



Inside Information Management Regulation

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1 Introduction

1.1 Subject

The Regulation governs the principles, roles and responsibilities regarding the identification, management and publication of inside information¹.

1.2 Scope of application and implementation procedures

The Regulation applies to the Parent Company and the subsidiaries.

The provisions on the registration of insiders - who have access to relevant or inside information - and their disclosure apply to Banco BPM and Banca Akros (hereafter, each known as the "bank") in their capacity as issuers² of the Group.

The other Group companies are required to comply with the general principles expressed and to take all action to the extent of their remit to ensure correct and prompt fulfilment of the registration and disclosure obligations envisaged by the *market abuse* legislation and by this Regulation.

The Regulation, along with its subsequent amendments, are approved by deed resolved by the Parent Company's Board of Directors and, thereafter, is incorporated by the subsidiaries' management bodies which resolve, insofar as they are responsible, and guarantee that any internal regulations are consistent with those of the Group.

2 General Principles

The rules on inside information are aimed at protecting the transparency and integrity of the financial system and the trust of investors, preventing its abuse and unlawful communication.

¹Inside information is defined as information of precise nature, which has not been made public, directly or indirectly concerning one or more issuers or one or more financial instruments and which, if made public, could have a significant effect on the prices of such financial instruments or on the prices of associated derivatives (Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014, "Market Abuse Regulation" or "MAR").

² This means companies that have issued:

- financial instruments admitted to trading on a regulated market in Italy and/or another EU country or for which an application has been submitted for admission to trading on a regulated market in Italy and/or another EU country;
- financial instruments traded on a multilateral trading facility (MTF) in Italy and/or in another EU country, admitted to trading on an MTF or for which an application has been submitted for admission to trading on an MTF in Italy and/or in another EU country;
- financial instruments traded on an organised trading facility (OTF) in Italy and/or in another EU country;
- financial instruments not contemplated by letters a), b), and c), whose price or value depends on the price or value of a financial instrument indicated in the above letters, or has an effect on that price or value, including, by way of example but without limitation, credit default swaps and spread contracts.

In respect of legislation of reference, organisational measures are identified to avoid the circumstance where members of the administrative, management and control bodies, employees, non-employed staff or other persons who, in the name or on behalf of the bank or of other Group Companies have access, as part of their duties, to inside information relating to the bank or to third party issuers³;

- abuse or attempt to abuse that inside information;
- advise others to abuse inside information or induce others to abuse inside information;
- disclose inside information unlawfully.

A specific role is defined within the bank, known conventionally as “Inside Information Management Function” (IIMF), in charge of managing relevant and inside information relating to the same and to third party issuers and applying the provisions for its processing.

The IIMF uses a specific coordination tool (Info-Room) in support, which envisages the involvement of the competent functions in relation to the type of transaction and thus of information to be processed, known conventionally as “Inside Information Competent Organisational Functions” (IICOF), as well as specialist functions.

2.1 Identification of relevant information regarding the bank

The bank identifies the specific relevant information, namely information that may assume the nature, at a later stage, of inside information, originating within the bank or Group or externally; for the latter, both predictable and unpredictable information, or information linked to evolving exogenous factors, is taken into account.

In order to facilitate their identification, the bank performs preliminary mapping, by way of example but without limitation, of the types of relevant information. The competent IICOF must be identified in the mapping of the types of relevant information.

The mapping is continuously updated, taking account of (i) European and domestic regulatory provisions and the criteria indicated for identifying inside information, (ii) the specific activities performed by the bank and by the Group as a whole, and (iii) the types of inside information that are usually made public by issuer companies and by comparable companies in the European Union, (iv) any indications that may be identified in the searches produced by financial analysts on issuer companies or comparable companies.

We must retain evidence of the analyses, the motivations for considering a specific piece of information as relevant and the persons involved in the assessment.

2.1.1 Management of Relevant Information List (RIL)

When specific relevant information is identified, irrespective of the correspondence to the types of mapped information, in order to monitor constantly its circulation and evolution, a register is managed and updated, defined by the legislation of reference as the “Relevant Information List” (RIL).

