



Rules
Internal Dealing Regulations

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Contents

1	INTRODUCTION	3
1.1	<i>Purpose</i>	3
1.2	<i>Scope of application and adoption arrangements</i>	3
1.3	<i>Summary of updates</i>	3
1.4	<i>Glossary</i>	3
2	GENERAL PRINCIPLES	6
2.1	<i>Roles and responsibilities</i>	6
2.1.1	<i>Parent company</i>	6
2.1.2	<i>Companies belonging to the Banking Group</i>	6
2.1.3	<i>Company Departments</i>	7
2.2	<i>Process model</i>	7
3	PROCESSES.....	7
3.1	<i>Scope</i>	8
3.2	<i>Exclusions</i>	10
3.3	<i>Reporting requirements</i>	11
3.4	<i>Disclosure of transactions to the competent Authority</i>	12
3.4.1	<i>General principles</i>	12
3.4.2	<i>Roles and responsibilities</i>	12
3.5	<i>Disclosure of transactions to the public</i>	13
3.5.1	<i>General principles</i>	13
3.5.2	<i>Roles and responsibilities</i>	13
3.6	<i>Management of the blocking period</i>	13
3.6.1	<i>General principles</i>	13
3.6.2	<i>Roles and responsibilities</i>	16
4	ANNEXES.....	18
	<i>Annex A - Communication of the obligations of the relevant parties</i>	18
	<i>Annex B - Declaration of acceptance of the Internal Dealing Regulations</i>	18
	<i>Annex C - Communication of the obligations of the Closely-Associated Persons</i>	18
	<i>Annex D - Reporting form</i>	18
	<i>Annex E - For the register of Closely-Associated Persons</i>	18
	<i>Annex F - Disclosure delegation</i>	18
	<i>Annex G - Penalties</i>	18

1 Introduction

1.1 Purpose

The Banco BPM Group (hereinafter also referred to as the “Group”) has established these “Regulations” to provide an organic set of rules for the reporting obligations applicable to persons exercising administrative, management or supervisory functions (so-called “Relevant Parties”) and “persons closely associated with such Relevant Parties” (so-called “Closely-Associated Persons”), as defined by Regulation 596/2014 and Delegated Regulation (EU) 2016/522.

1.2 Scope of application and adoption arrangements

These Regulations apply to issuing Companies within the Group, which, with reference to the financial instruments defined in paragraph 3.1) of these Regulations:

- have requested or authorised admission to trading on an EU regulated market (currently or in the process of being listed);
- have authorised trading, on an MTF or OTF;
- have requested admission to trading on an MTF.

These Regulations apply to Banco BPM (hereinafter also referred to as the parent company) and, solely for the provisions concerning the “blocking period”, also to Banca Aletti & C. S.p.A., Aletti Gestielle S.G.R, Banca Akros S.p.A. and BPM SpA (with the latter not an issuer but important in terms of size).

These Regulations are approved through a resolution from the Board of Directors of the Parent Company and, subsequently, through adoption by the Administrative Bodies of the Group Companies to which they apply; any subsequent variations will be defined according to the same procedures.

The President of the Board of Directors and/or Managing Director, acting separately, are each entitled to make any necessary modifications to the annexes of these Regulations.

1.3 Summary of updates

These Regulations are a new publication.

1.4 Glossary

Relevant Parties or Primary Insiders: persons who exercise administrative, management or supervisory functions within the issuer and who are:

- members of the administrative or supervisory Body of the issuer;

- senior directors who, although not members of the bodies described in the previous point, have legitimate access to inside information concerning (directly or indirectly) the issuer in question and have the power to take management decisions which may affect the future development and prospects of the issuer.

Within the context of the Banco BPM Group, Relevant Parties include the following:

- members of the Board of Directors of the Parent Company;
- standing members of the Board of Statutory Auditors of Banco BPM;
- the Managing Director of Banco BPM;
- the General Manager and Co-General Managers of Banco BPM (if appointed);
- Senior Managers as identified by Board of Directors;
- the Head of the Internal Audit department, the Head of the Compliance department (Compliance Manager), the Head of the Risk Management department (Risk Manager) and the Manager responsible for preparing the accounting documents, pursuant to art. 154-bis of the Italian Consolidated Law on Finance.

