitable Donations), the inappropriate hiring of a person, the granting of loans under conditions not complying with the principles of sound and prudent management and, more generally, any transaction that leads to a loss being incurred by the Parent Company or by another Group company and the creation of a profit for the recipient (e.g. unjustified cancellation of a debt and/or application of discounts or terms and conditions not at arm’s length)

Abbreviations	
ANAC	National Anti-corruption Authority
CPI	Corruption Perceptions Index
ICC	International Chamber of Commerce
PEP	Politically Exposed Person
REOCOs	Real Estate Owned Companies
SB	Supervisory Body

3 INTRODUCTION

The Parent Company and the other Group companies undertake to actively collaborate in the fight against Corruption in any form, also by monitoring the operations performed as the effect of customer requirements, basing themselves on the principles contained in laws and regulations and adopted in international best practice.

More specifically, the Parent Company and Group companies:

- comply with the values and conduct in which they recognize their own integrity, acting in a professional manner and with diligence, honesty, propriety and responsibility;
- do not tolerate any kind of Corruption, in whatever form or by whatever means it may be manifested.

4 ROLES AND RESPONSIBILITIES

The Compliance & AML structure is responsible for implementing and monitoring this Policy within the Parent Company's organization and that of the companies forming part of the Group and, more generally, is responsible for compliance with anti-corruption rules, regulations and controls.

4.1 TRAINING

As a means of creating and maintaining a corporate environment where Corruption is neither accepted nor practiced, the Parent Company provides training for its own Personnel and that of its subsidiaries on current internal and external anti-corruption rules, drawing up a suitable training plan in conjunction with Human Resources & Organization.

In addition, the Parent Company undertakes to:

- publish this Policy on the corporate internet, in order to ensure awareness and understanding of the rules it contains, as well as ensure the publication of the Anti-corruption Policies drawn up by the individual Group companies;
- communicate on a timely basis, also at Group level, any significant changes to the anti-corruption provisions, including those made to this Policy from time to time.

4.2 REPORTING AND PROHIBITION ON RETALIATION

The Parent Company assesses the role performed by its own Personnel and that of its subsidiaries in safeguarding corporate integrity and that of the Group as a whole, as well as encourages all persons to promptly report any violation or risk of violation of internal anti-corruption rules and regulations or anti-corruption principles and provisions.

In this respect, in line with the above-mentioned practices and principles and consistent with the values and restrictions contained in the Code of Ethics, in the Code of Conduct and in the 231 Model, the Parent Company

has set up communication channels through which any unlawful conduct or conduct for which there is the grounded suspicion of the violation of the principles and standards contained in this Policy can be reported.

Any member of the Personnel of the Parent Company or that of the other Group companies who may be the recipient of, or becomes aware of, a request or offer of money or other Utilities, formulated or made by anyone at all, whose aim is to perform or not perform a function/activity, must immediately report such conduct to the Head of Compliance & AML and Internal Audit for an assessment of the case.

Further, the Parent Company's Personnel may use the reporting systems specifically provided by the Internal Policy System for reporting violations in the Parent Company, by sending an email to **violazioni@illimity.com**, and by the 231 Model¹. These systems have been prepared for every Group company, each having a 231 Model and a system for reporting violations that guarantees the confidentiality of the person making the report and accordingly rules out the risk of retaliatory, unfair or discriminatory behavior.

4.3 PENALTIES

Any member of the Personnel of the Parent Company or that of the other Group companies who becomes involved in a corruptive act or facilitates the committing of a corruptive act, or who acts in a manner not compliant with the rules and/or regulations of this Policy, shall be subject to disciplinary measures in accordance with the provisions, also of a contractual nature, that regulate the specific employment relationship, as well as those contemplated by the envisaged disciplinary system².

The type and size of penalties are determined taking into account:

- the extent of the carelessness, impropriety, negligence, misconduct or intentionality of the behavior involved;
- the recurrence or otherwise of the behavior;
- the work performed by the person involved and his or her relative functional position;
- all the other particular circumstances involved.

Similarly, as far as external parties are concerned, the Parent Company terminates any kind of relationship with Third Parties that fails to comply with anti-corruption laws and regulations, including the rules set forth in this Policy, in accordance with the specific clauses set out in the relative contracts.