³ Italian or foreign entities - other than the Banco BPM Group companies - that issue financial instruments.

The RIL indicates, for a period of at least five years from the recording or update and for each specific item of relevant information, the persons who have access to it, the reasons why the persons are registered, as well as the date of registration or update.

The identification of specific relevant information and the organisational functions of reference is aimed at streamlining the circulation of information and identifying continuously and accurately the persons who have access to it, as well as avoiding the circumstance where any persons who, given the functions they perform do not have any reason to know it, have access to the same.

All persons listed in the RIL are specifically informed and are bound by confidentiality to use the relevant information limited to their ordinary professional activity.

For the purpose of determining crimes of market abuse,⁴ the fact that, at the time the conduct is implemented, the information has not already been classified as inside information by the bank is of no importance.

The list of people included in the RIL is available to CONSOB and to the other competent authorities, as well as the Group control functions, if it is requested.

2.2 Identification of inside information regarding the bank

To identify the inside information relating to the bank and to fulfil the publication obligations, the existence of the following conditions must be assessed, in relation to the events or circumstances that have occurred or that will occur even in a protracted process in several steps. In particular, the information:

- must refer directly to the issuer bank;
- must not have been made public;
- must be of precise nature, namely it must refer to a series of existing circumstances or circumstances that it can reasonably be expected will be produced or an event that has occurred or that it is believed will occur. The information must be specific enough to enable a conclusion to be drawn as to the possible effect on the prices of the financial instruments or the related derivative financial instrument in such a way as to allow an investment decision with very low risk or to allow for its immediate exploitation on the market to be foreseen;
- must be material, that is, it must be information that, if made public, could have a significant effect on the prices of financial instruments in such a way that a reasonable investor would use it as one of the elements on which to base his investment decisions.

Qualitative and quantitative elements must also be assessed, such as the size of the transaction underlying the information, the impact on the bank's core business, the stage of development of the information, the importance for the industry, the impact on the expectations of investors and financial analysts, the economic situation, and the impact on information already made public.

With reference to the assessment of each specific item of information, evidence of the analyses performed to assess its nature as inside information must be retained.

⁴ Ref. Articles 8 and 10 of the MAR

2.2.1 Management of the Insider List and protective measures of information

As soon as information relating to the bank is identified as inside information, irrespective of its previous identification as relevant information, this must be recorded by way of a technical tool that guarantees its accessibility, legibility and storage on a durable medium, together with:

- date and time when the information became inside information,
- date and time when the bank decided on that matter,
- identity of the persons who made the decision or participated in its formation.

A set of measures (barriers) aimed at segregating the inside information must also be activated.

Internal or external persons having access to inside information and with whom a professional collaboration relationship is in place (even based on an employment contract), or who in any case carry out certain duties through which they have access to inside information, must be listed in a specific list (Insider List).

This is split into occasional sections, specifically created for each item of inside information which also indicate the identification details of the persons having access to the same and a permanent section which records only persons who always have access to all inside information relating to the bank.

Evidence of all information is kept for a period of at least five years after the closure of the inside information contained in the Insider List.

All persons registered on the Insider List must acknowledge in writing:

- their registration and the updates relating to them;
- the legal and regulatory obligations derive from having access to inside information and the applicable sanctions in the case of abuse and unlawful communication of the same.

The list of people included in the Inside List is available to CONSOB, the other competent authorities, and the Group control functions if requested.

The relevant documentation must be stored with all necessary measures to ensure that it is not disseminated in forms that are not permitted or to internal or external entities not authorised to know it in the exercise of their professional activity or role.

Electronic documents must be archived, guaranteeing their confidentiality with access restricted to persons listed in the registers for the individual items of information; we may create specific data rooms for consulting and archiving reserved documents in cases of preparation of transactions.

The protective measures must be proportionate to the circumstances and the number of people involved.