The identification of any further Relevant Parties, as persons who have legitimate access to “inside information” and have the power to make management decisions which may affect the future development and prospects of the Company, is the exclusive responsibility of the Board of Directors of the Parent Company.

Anyone holding a stake of at least 10% of the share capital of Banco BPM, represented by shares with voting rights, is also a Relevant Party, as is anyone who controls the issuer.

The following are also Relevant Parties for the Group: members of the Board of Directors, standing Auditors, the General Manager, Heads of Department (to be identified based on the criterion indicated above) that belong to a company controlled, directly or indirectly, by the Group, or a Group Company, should the book value of the stake in the said company represent more than 50% of the assets of the Bank, as shown in the latest approved financial statements.

Closely-Associated Persons or Secondary Insiders: one of the following persons closely associated with the Relevant Parties:

- the spouse or partner considered equivalent to the spouse by national law;
- a dependent child according to national law;
- a relative by blood or marriage who has shared the same dwelling for at least 1 year on the date of the transaction;
- a legal person, trust or partnership, the management responsibilities for which are held by a Relevant Party or person listed in the previous points controlled by the said party, or established to his/her benefit, or whose economic interests are essentially equivalent to the interests of the said party.

Within the context of the Banco BPM Group, Closely-Associated Persons include the following:

- the non-legally separated spouse or partner equivalent to a spouse under national law, dependent children, including those of the spouse or partner¹, and - if cohabiting for at least one year - the parents and relatives by blood or marriage of the Relevant Parties;
- legal persons, partnerships and trusts controlled,² directly or indirectly, by a Relevant Party or one of the persons indicated in the first paragraph;
- legal persons, partnerships and trusts, whose economic interests³ are essentially equivalent to those of a Relevant Party or one of the persons indicated in the first paragraph;
- legal persons, partnerships and trusts (i) whose management responsibilities⁴ are held by a Relevant Party or a person indicated in the first paragraph (ii) established to the benefit of a Relevant Party or one of the persons indicated in the first paragraph;
- legal persons, partnerships and trusts where a Relevant Party or one of the persons indicated in the first paragraph exercises, solely or jointly, a management function⁵.

The same term of “Closely-Associated Person”, within the context of the Banco BPM Group, also refers to the obligations of the Parties Subject to the Obligation referred to below.

Parties Subject to the Obligation: all Relevant Parties plus the Presidents, Vice-Presidents (where nominated), Managing Directors and General Managers of Aletti & C. Banca di Investimenti Mobiliari S.p.A., Aletti Gestielle SGR, BPM SpA and Banca Akros SpA (Companies controlled by the issuer Banco BPM).

Responsible Party: Party responsible for the receipt, management and dissemination of information pertaining to the transactions conducted by the Relevant Parties and Closely-Associated Persons. For the Banco BPM Group, this is the Corporate Affairs Secretariat department.

Transaction: one of the transactions on the financial instruments of the Banco BPM Group or the associated financial instruments described in paragraph 3.1.

SDIR Storage: “SDIR-NIS” system for the dissemination of information, duly approved by Consob, along with the “NIS-STORAGE” mechanism. This system is used, among other things, for handling the dissemination and archiving of communications through the sending thereof to the public, Consob and other press agencies linked to the system, as well as publication on the Borsa Italiana website.

¹ As things stand, in accordance with art. 12 of Italian Presidential Decree 917/86, “dependent” refers to family members with an overall income no greater than the limit laid down in the second paragraph of the said article, i.e. income no greater than €2,840.51, gross of any deductible charges

² Control refers to the circumstances stipulated in paragraphs 1 and 2 of art. 2359 of the Italian Civil Code.

³ To this end, the pertinent circumstances are when the Relevant Party holds, alone or jointly with a CLOSELY-ASSOCIATED PERSON, a stake of more than 50% of the assets.

⁴ The pertinent positions in this case are: Sole Director, Director vested with delegations of powers; General Manager, Co-General Manager, or Partner in a Partnership.

⁵ The pertinent position in this case is Sole Director. In the case of several administrators, the RELEVANT PARTY is deemed to hold a management function in cases where more than half of the board is composed of the RELEVANT PARTY and/or PERSONS CLOSELY ASSOCIATED with him/her.

Register of Insiders or Register: list of persons who have access to inside information and with whom there is a professional collaboration agreement (whether an employment contract or other) and who, in the exercising of specific duties, have access to inside information.