In addition, any violations by members of the management or control bodies of the Parent Company or of other Group companies shall be examined by the body of which the person involved is a member, so that they may take appropriate action with respect to the circumstances of the case.

The sanctioning system does not depend on the start, performance or conclusion of any criminal action, as the principles and rules set forth in this Policy have been established by the Parent Company regardless of any offences that the prohibited conduct may configure.

5 MAIN ACTIVITIES AT RISK AND RELATIVE CONTROLS

Starting from international standards, the Parent Company has identified, also with regard to the companies forming part of the Group, the following activities in which the Corruption risk is higher, meaning that these activities may be instrumental in committing corruptive conduct:

¹ Reference should be made to paragraph 7 of this Policy for reports made to the Supervisory Body.

² Reference should be made to paragraph 8 of this Policy for the application of disciplinary measures.

1. Gifts, Entertainment and Other Utilities;
2. Charitable Donations and Sponsorships;
3. Relations with Third Parties (suppliers and other entities that provide their services to the Parent Company);
4. The Purchase, Management and Sale of Equity Investments and Other Assets, as well as Mergers and Demergers;
5. Personnel Recruitment;
6. The Purchase, Management and Sale of Real Estate;
7. Relations with Public Officials;
8. The Keeping of Accounts and Internal Controls.

With particular reference to the above-mentioned activities, the Parent Company and other companies forming part of the Group comply with the following general rules when managing the relative operating processes:

- segregation of responsibilities: the person in charge of an operating activity must always be different from the person that controls/authorizes that activity, to ensure that operating activities and control functions are appropriately separated;
- signatory powers: signatory powers must be suitably formalized and clearly defined in the Parent Company and must be assigned in strict connection with the need to affix the precise corporate signature for the specific and organizational responsibilities of the member of Personnel concerned;
- impartiality and lack of Conflicts of Interest: in complying with this Policy, the Personnel of the Parent Company and other Group companies must work in a professional, transparent and impartial manner and must report on a timely basis every situation from which a Conflict of Interest may emerge;
- traceability and filing: all the activities and relative controls performed must be traceable and verifiable a posteriori; in addition, all the documentation produced must be properly filed and be easily retrievable.

Furthermore, in order to effectively combat Corruption, it is essential to comply with administrative and accounting procedures and internal control procedures for cash flows, to ensure that payments and transactions are accurately recorded and correctly reported in the Parent Company's accounting books and records. To this end, the Parent Company has established organizational and control rules designed to ensure that its financial statements provide a true and fair view of the financial position, results of operations and cash flows resulting from its operations.

5.1 GIFTS, ENTERTAINMENT AND OTHER UTILITIES

Gifts/Entertainment/Utilities must comply with the following minimum standards:

- they must not consist of items readily convertible into cash;
- they must not be considered illegal or unethical or such as to potentially impair the integrity and reputation of the Parent Company or the Group;
- they must be suitably delineated (with an indication of their nature, purpose, beneficiary, type and value) as well as fully authorized where applicable;
- they must be received or contributed as part of normal business relations or in any case in situations that cannot appear as the search for favors or benefits as they might impair the independence of the opinion or proper working activity of Personnel;
- the value, nature and frequency of such must be reasonable and appropriate for the position of the recipient, and in general based on moderation and common sense, also taking into account any educative/informative nature of such.

In accordance with the above rules:

- Personnel of the Parent Company and the other Group companies may not distribute, promise or agree Gifts/Entertainment/Utilities of any nature that might be interpreted as exceeding normal business courtesy practice, or as a means of obtaining favorable treatment in the performance of any duty and/or activity that may be connected with the Parent Company or the Group;
- Personnel of the Parent Company and the other Group companies may not accept Gifts/Entertainment/Utilities from Third Parties that may be considered illegal or unethical or such as to potentially impair the integrity and reputation of the Parent Company or the Group, or that may be considered as remuneration for a business activity in progress or to be initiated, including with regard to Facility Payments;
- Personnel of the Parent Company and the other Group companies that find themselves in a position of distributing/accepting Gifts/Entertainment/Utilities are required to do the following:
 - perform an assessment before, or on, distributing/accepting Gifts/Entertainment/Utilities to determine whether such is permitted on the basis of the above-mentioned criteria;
 - not distribute/accept Gifts/Entertainment/Utilities if these are to be considered prohibited on the basis of the above-mentioned criteria;
 - discuss the case with Compliance & AML in case of doubt as to compliance with the prescribed rules of conduct;
- the Parent Company refrains from granting Gifts/Entertainment/Utilities to its Personnel or to the Personnel of the other Group companies if these do not comply, to the extent possible, with the above-mentioned corporate standards.