If it is necessary to involve third parties, we must be ascertained that the recipients are required by law, regulation, articles of association or contract to respect the confidentiality of the documents and information received. We must sign specific confidentiality commitments in all cases where the confidentiality obligation is not already in place due to other regulatory or contractual sources.

2.3 Disclosure to the public of inside information regarding the bank

The bank discloses to the public, as soon as possible, inside information directly relating to it.

If there is specific relevant information that could soon acquire the nature of inside information, prior to the decision in that regard, it must be assessed if the conditions are in place to delay its disclosure to the public.

We must carry out the assessment as soon as possible for information that has unexpectedly become inside in nature.

2.3.1 Delay

The bank may delay, under its own responsibility, the disclosure to the public of inside information, provided that all of the following conditions are met:

- immediate disclosure is likely to prejudice the legitimate interests of the bank;
- delay of disclosure is not likely to mislead the market;
- the bank is able to ensure the confidentiality of that information.

The decision must be recorded by way of technical means that guarantee accessibility, legibility and storage on a durable medium of the information relating to the date and time when the delay was decided, the date and time of the likely publication of the information and the identity of the persons who made the decision and those instructed to monitor the conditions that allow for the delay.

Documentation relating to the coherence analysis with respect to the conditions that allow for the delay must be retained, including evidence of the protective barriers implemented to prevent access to inside information by persons other than those who must access it in the normal exercise of their professional activity or role.

We must constantly monitor the continuation of the conditions permitting delayed publication.

When one of the conditions permitting delay is no longer satisfied, we must make arrangements to disclose the inside information as soon as possible.

Immediately after the publication of the inside information, we must inform the competent authority of the prior delay based on regulatory provisions in force.

Furthermore, to safeguard the stability of the financial system, the bank may delay, under its own liability, the disclosure of inside information to the public, including information associated with a temporary cash-flow problem and, in particular, the need to receive temporary liquidity assistance from a central bank or ultimately from another lender, provided that all the following conditions are met:

- the disclosure of the inside information entails a risk of undermining the financial stability of the Bank and of the financial system;
- it is in the public interest to delay the disclosure;
- the confidentiality of that information can be ensured;
- following the notification to the competent authority in accordance with the provisions in force of the intention to delay the publication and proof that the above conditions have been met, it has consented to the delay.

If the competent authority does not authorise the delayed disclosure of inside information, the latter must be disclosed immediately.

2.3.2 Disclosure to the public

If the information assumes the nature of inside information at a predictable moment, the disclosure must be prepared in advance, so as to reduce the technical publication times.

If, on the other hand, the information assumes the nature of inside information unpredictably or, in any case, very quickly, the period before any disclosure must be strictly necessary to make the rapid decision on whether or not to delay publication and to prepare the press release.

If the confidentiality of the inside information whose communication has been delayed is no longer guaranteed, this must be published as soon as possible. That situation also occurs if any *rumours* are accurate enough to indicate that the confidentiality of the information is no longer guaranteed.

Where the bank or a person acting on their behalf or for their account discloses any inside information to any third party who does not owe a duty of confidentiality⁵ in the normal course of the exercise of an employment, profession or duties, they must make complete and effective public disclosure of that information, simultaneously in the case of an intentional disclosure, and promptly in the case of a non-intentional disclosure.

The disclosure of inside information must take place by methods which allow for rapid access and complete, correct and prompt assessment of the same by the public, using technical means that allow for:

- it to be disclosed without discrimination to the widest possible audience, free of charge and simultaneously across the European Union;
- it to be communicated by information media on which the public can reasonably rely by way of an electronic tool that allows for the completeness, integrity and confidentiality of the information to be preserved in the transmission phase. In this regard, we must clearly state their inside nature, the identifying data of the bank, the identity of the notifying individual, the subject of the inside information, and the date and time of the media disclosure.

The disclosed communication must contain elements suitable to allow for a complete, correct and prompt assessment of the events and the circumstances represented, as well as the links and the comparisons with the content of previous communications.

Every significant modification of the inside information already communicated to the public must be disseminated without delay, guaranteeing the continuity of the information, the consistency of the contents and the coherence between the provisional information previously communicated to the market and the subsequent revised or final information.