Inside Information: information of a specific nature not publicly disclosed and concerning, directly or indirectly, one or more Issuers of financial instruments or one or more financial instruments, and which, if publicly disclosed, might have a significant effect on the prices of such financial instruments or the prices of any related financial derivatives.

2 General principles

2.1 Roles and responsibilities

2.1.1 Parent Company

The Parent Company:

- defines, in a way that is clear and valid for the entire Group, the principles and rules in terms of applying the regulations in force concerning the identification, management and disclosure of the transactions conducted by the Relevant Parties and Closely-Associated Persons;
- determines the roles and responsibilities of the stakeholders involved in the management and disclosure of the transactions conducted by the Relevant Parties and Closely-Associated Persons;
- regulates the internal information flows aimed at guaranteeing that the corporate bodies and company supervisory departments have full knowledge and can exercise full control over the processes described in these Regulations.

2.1.2 Companies belonging to the Banking Group

The Group Companies, which fall within the scope of application of these Regulations (as indicated in paragraph “1.2 Scope of application and adoption arrangements”, must:

- jointly adopt the principles, regulations, roles and responsibilities associated with the management and disclosure of the transactions conducted by the Relevant Parties and Closely-Associated Persons;
- implement matters within their remits;
- inform the Parent Company of any events, facts or situations that require or would be helped by adjustments to the existing model.

2.1.3 Company Departments

The roles and responsibilities of the various company departments of the Parent Company and Group Companies are determined in accordance with the market abuse legislation in force. The roles and responsibilities of the individual company departments are defined in relation to the management and disclosure of the transactions conducted by the Relevant Parties and Closely-Associated Persons, as established in these Regulations.

2.2 Process model

Activities pertaining to the identification, management and disclosure of the transactions conducted by the Relevant Parties and Closely-Associated Persons may be subdivided as follows:

- 1) disclosure of transactions to the competent Authority (Consob);
- 2) disclosure of transactions to the public;
- 3) management of the blocking period.

For each of the above points, these Regulations define the roles, responsibilities and principles on the basis of which the activities must be exercised.

The operating rules, which govern, from time to time, the activities to be carried out by the individual organisational units, the procedures to use and anything else requested for exercising activities according to criteria of adequacy and functionality, are listed by processes, in accordance with the model described.

3 Processes

The regulations that govern Internal Dealing activities require the Relevant Parties and Closely-Associated Persons to notify Banco BPM, the competent Authority (Consob) and the public of all transactions conducted on their behalf, according to the procedures and time frames described in the following paragraphs.

Transactions conducted on financial instruments within the scope must be disclosed, as described in the “Scope” chapter, if the overall value of all the purchases and sales carried out during a calendar year exceeds €5,000.

Once this threshold is exceeded, all subsequent individual transactions conducted during the calendar year must be disclosed, irrespective of the value thereof. The relevant threshold of €5,000 is reset on 31 December each year.

For financial instruments associated with Banco BPM ordinary shares and debt securities, the amount is calculated with reference to the underlying shares/debt securities. The overall amount is calculated by adding, without offsetting, all the transactions conducted on behalf of each Relevant Party and those conducted on behalf of his/her Closely-Associated Persons.

3.1 Scope

Financial instruments within the scope:

- issuer shares;
- debt instruments, whether currently or in the process of being listed;
- derivatives or other financial instruments associated with the shares/debt instruments of the aforementioned issuer.

Associated financial instruments: the following financial instruments, including those which are not admitted to trading on a regulated market, or for which a request for admission to trading on such a market has not been made:

- contracts or rights to subscribe for, acquire or dispose of securities;
- financial derivatives on securities;
- where the securities are convertible or exchangeable debt instruments, the securities into which such debt instruments may be converted or exchanged;
- instruments which are issued or guaranteed by the issuer or guarantor of the securities and whose market price is likely to materially influence the price of the securities, or vice versa;
- where the securities are securities equivalent to shares, the shares represented by those securities (and any other securities equivalent to those shares).