The following are not considered Gifts/Entertainment/Utilities:

- those received or granted in an individual capacity, provided that they are connected with a genuine personal relationship, that they are in no way designed to obtain or maintain activities or relations with the Parent Company, with other Group companies or with a Third Party and that reimbursement of the relative cost is not requested of the Parent Company or Third Party;
- personalized business Gifts bearing the logo of the Parent Company or other Group company and having modest value, as well as similar personalized products received from Third Parties (e.g. diaries, calendars, gadgets, greetings cards, etc.);
- courtesy Gifts, or gifts of modest value given on particular and universally recognized occasions such as those given at specific periods of the year (e.g. at Christmas);
- Business Courtesies of modest value, such as Gifts/Entertainment/Utilities (e.g. invitations to sports events and theatrical shows, free tickets, etc.);
- invitations to conferences and seminars as speaker or participant, if relating to the business of the Parent Company or other Group companies or to the specific area of expertise of the member of Personnel invited;
- Sponsorships, as defined in paragraph 5.2 below.

5.2 CHARITABLE DONATIONS AND SPONSORSHIPS

The Parent Company and other Group companies must not use Charitable Donations or Sponsorships for the aim of obtaining favorable treatment, and accordingly, as part of these activities, must employ transparent and accountable means, adopting procedures designed to avoid potentially corruptive conduct.

Initiatives involving Charitable Donations and Sponsorships must be consistent with the principles and values (ethical, cultural and social) and the Corporate Social Responsibility strategy adopted by the Parent Company and agreed by all Group companies; in addition, specific emphasis must be placed on selecting projects capable of channeling messages in line with the image and reputation of the Parent Company and the Group.

Initiatives in favor of persons pursuing ends that are unlawful or potentially harmful to the image of the Parent Company and the Group or bodies/organizations involved in judicial matters and practices not respectful of human rights or in any case contrary to the values of sustainability detailed from time to time by the Parent Company are to be excluded, as are also Charitable Donations and Sponsorships in the following situations:

- where the counterparty is a political party;
- where the counterparty is a real estate company and/or company whose aim is the development of real estate initiatives;
- where the counterparty is a company manufacturing or selling arms;
- where the counterparty is an entity connected with gambling or similar activities;
- in the case of Charitable Donations, counterparties must not be profit-making organizations or bodies;
- all donations must be approved by the persons in charge in this respect and authorized on the basis of the prevailing system of powers and authorizations;
- donations shall only be made to a bank account held in the name of the beneficiary institution;
- payments may not be made: i) in cash, ii) in a country other than that in which the beneficiary institution has its registered office; or iii) to a party other than the beneficiary institution;
- the traceability of initiatives must be ensured, as well as the filing, also by electronic means, of all the documentation relating to the requirements performed as part of managing the Charitable Donations and Sponsorships (nature and purpose, checks performed, approval process, means of disbursement), to enable any future reconstruction to be carried out of the relative motivations and responsibilities.

With regard to any other principles of conduct to be adopted in relations with external parties concerning Charitable Donations and Sponsorships, reference should be made to the 231 Model of the Parent Company and of each Group company as well as to the Parent Company's Policy Communication.

5.3 RELATIONS WITH THIRD PARTIES

The Parent Company and other Group companies establish relationships with Third Parties on the basis of assessments of their professionalism, expertise, competitiveness and integrity, and direct such relationships towards the maximum propriety, adopting procedures designed to avoid potentially corruptive conduct.