The disclosure of inside information to the public must not be correlated with marketing one's own activities.

Inside information disclosed to the public must be published and stored in an easily identifiable section of the bank's internet website, which may be accessed, without discrimination and free of charge, for a period of at least five years.

2.3.3 Meetings and relations with financial analysts, institutional investors and the media

If meetings are organised with financial analysts or market operators, or representatives of the bank participate at them, the date, location and main subjects of the meeting must be communicated in advance to CONSOB and to the market management company and the

⁵ regardless of whether such duty is based on law, regulations, articles of association, or a contract.

documentation provided to the participants must be made available, at the latest, at the same time as the meeting itself being held.

Those meetings must be open to participation also by representatives of the economic press or, if this is not possible, a press release must be published which illustrates the main matters discussed.

During the meetings, inside information must not be disclosed to the participants unless the same has been published simultaneously in the case of an intentional disclosure or promptly in the case of a non-intentional disclosure.

2.4 Market Surveys⁶

Carrying out market soundings involves disclosing information to potential investors.

Market soundings may be carried out directly by the bank or by another Group company in the capacity of *disclosing market participants* in the interest of the same or of third-party issuers. The bank or other Group Company may also receive a market sounding (*persons receiving market sounding*) carried out by a third-party counterparty.

When the bank or other Group Company, acting in the capacity of *disclosing market participant*, discloses information to third parties, prior to carrying out a market sounding, it must examine if this is of inside nature and retain its assessment and motivations of the same.

Prior to carrying out the market sounding, the consent of those who will receive the information must be obtained; they must be informed that it is prohibited to use or attempt to use it and that the same must be kept confidential.

A specific record must be made of all inside information provided and of the identity of potential investors to which the same have been directly disclosed, including legal persons and natural persons acting on their behalf, as well as the date and time of each disclosure.

When the information that has been disclosed ceases to be inside information, those who have received it must be informed as soon as possible.

The records must be kept for a period of at least five years and must be sent to the competent authority upon request.

If, as part of market surveys carried out by third-party counterparties, the bank or another Group Company receives information in the capacity of *persons receiving market surveys*, we must examine ourselves autonomously to identify the information as inside and when it ceases to be such. Knowledge of that information involves prohibiting using it to carry out transactions and disclosing it to third parties outside the professional area.

To guarantee that the information received during the market surveys is communicated internally only by way of predetermined and reserved channels, the persons who receive it must be registered in a list ordered chronologically; furthermore, they must be adequately informed of the internal procedures to be followed, the prohibitions and the obligations deriving from owning inside information, the rules of conduct to be observed and the sanction consequences of any breach of the same.

⁶ They are interactions between a seller of financial instruments and one or more potential investors, prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and its pricing, size and structuring.

2.5 Relevant and inside information relating to third-party issuers

The bank and the Group companies, acting in the name and/or on behalf of third-party issuers on a contractual basis, an assignment or a consulting or professional cooperation arrangement, may have access to relevant and inside information relating to third-party issuers.

In relation to that information, the same confidentiality principles and provisions on market abuse envisaged for the relevant and inside information relating to the bank apply, with the exception of the disclosure obligations.

If the bank or the Group Companies receive information of their inclusion in the list of persons with access to relevant or inside information kept by the third-party issuer involved in each case, a new section respectively of the RIL or the Insider List relating to third-party issuers must promptly be opened, in which to record the details of the persons who, based upon the position held or the functions performed, have access to it shall be entered.

Without prejudice to the foregoing, the bank and the Group companies reserve the right in any case to assess autonomously the possible nature of the information relating to third-party issuers as relevant and/or inside information, opening, if appropriate, a new third-party issuers section of the RIL or the Insider List and recording therein the details of the persons who, based upon the role covered or functions performed, have access to it.

The sections of the RIL and Insider List relating to third-party issuers are kept and updated on behalf of all subsidiaries through the Parent Company registers.