The financial instruments of the Banco BPM Group or the associated financial instruments subject to notification are as follows:

- (a) ordinary shares of Banco BPM;
- (b) debt instruments currently or in the process of being listed (bonds issued by Banco BPM);
- (c) derivatives or other financial instruments associated with Banco BPM ordinary shares, in particular:
 - instruments that enable the subscription, purchase or transfer of Banco BPM ordinary shares;
 - financial debt instruments convertible into Banco BPM shares or that can be exchanged for them;
 - financial derivatives (pursuant to paragraph 3 of art. 1 of the Italian Consolidated Law on Finance) on Banco BPM shares;
 - other financial instruments, equivalent to Banco BPM shares, representing such shares;
 - any other financial instruments currently/in the process of being listed or guaranteed by the Banco BPM Group, the market price of which may materially affect the price of the Group's ordinary shares or vice versa.

Unlisted shares issued by a company controlled by Banco BPM shall also constitute financial instruments associated with Banco BPM ordinary shares, when the book value of the stake in that company represents over 50% of the assets of Banco

BPM, as shown in the latest approved financial statements, as well as the financial instruments indicated in letters a), b) and c) above and letter d) below associated with them.

(d) Derivatives or other financial instruments associated with bonds issued by Banco BPM.

Transactions on the financial instruments of the Banco BPM Group or the associated financial instruments subject to notification:

- purchases, transfers, sales (including short sales), subscriptions and exchanges concerning financial instruments;
- assignment as collateral or loan of financial instruments by or on behalf of a Relevant Party/Closely-Associated Person⁶;
- transactions conducted by any third party that prepares or executes transactions on behalf of a Relevant Party/Closely-Associated Person, including in cases where such transactions are at the discretion of the party which executes them;
- transactions conducted within the context of life insurance⁷ where:
 - o the contracting party is the Relevant Party or Closely-Associated Person;
 - o the investment risk is borne by the contracting party;
 - o the contracting party may make investment decisions concerning the specific instruments under the life insurance or carry out transactions concerning the specific instruments of such life insurance;
- the acceptance or exercising of an option right, including an option right granted as part of the remuneration due to the Relevant Party, and the transfer of stakes arising from the exercising of an option right;
- entering into exchange contracts connected with share indices or the performance of such contracts;
- transactions in derivatives or associated with them, including cash-settled transactions;
- entering into a contract for difference relating to a financial instrument of the Issuing Company or stakes of issues or products subject to an auction based on them;
- transactions in derivatives and financial instruments associated with a credit instrument of the issuer, including Credit Default Swaps;
- the purchase, transfer or exercising of rights, including put and call options, and warrants;
- the subscription of a capital increase or the issuing of debt instruments;
- conditional transactions subject to the fulfilment of conditions and the actual

⁶ It is not necessary to report an assignment as collateral of financial instruments, or other similar guarantee, in connection with the depositing of the financial instruments in a custodial account, unless and for as long as the assignment is aimed at obtaining a specific credit facility.

⁷ As defined in accordance with Directive 2009/138/EC.

- execution of the transactions;
- the automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchanging of convertible bonds into shares;
 - gifts and donations given or received and inheritances received;
 - transactions conducted on index-based products, baskets and derivatives, depending on the type of transactions identified above;
 - transactions conducted in shares or units of investment funds, including alternative investment funds (AIF⁸), according to the type of TRANSACTIONS identified above;
 - transactions conducted by the manager of an FIA in which the Relevant Party/Closely-Associated Person has invested, according to the type of transaction identified above;
 - transactions conducted by third parties under an asset management mandate or an individual portfolio on behalf or in favour of a Relevant Party/Closely-Associated Person;

the borrowing or lending of shares or debt instruments of the issuing Company or derivatives or other financial instruments associated with them.

3.2 Exclusions

Transactions within the scope must not be disclosed if the overall value of all the purchases and sales over the course of a calendar year does not exceed €5,000.

Moreover, the following must not be disclosed:

- (a) transactions conducted by Banco BPM and Companies controlled by it;
- (b) transactions in financial instruments associated with shares or associated instruments or debt instruments currently/in the process of being listed that:
 - are composed of a unit or share in an undertaking for collective investment in transferable securities (UCITS) where the exposure to shares/debt instruments does not exceed 20% of the assets held by the UCITS;
 - provide exposure to a portfolio of assets where the exposure to shares/debt instruments does not exceed 20% of the assets in the portfolio;
 - are composed of a unit or share in an undertaking for collective investment in transferable securities or provide exposure to a portfolio of assets and the Relevant Party/Closely-Associated Person does not know, nor could know, the composition of the investments or the exposure of such a UCITS or portfolio of assets, and there are also no grounds to lead such a person to believe that the shares/debt instruments exceed the aforementioned thresholds;

⁸ In accordance with Directive 2011/61/EU, AIFs means collective investment undertakings, including investment compartments thereof, which: (i) raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and (ii) do not require authorisation pursuant to Article 5 of Directive 2009/65/EC.