In any event the following procedures must be complied with:

- the initiation of a relationship must be preceded by a suitable due diligence for the purpose of:
 - identifying, in the case of companies, the chain of command, the actual owners and the parties that perform management and control activities, as well as the company's economic and financial situation;
 - ensuring the reliability and reputation of the Third Party, giving special emphasis to any criminal case history and/or charges;
 - ensuring the existence of the expertise and specific experience required to fulfil the contract;
 - ensuring the existence of any requirements needed to operate in compliance with applicable law;
 - identifying any risks that may be associated with the Third Party;
- the contract governing the relationship must contain a commitment by the Third Party to comply with applicable anti-corruption legislation and the principles contained in this Policy, with the possibility for the Parent Company or other Group company to request the early termination of the relationship in case of non-fulfilment together with compensation for any damages;
- the contract governing the relationship contains a commitment by the Third Party to report to the Head of the reference structure of the Parent Company, who shall inform Compliance & AML on a timely

basis, on the occurrence of any request for money or other Utility, whoever may make the request, whoever may be the recipient of the request and whoever may become aware of the request, designed to carry out or fail to carry out a duty/an activity in relation to the performance of the contract;

- payments shall only be made to a bank account in the name of the Third Party with whom the relationship exists, preferably held with the Parent Company. In case of accounts held with the Parent Company, the due diligence requirements relating to parties that perform management and control activities and in connection with the reputation of the Third Party, as defined above, shall be considered satisfied;
- payments may not be made in cash, nor may they be made in a country other than that in which the Third Party is established, or least of all to a different party.

As far as concerns the purchase or acquisition of goods and services and the procedure for engaging professionals (e.g. legal, tax, technical, labor, administrative and organizational consultants and advisors, or those involved with brokerage, agency and various other intermediary activities, etc.), the following additional minimum standards must be complied with:

- the processes for the procurement of goods and professional and other services must be the subject of specific internal regulations that govern roles, responsibilities and spending capacity;
- approving a purchase request, engaging a provider, concluding agreements and issuing orders are the exclusive responsibility of persons holding the appropriate powers or authorizations;
- the suppliers of goods and services and professionals must be chosen by tender from names selected on the basis of pre-established criteria, or in any case by obtaining several offers; internal regulations determine in which cases an exception may be made to this principle for specific needs or justified reasons (for example, specific consultancy engagements and legal services, cases of need or urgency);
- subcontracting to Third Parties is contractually subject to the prior consent of the structure that entered the relative agreement;
- authorization for the payment of invoices is the responsibility of the persons having the relative spending capacity and must be supported by an attestation of the quality of the goods provided/services rendered compared to the contractual terms and the resulting reasonableness of the requested consideration; in no cases may payments be made in the absence of a suitable justification within the context of the contractual relationship;
- the various stages of the processes are performed by different, clearly identifiable, persons;
- the traceability of the activity (with particular reference to the justification for the selection of the supplier of the goods and/or services or of the professional, together with the relevance and reasonableness of the expense) and the filing, also in electronic form, of all the documentation relating to the procedures performed as part of the process for the provisioning of goods and professional and other services must be ensured, to enable any future reconstruction to be carried out of the reasons for the decisions taken and the relative responsibilities.

In addition, all parties are required to comply with the controls described in the Parent Company's 231 Model³ concerning the purchase of goods and services and activities connected with relations with Third Parties.

5.4 RELATIONS WITH PUBLIC OFFICIALS

The activities of the Parent Company and other Group Companies that involve Public Officials or persons associated with them may increase reputational risk and the risk of non-compliance with applicable laws and regulations.

³ Each Group company has its own Organization, Management and Control Model pursuant to Legislative Decree no. 231/2001.

In accordance with the provisions set forth in the 231 Model of the Parent Company, in the 231 Models drawn up for each Group company and in the Code of Ethics, the following minimum standards of conduct are recalled as the behavioral principles and regulations to be adopted in relations with members of the Public Administration:

- all relationships with members of the Public Administration are reserved to the duly authorized competent functions and are based on the principles of maximum propriety, transparency and integrity, in accordance with the respective roles, and exclude any conduct and/or attitude designed to influence the work of the Public Officials improperly and/or unduly;
- at least two people must be present at meetings with members of the Public Administration, if possible coming from separate Organizational Units;
- attempting to seek and establish personal relations of favor, influence or interference capable of directly or indirectly affecting the result of the relationship is strictly forbidden;
- offering money, goods or other utilities to representatives, officials or employees of the Public Administration, also through intermediaries, is strictly forbidden;
- offering or accepting any item, service or form of courtesy in order to obtain a more favorable treatment for any relationship with the Public Administration is strictly forbidden⁴;
- it is forbidden to file untrue statements or false documentation representing untrue facts or things or to omit information vis-à-vis national or European Union public bodies in order to obtain public funds, grants or subsidized loans or to obtain concessions, authorizations, licenses or other administrative documents or to avoid penalties or omit events punishable by law;
- it is forbidden to alter the way in which a computer or an information system works or manipulate the data contained in such for the purpose of obtaining unfair profit, especially by causing losses or damage to the Public Administration;
- the emergence and effects of Conflicts of Interest vis-à-vis the Public Administration must be prevented in the case of persons acting on behalf of the Parent Company or other Group companies;
- acts of corruption by means of unlawful payments made directly by senior management or employees or carried out through persons acting on behalf of the latter must be avoided;
- during business negotiations with the Public Administration, or on making requests to or in relations with the latter, the Personnel of the Parent Company or other Group companies involved must avoid attempting to improperly influence the decisions of the counterparty, including those taken by officers who negotiate or take decisions on behalf of the Public Administration;
- compliance with the law and proper business practice is essential in the event of public tenders, avoiding cartel agreements with other participants or inducing the Public Administration to act improperly in favor of the Parent Company or other Group company;
- it must be ensured that public funds, grants or subsidized loans made in favor of the Parent Company or other Group companies are only used for performing the activities or carrying out the initiatives for which they were given, in any case refraining from using grants and funding for different purposes.

The Parent Company's Compliance & AML structure must be involved in the case of donations having economic value, including Gifts, Entertainment and Utilities, which the Parent Company or other Group companies may make directly or indirectly to a Public Official, and a prior opinion must be obtained from the structure before any donations are offered, promised or made. This opinion may be issued for a single specific event, regarding individual Gifts, Entertainment and Utilities above a certain threshold, or for particular types of event (e.g. conferences, seminars, presentations, etc.).

⁴ In particular, it is also forbidden to offer other Utilities that may materialize in employment or sales opportunities to the Public Official or members of his family or persons in any way connected with such.

5.5 PERSONNEL RECRUITMENT

The Parent Company uses a process for recruiting Personnel for itself or for other Group companies⁵ that is based on a fair approach without favoritism and works by transparent and documentable means, adopting procedures designed to avoid potentially corruptive conduct.

In this respect the following minimum standards must be complied with:

- the Personnel recruiting process is subject to a specific internal regulation, contained in the Parent Company's Recruiting Procedure, that governs roles, responsibilities and spending capacities;
- the Personnel recruiting process is centered on the Parent Company's Human Resources & Organization structure which assesses the requirements of the requesting structure in accordance with the budget and internal growth plans of the Parent Company and other Group companies;
- selection is made from a list of potential candidates, except in the case of Personnel with particular and specific qualifications, those belonging to one of the protected categories and those intended for managerial positions;
- selection is supported by collecting standardized homogeneous information, also by electronic means, enabling the profile of each candidate to be drawn up;
- comparative assessment of the candidates is carried out on the basis of criteria of expertise, professionalism and experience with respect to the position for which the person is to be hired;
- hiring is subject to an appropriate due diligence designed to:
 - verify the candidate's reliability and reputation, giving special emphasis to any criminal case history and/or charges;
 - identify any risks associated with the candidate;
- suitable authority levels are predetermined, with the identification, as part of the system of powers and authorizations, of the member of staff in charge and authorized to confirm and approve the hiring of Personnel, also with respect to the importance of the position sought in the corporate organization;
- the various stages in the processes are performed by different, clearly identifiable persons;
- the traceability of the activity and the filing, also in electronic form, of all the documentation relating to the procedures performed as part of the process for selecting and hiring Personnel must be ensured (curricula vitae, application forms, employment contracts, etc.), to enable any future reconstruction to be carried out of the reasons for the decisions taken and the relative responsibilities.

In any event, all persons involved are required to comply with the controls included in the Parent Company's 231 Model or in the 231 Models drawn up for each Group company concerning the process for hiring Personnel, with specific emphasis given to the activities governed by the Parent Company's Recruiting Procedure.