3 Roles and Responsibilities

3.1 Parent Company

As part of its policy, coordination and control functions, the Parent Company:

- defines, on a unique basis and valid for the entire Group, the principles, rules, roles and responsibilities for managing inside information and for its disclosure externally;
- regulates the internal information flows aimed at guaranteeing full awareness and governance of the processes in relation to the management of inside information;
- guarantees the correct application of the legislation of reference and the overall reliability of the inside information management system.

The Chief Executive Officer of the Parent Company is responsible, in agreement and coordination with the Chairman of the Board of Directors, for dealing with the external disclosure of information regarding Banca BPM and the other Group companies.

In the absence or impediment of the Chief Executive Officer of the Parent Company, his powers are attributed to the General Manager.

3.2 Companies belonging to the Banco BPM Group

In order to pursue the full and correct implementation of the Group model, the subsidiary companies must:

- uniformly adopt the principles, rules, roles and responsibilities defined in the Regulations;
- implement, based on the provisions of the Rules and Regulations and the implementing rules in force from time to time, their respective responsibilities;
- communicate without delay, via the Chief Executive Officer or General Manager of the subsidiary company, in the capacity of IICOF, any information relating to facts that occur within the respective sphere of activity which, according to its assessment and appreciation, may be classified as relevant information or inside information relating to the bank;
- oversee, where the issuer company, the management and respect obligations relating to the disclosure of inside information. The Chief Executive Officer of the subsidiary company assumes in that regard responsibility for the area conventionally known as "Inside Information Management Function" (IIMF), in coordination with the analogous control of the Parent Company; for this activity, he obtains support from the Info-Room and the competent functions of the Parent Company;
- contribute, where issuer company, to the process of management and disclosure of inside information to the public;
- disclose without delay to the General Secretariat function of the Parent Company the information and persons to be registered in the sections of the RIL and the Insider List relating to third-party issuers;
- carry out, with reference to its areas of responsibility and its requirements of operation, monitoring and control activity over the functionality and adequacy of the Regulation, promptly reporting to the Parent Company events, facts or situations likely to require or make appropriate interventions to adjust to the same.

The establishment, management and keeping of the RIL and the Insider List of issuer companies of the Group are centralised at the Parent Company on behalf of the latter.

The Parent Company records in its RIL and Insider List the relevant and inside information relating to third-party issuers and entities that are aware of it on behalf of all subsidiary companies.

3.3 Corporate Functions

Corporate Affairs Secretariat

The Corporate Affairs Secretariat function is responsible for:

- overseeing the management and respect of obligations relating to the publication of inside information about the bank, assuming in that regard, for Banco BPM, the responsibility for the area known conventionally as "Inside Information Management Function" (IIMF) and giving instructions to the "Inside Information Competent Organisational Functions" (IICOF) for the correct application of the inside information management system;
- identifying, possibly with support from the Info-Room, the specific relevant information;

- identifying, possibly with support from the Info-Room, the time when the information relating to the bank becomes inside information and, in agreement with the Chief Executive Officer of the Parent Company, defining the timescale for publication and possible activation of the delay procedure;
- coordinating the preparation of the documentation relating to the activation of the delay procedure of inside information of the bank, with the support of the organisational functions responsible for the transactions and, if appropriate, the competent specialist functions;
- overseeing the preparation of press releases relating to inside information of the bank based on the defined publication timescale, with the support of the functions responsible for the transactions and the Legal and Regulatory Affairs, Investor Relations and Communication functions;
- overseeing, with the support of the competent IICOF, the circulation of relevant and inside information and monitoring, with the support of the Investor Relations and Communication functions, the continuing conditions that allow for the publication of the latter to be delayed;
- assessing periodically, with the support of the IICOF and the competent specialist functions, the correct application of the legislation of reference and the overall reliability of the inside information management system;
- approving, as part of the operating provisions prepared for applying the Regulation, the mapping of types of relevant information relating to the bank, the functions responsible for the respective documentation and the criteria of example for identifying inside information.