- are conducted by the managers of a UCITS in which the Relevant Party or Closely-Associated Person has invested, where the manager of the UCITS acts at his/her full discretion, with there being no possibility of receiving instructions or suggestions of any kind regarding the composition of the portfolio, directly or indirectly from the investors.

3.3 Reporting requirements

The Responsible Party notifies by e-mail the Relevant Parties, when they acquire such a status, indicating their obligations according to the law and the applicable regulations. To this end, the Responsible Party takes responsibility for providing the appropriate notification to the Relevant Parties, containing the following documents:

- (a) a formal letter (signed by the Head of the Corporate Affairs Secretariat department) indicating the obligations in terms of Internal Dealing applicable to such parties; (see Annex A);
- (b) a copy of these Regulations;
- (c) a declaration to be signed by the Relevant Party, marking acceptance of the rules governing Internal Dealing which also covers notifying – using the relevant form – the Closely-Associated Persons of the obligations applicable to them (see Annex B – “Declaration of acceptance of the Internal Dealing Regulations and notification to the Closely-Associated Persons”);
- (d) the form that the Relevant Party must issue to the Closely-Associated Persons for signature concerning the obligations applicable to them (see Annex C);
- (e) the form to use to report/disclose transactions (Manager’s Transactions) (see Annex D).

The Responsible Party must keep an electronic or paper copy of the signed declaration provided in Annex B.

The Relevant Parties and Closely-Associated Persons are also listed on a suitable Register to be kept by the Responsible Party, who shall be responsible both for updating the register and storing the data. To this end, the Responsible Party shall ask the Relevant Parties to provide a list of their Secondary Insiders (through the self-declaration provided in Annex E).

The Relevant Parties shall notify their Secondary Insiders promptly, using the form provided in Annex C, of the obligations applicable to them. The notification in question will be provided firstly when the Relevant Party assumes this status and, subsequently, whenever the number of persons identifiable as “closely associated” increases (e.g. marriage, civil partnership, cohabitation with relatives by blood or marriage for more than one year).

The original copy of such notifications shall be signed by the Relevant Party, who shall keep a copy thereof.

3.4 Disclosure of transactions to the competent Authority

3.4.1 General principles

The transactions conducted by the Relevant Parties and their Closely-Associated Persons must be disclosed by the Primary Insiders no later than 3 (three) working days from the date of the transaction.

In order to satisfy the disclosure requirements, the Relevant Party may proceed as follows:

Direct disclosure

The Relevant Parties and Closely-Associated Persons may disclose the transactions directly to Consob, in accordance with the time frames indicated above; the disclosure must be made according to the procedures laid down by the legislation, with which the Relevant Party must be familiar when exercising this activity.

Disclosure through Banco BPM

The Relevant Party may formally task Banco BPM with disclosing the transactions conducted by him/herself and the Closely-Associated Persons to Consob by signing a specific form (Annex F) and sending it to the Responsible Party. This delegation of responsibility will be valid both for the Relevant Party and for the Closely-Associated Persons.

Under this “delegation arrangement”, the Relevant Party informs the Responsible Party of his/her own transactions and those conducted by the Closely-Associated Persons within 1 (one) working day from the date of the transaction, according to the relevant instructions in Annex D.

The Responsible Party communicates these transactions to Consob within 3 (three) working days from the date of the transaction through the “SDIR-STORAGE” system. This measure is considered to satisfy all the public disclosure obligations incumbent upon Banco BPM.

Should there be any operating difficulties with the “SDIR-STORAGE” system, the Responsible Party shall trigger the emergency procedure established by the service provider.

3.4.2 Roles and Responsibilities

Relevant Party: informs the Supervisory Authority (Consob) of the transactions conducted both by him/herself and by the Closely-Associated Persons.

Responsible Party: receives and manages the disclosure to Consob of the information governed by these Regulations in the event of a notification delegation exercised by the Relevant Party.

3.5 Disclosure of transactions to the public

3.5.1 General principles

The Relevant Parties must inform Banco BPM of all the transactions conducted themselves or by the Closely-Associated Persons, which exceed the threshold of €5,000 (five thousand).