5.6 THE PURCHASE, MANAGEMENT AND SALE OF EQUITY INVESTMENTS AND OTHER ASSETS

The Parent Company will not accept non-transparent behavior, designed to obtain or grant favorable treatment, as part of purchasing transactions and the management and sale of equity investments (direct or indirect, qualifying or non-qualifying, in the capital of other companies and other, similar, forms of investment) or other assets (for example, non-performing loans, businesses, assets and legal rights and obligations identified in bulk). This principle has particular importance in the following areas:

⁵ Human Resources & Organization also performs its function vis-à-vis subsidiaries.

- feasibility studies of transactions and/or the identification of business opportunities;
- managing pre-contractual relationships, namely performing activities prior to the stipulation and conclusion of agreements;
- managing the requirements connected with managing and selling equity investments and other assets.

The following minimum standards must be complied with:

- the processes for the purchase, management and sale of equity investments and other assets are the subject of specific internal regulations that govern roles, responsibilities and spending capacity;
- suitable authorization levels are predetermined, with the identification, as part of the system of powers and authorizations, of the persons that may exercise authorizing and negotiating powers at a pre-contractual stage, at a contractual stage and during the management of the relationships;
- a suitable due diligence is performed of companies in which investments are planned and of counterparties using criteria similar to those used for Third Parties;
- the various stages of the processes are performed by different, clearly identifiable, persons;
- the traceability of the activities and the filing, also in electronic form, of all the documentation is ensured, to enable any future reconstruction to be carried out of the reasons for the decisions taken and the relative responsibilities.

In particular, the 231 Model of the Parent Company and the 231 Models adopted by the individual companies making up the Group contain general controls over the movement of equity investments and other assets and the risks connected at the various stages of such, from identification/valuation to a possible conclusion.

5.7 THE PURCHASE, MANAGEMENT AND SALE OF REAL ESTATE

The Parent Company and other Group Companies adopt transparent means of managing real estate assets that mitigate the risk of favorable treatment. This principle has particular importance in the following areas:

- identification and selection of investment or divestment opportunities;
- acquisition, management and sales of real estate;
- lease management.

As part of these activities, the Parent Company and other Group Companies expressly reject any conduct which might lead to the promise, concession or acquisition of real estate under non-market conditions, for the purpose of unduly fostering the pursuit of personal interests, those of the Parent Company or those of other Group companies, or which in any case may be taken to be corruptive conduct.

The following minimum standards must be complied with:

- the processes for the purchase, management and sale of real estate and the management of leases are the subject of specific internal regulations that govern roles, responsibilities and spending capacity;
- suitable authorization levels are predetermined, with the identification, as part of the system of powers and authorizations, of the persons that may exercise authorizing and negotiating powers over the purchase, management and sale of real estate and when managing leases;
- a suitable due diligence is performed of the counterparty using criteria similar to those used for Third Parties;
- verifications are made to ensure the reasonableness of the purchase/sales price of the property, as well as of the lease rentals paid or received, compared to market price, where as the result of the due diligence activity a potential risk of Corruption may exist regarding appraisals made by independent experts;
- the various stages of the processes are performed by different, clearly identifiable, persons;

- the traceability of the activities and the filing, also in electronic form, of all the documentation relating to the requirements carried out as part of the processes for the purchase, management and sale of the real estate is ensured, to enable any future reconstruction to be carried out of the reasons for the decisions taken and the relative responsibilities.

In particular, as far as concerns the management of real estate given as security for balances acquired as part of the securitization of non-performing loans, for which the Distressed Credit structure has competence, the Parent Company uses the services, pursuant to applicable law, of REOCOs/LEASECOs, companies whose sole purpose – in the exclusive interest of the securitization transaction - is to acquire, manage and value real estate given as security for securitized loans (including therein assets acquired under finance lease arrangements).

In this context, the Parent Company takes greater precautions designed to control the work performed and conduct adopted by these entities in carrying out the activities for which they were engaged, vis-à-vis both the Bank and Third Parties, to ensure compliance with the minimum standards described in this Policy

In any event, all persons and entities involved – including the subsidiary neprix S.r.l. - are required to comply with the controls included in the Parent Company's 231 Model and/or in the 231 Models drawn up for each Group company concerning the acquisition, management and sale of real estate.