The Corporate Affairs Secretariat function, by way of the General Secretariat function, is responsible for:

- overseeing at Group level the management of the registers (RIL and Insider List). In that regard:
 - it activates the sections dedicated to the individual information as soon as its nature as relevant or inside information is defined;
 - it makes the registrations in the registers;
 - it updates the registers following any changes or deletion of data of the persons listed or update of the information recorded;
 - it manages communications to the persons listed in the registers (registration, modification, deletion) and the certifications of receipt of the communications;
- it defines, in agreement with the IICOF and the competent specialist functions, the persons to be included in the permanent section of the Insider List;
- it notifies in writing to the competent authority the communication of having delayed or the intention to delay to safeguard the stability of the financial system;
- it sends to the competent authority the documentation proving the reasons for the delay, according to the methods established by the legislation.

Info-Room

The Corporate Affairs Secretariat uses a specific tool of coordination, known conventionally as Info-Room, for the purpose of:

- contributing to identifying the relevant or inside nature of information;
- assessing the possibility of delaying the disclosure to the public.

In addition to the Corporate Affairs Secretariat, the Info-Room comprises the Legal and Regulatory Affairs, Investor Relations, Communication and Compliance (called upon in cases of compliance concerns) functions and the IICOFs responsible for the type of transaction concerned and therefore the information to be processed.

Organisational units responsible for transactions

The organisational functions responsible for the transactions and the documentation related to them (IICOF) are responsible for:

- assessing the individual items of information relating to the bank that may be considered relevant and that, on their occurrence, may become inside information, submitting them to the IIMF;
- requesting from the General Secretariat the inclusion in the registers of persons who are aware of relevant and inside information relating to the bank or to third-party issuers, as well as their deletion when the presuppositions are in place;
- preparing press releases relating to inside information of the bank with the support of the Legal and Regulatory Affairs, Investor Relations and Communication functions and under the supervision of the IIMF;
- monitoring, with the support of the IIMF, the disclosure of relevant and inside information and the continuing conditions that allow for the publication of the latter to be delayed;
- preparing and storing the documentation relating to relevant and inside information that justifies any recourse to the delay, implementing all measures necessary to ensure that it is not disclosed to unauthorised persons or in forms not permitted;
- verifying and proposing the update of the mapping of types of relevant information.

Compliance

The Compliance function is responsible for:

- assisting in the event of compliance doubts regarding the management of the registers;
- assisting as part of the Info-Room in the case of compliance doubts regarding the relevant or inside nature of the information.

Communication

The Communication function is responsible for:

- participating in the assessment activities carried out by the Info-Room;
- supporting the IICOF in preparing press releases relating to inside information of the bank, under the supervision of the IIMF;
- contributing to managing the contents relating to inside information communicated to the public on the institutional websites of the Parent Company and the subsidiaries.
- monitoring, in coordination with the IIMF, if the disclosure of inside information is to be delayed, the continuing conditions envisaged by the legislation and any *rumours* that may compromise the confidentiality of the information and remove those conditions.

Investor Relations

The Investor Relations function is responsible for:

- participating in the assessment activities carried out by the Info-Room;
- supporting the IICOF in preparing press releases relating to inside information of the bank, under the supervision of the IIMF;
- assisting the Chairman of the Board of Directors, the Chief Executive Officer and the General Manager of the Parent Company in meetings with financial analysts, institutional investors and other market operators and making available the same information relating to those meetings;
- monitoring, in coordination with the IIMF, if the disclosure of inside information is to be delayed, the continuing conditions stipulated by the legislation and any *rumours* that may compromise the confidentiality of the information and remove those conditions.

Legal and Regulatory Affairs

The Legal and Regulatory Affairs function is responsible for:

- participating in the assessment activities carried out by the Info-Room;
- supporting the IICOF in preparing press releases relating to inside information of the bank.

Human Resources

The Human Resources function is responsible for communicating to the General Secretariat the personal data and role of employees to be included in the permanent section of the Insider List and, upon request, those to be included on an occasional basis on the RIL or on the Insider List, or to be deleted.