In order to satisfy this requirement, the Relevant Party, including in cases where it has not conferred the “Consob disclosure delegation”, must report all transactions conducted within 1 (one) day from their negotiation, including with regard to the Closely-Associated Persons, according to the instructions in Annex D.

Banco BPM shall take steps to ensure that the information received from the Relevant Party concerning the transactions conducted him/herself or by the Closely-Associated Persons, is disclosed to the public. The aforementioned notification to the public must be made promptly and, in any event, within and no later than 3 (three) working days from the date of the transaction.

To this end, the Responsible Party discloses the information to the public using the “SDIR-STORAGE” system for the dissemination of regulated information.

The disclosure becomes public as soon as the Responsible Party receives confirmation, through the said “SDIR-STORAGE” system, of its publication.

Should there be any operating difficulties with the “SDIR-STORAGE” system, the Responsible Party shall trigger the emergency procedure established by the service provider.

The Responsible Party shall also take steps to ensure that the notifications received from the Relevant Parties are swiftly published on the relevant section of the Banco BPM website.

3.5.2 Roles and responsibilities

Relevant Party: must inform the Responsible Party of the transactions conducted on its own behalf and by the Closely-Associated Persons according to the procedures and time frames described above.

Responsible Party: receives and manages the public disclosure of the information governed in these Regulations.

3.6 Management of the blocking period

3.6.1 General principles

The regulations indicated hereinafter apply to the Parties Subject to the Obligation and, for reasons of precaution, to their Closely-Associated Persons.

The blocking period (also known as the “closure period”) marks the time frame of 30 calendar days prior to the announcement of an intermediate or end-of-year financial report. During this time frame, the Parties Subject to the Obligation and their Closely-Associated Persons are forbidden, based on the new prevision adopted from the MAR, from conducting transactions on the instruments listed in paragraph “3.1 Scope” of these Regulations:

- during the 30 days⁹ prior to the announcement¹⁰ of the draft annual financial statements by the Board of Directors of the Parent Company and during the 30 days which precede the announcement of the bi-annual report and the quarterly data by the said Board;
- during other periods which may be identified by the Board of Directors of the Parent Company, with special measures in relation to the definition of extraordinary transactions or prior to other particularly important events.

The duration of the closure period is communicated to the Parties Subject to the Obligation, from time to time, under the responsibility of the Corporate Affairs Secretariat department, including in the event of variations and subsequent modifications to it. The Parties Subject to the Obligation then report the duration of the aforementioned closure periods to their Closely-Associated Persons.

Transactions during the blocking period are permitted, however, in the following special cases:

(a) **exercising of stock options/warrants**; according to the following conditions:

- the maturity date of the stock options/warrants falls within the closure period; in this case, the Party Subject to the Obligation (and/or in the case of warrants, the persons closely associated with him/her, through the Party Subject to the Obligation) must inform the relevant Group Company in writing of his/her intention of exercising such instruments at least 4 months prior to the maturity date;

(b) **employees programme**; according to the following conditions:

- the conditions of the programme specify the times for the allocation or granting and the amount of the financial instruments allocated or granted, or the basis for calculating this amount, and the Party Subject to the Obligation has no discretion with regard to accepting the allocated or granted instruments;
- the stock grant plan is implemented during the blocking period, according to a pre-set method/frequency and allocation times. In this case, the scope of the Parties falling into this category and the amount of the instruments is identified

⁹ Consob, in its initial pronouncements on the matter, has specified that the day of the announcement is not to be considered among the 30 days. The count shall thus be set as 30 days + the day of the announcement.

¹⁰ For the Banco BPM Group, the announcement of the draft financial statements/bi-annual or quarterly report matches the date of approval thereof.

beforehand by the Group;

(c) **savings plan**; according to the following conditions:

- the Party Subject to the Obligation has signed up to the savings plan before the blocking period and may not modify the conditions of its participation in the plan nor revoke such participation during the closure period;
- the transactions respect the 'timetable' of the savings plan and the Party Subject to the Obligation may not modify them during the closure period;

(d) **transfer from one account to another** held by the Party Subject to the Obligation and/or Closely-Associated Persons, provided that such transfers do not affect the price of the instruments in question;

(e) **security interests over Group shares**, provided that the final date of purchase falls within the closure period.