5.8 THE KEEPING OF ACCOUNTS AND INTERNAL CONTROLS

The Parent Company and other Group Companies properly record each operation or transaction in accordance with the criteria stated by law and in the accounting principles applicable for the preparation of the Group's consolidated financial statements, as each transaction must be authorized, verifiable, legitimate, consistent and appropriate.

In this respect, the Parent Company undertakes to set up and perform accounting controls adequate and suitable for providing reasonable assurance that:

- transactions are only performed on the basis of a general or specific authorization given by the Heads of the structures of the Parent Company and/or other companies of the Group;
- transactions are recorded as may be required to enable the financial statements to be prepared in accordance with generally accepted accounting principles or any other criteria applicable to such financial statements, and to account for all the corporate assets;
- access to assets is only permitted on the basis of a general or specific authorization given by the Heads of the structures of the Parent Company and/or other companies of the Group;
- the value of assets carried in the financial statements is compared with the assets actually existing, at a reasonable frequency, and suitable measures are taken with respect to any differences encountered.

Lastly, the Parent Company undertakes to ensure, within the Group, that the process activities are performed and controlled in accordance with the pre-established objectives, placing special emphasis on the following aspects:

- the granting of powers and duties at the various levels in accordance with the required degrees of responsibility, with particular regard to key duties and their assignment to qualified persons;
- the identification and segregation of incompatible activities/duties, meaning separation between the persons who perform activities, those who control those activities and those who authorize them;
- the management control system, which consists of the set of financial and non-financial valuation, organizational and methodological tools by which the Parent Company and other companies of the Group quantify and direct their results on the basis of specific objectives.

6 PROCESS FOR COMBATTING CORRUPTION

The Parent Company has a process designed to manage the risk of Corruption, suitably structured into the following stages, which also involves other Group companies.

6.1 CONSULTANCY

From a preventive standpoint, control over the risk of Corruption is achieved through the provision of consultancy by the Parent Company's Compliance & AML to the Corporate Bodies and structures of the Parent Company and Group companies, designed to ensure the correct application of the provisions of law and the content of this Policy⁶.

6.2 CONTROLS

The Parent Company's Compliance & AML structure performs specific second level controls in relation to the activities identified as being at risk in paragraph 5, whose purpose is to ensure compliance with the anti-corruption processes and internal regulations adopted by the Parent Company and the other Group companies. These activities are suitably documented in the regular reports presented to the Corporate Bodies and enable an assessment to be made of the overall exposure of the Parent Company and its subsidiaries to the risk of Corruption.

6.3 MANAGEMENT OF RELATIONS WITH THE AUTHORITIES

Relations with the regulatory and supervisory authorities on anti-corruption issues are managed by the Parent Company's Compliance & AML.

7 INFORMATION FLOWS TO THE SUPERVISORY BODY

In addition to the information stated in this Policy, the Personnel of the Bank's structures are required to report to the Supervisory Body, on a timely basis, any violation or exception relating to the rules of conduct and means of execution governed by the procedures, the Code of Ethics and, in general, the Bank's 231 Model.

8 PENALTIES

The violation of this Policy constitutes a breach of the rules of discipline and can entail the application of the specific penalties identified in the section "Disciplinary System" of the General Part of the 231 Model adopted by the Bank.

⁶ Reference should be made to the specific Policy prepared for Group companies.

9 ATTACHMENTS

9.1 RELATED LAWS AND REGULATIONS

RELATED INTERNAL LAWS AND REGULATIONS

illimity Way
Organization, Management and Control Model of illimity Bank S.p.A.
Internal Policy System for Reporting Violations
HR Procedure
Spending Powers Regulation
Policy Communication

RELATED EXTERNAL LAWS AND REGULATIONS

International Chamber of Commerce, "ICC Rules on Combating Corruption", 2011
Transparency International, "Business Principles for Countering Bribery, a Multi-Stakeholder Initiative led by Transparency International", 2013
G-20, "2015-16 G20 Anti-Corruption Implementation Plan", 2014
Legislative Decree no. 38 of 15 March 2017
Law no. 190 of 6 November 2012 as amended
Legislative Decree no. 97 of 25 May 2016
Legislative Decree no. 231 of 8 June 2001