In all other cases where the Party Subject to the Obligation and/or Closely-Associated Persons intend to conduct sales during the closure period, authorisation must be requested from the Group's internal structures, so as to trigger the 'exemption process', when the prerequisites for this apply. This process is structured into the following phases:

- 1) the Party Subject to the Obligation must provide prior notification in writing to the Head of the Corporate Affairs Secretariat department of the Parent Company of his/her intentions and the reasons why s/he, or the Closely-Associated Persons, wish to carry out such a transaction; in particular, the notification must be sent to the e-mail address indicated in Annex D, or, if this is impossible, using another method that guarantees proof of receipt. This notification must describe the transaction under consideration, specifying the following elements: the type and number of financial instruments to be traded, the time frames envisaged for completing a transaction (in one or more stages) and the reason or reasons why this action is to be taken.
- 2) The Corporate Affairs Secretariat department of the Parent Company provides prompt notification of these intentions (along with the associated justifications) to the Compliance Department;
- 3) the Compliance Department, having conducted in-depth analyses in accordance with these Regulations, informs the Party Subject to the Obligation in writing, through the Corporate Affairs Secretariat department of the Parent Company, within 5 days of receipt of the notification indicated in point 2) above, of authorisation or refusal to act, by e-mail or fax or any other means that guarantees proof of receipt.

The Party Subject to the Obligation notifies the Closely-Associated Persons of the outcome of the 'exemption process'.

The exemption process may be triggered in the event of so-called 'exceptional' conditions and in all cases where it is impossible to carry out such operations outside of the blocking period.

Exceptional situations are urgent, unexpected and compelling circumstances which are not attributable to the Party Subject to the Obligation/Closely-Associated Person and which are outside their control, e.g.:

- an unexpected and major change to one's financial position;
- an unexpected and major change to the situation on the reference market of the financial instruments subject to the transaction;
- justifiable family reasons.

Authorisation to conduct sales during the blocking period is granted based on:

- a case by case assessment of the individual transaction: verification of the existence of exceptional conditions, such as major financial difficulties which make it necessary to immediately dispose of instruments;
- the characteristics of the trading¹¹ in accordance with legislative requirements (art. 9 of Delegated Regulation (EU) 2016/522).

When examining the sale request from the Party Subject to the Obligation and/or Closely-Associated Person, the Compliance Department shall also assess whether and how far the Party Subject to the Obligation and/or Closely-Associated Person:

- must, at the time of the submission of the request, fulfil a legally enforceable financial obligation or satisfy a claim;
- is in a situation that developed prior to the start of the blocking period and that requires payment of an amount to third parties (including tax obligations), where the said person may not reasonably fulfil a financial obligation or satisfy a claim except by immediately selling shares.

All documentation collected is kept, under the responsibility of the Corporate Affairs Secretariat department of the Parent Company. Archiving will be carried out without delay by noting in a suitable log the date, exact time of receipt and means of communication used.

The documentation may be accessed not only by the Supervisory Authority, but also by the Compliance Department, Internal Auditing Department, Members of the Administration and Supervisory Bodies of Banco BPM and the Auditing Firm.

3.6.2 Roles and responsibilities

Party Subject to the Obligation: informs the internal structures involved of his/her intentions and those of the person with whom s/he is closely associated for operations during a blocking period and works with them to ensure the management of any 'exemption process'.

¹¹ In the case of transactions conducted at the same time as or in relation to an employee share ownership plan or savings plan, a share guarantee or entitlement or transactions where the beneficial interest of the security in question is not subject to variations.

The Corporate Affairs Secretariat department:

- manages the exchange of information with the Party Subject to the Obligation within the context of the 'exemption process';
- receives the documentation from the Party Subject to the Obligation as part of the exemption process and sends it to the Compliance Department;
- informs the Party Subject to the Obligation of whether or not authorisation has been granted;
- archives all the documentation sent and received

The Compliance Department:

- analyses and assesses the documentation received from the Corporate Affairs Secretariat department concerning a request for a blocking period exemption;
- grants or withholds authorisation for the transaction.

4 Annexes

Annex A - Communication of the obligations of the Relevant Parties

Annex B - Declaration of acceptance of the Internal Dealing Regulations

Annex C - Communication of the obligations of the Closely-Associated Persons

Annex D - Reporting form

Annex E - For the register of Closely-Associated Persons

Annex F - Disclosure delegation

Annex G - Penalties