

ETHICS CODE

Updated in October 2017

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Approved by the Board of Directors on
October 27, 2017

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Introduction

The values and principles according to which BasicNet and the Group companies have operated since their foundation are summarised in this Code.

Addressees

The Addressees of the Code are the members of the Boards of Directors and Boards of Statutory Auditors, in addition to all BasicNet Group personnel, collaborators and consultants, suppliers and all others acting in the name of and/or on behalf of the BasicNet Group.

Objectives and values

The key objective of BasicNet and the Group companies is to create value for the shareholders, and more generally, for the stakeholders, i.e. all those involved in Group operations and holders of interests to be respected and valued. They include shareholders, personnel, collaborators, suppliers, the community and the market.

In pursuing this objective, the BasicNet Group considers the following conduct principles as indispensable:

- a commitment to internally and externally comply with the laws applicable in the states in which operations are carried out, in addition to the ethical principles of transparency, correctness and fairness in the conducting of business;
- to refrain from illegal or improper conduct (against the community, the public authorities, clients, personnel, investors and competitors) in the pursuit of business objectives;
- to establish organisational tools to prevent the violation of the principles of legality, transparency, correctness and fairness by personnel and collaborators and oversee compliance with these principles;
- to assure the market, investors and the community in general, while protecting the competitiveness of the respective businesses, of full transparency in operations;
- to commit to the promotion of fair competition in support of its interest and that of all market operators and the stakeholders in general;
- to pursue excellence and market competitiveness, offering clients high quality services which efficiently meet their demands;
- to protect and support personnel;
- to responsibly employ resources with a view to sustainable development, respect for the environment and the rights of future generations.

General Principles

That outlined above is applied through the following general principles:

The Community

The BasicNet Group (hereafter “the Group”) seeks to contribute to the economic development and growth of the communities in which it operates through the provision of efficient and technologically advanced services. In accordance with these objectives and the responsibilities to the stakeholders, the Group considers research and innovation as a key element for growth and success.

The Group maintains with the local, national and supranational Public Authorities relations based on comprehensive and close collaboration and transparency and the respect of reciprocal autonomy, the economic objectives and the values contained in this Code.

The Group favourably considers and in certain cases supports social, cultural and educational initiatives promoting the individual and improving life conditions.

Human Resources

The Group recognises the central importance of human resources, in the firm belief that the principal factor determining the success of the business is the individual acting in a spirit of fairness and reciprocal trust. The Group protects workplace health and safety conditions and considers workers’ rights as a fundamental aspect of business activity. Labour relations focus on ensuring equal opportunity and guaranteeing the professional development of the individual.

The Environment

The Group closely focuses on protecting the collective interest and therefore considers the environment and nature as fundamental and a shared heritage to be protected and defended, committing to adopt responsible positions in protection of the environment through stringently applying applicable environmental protection regulations and refraining from conduct damaging to the environment.

Disclosure

The Group is cognisant of the importance that correct operational information has for the market, investors and the community in general. In view of the transparency required for conducting business, the Group therefore considers transparency as an objective in relations with all stakeholders. In particular, the Group communicates with the market and investors in compliance with the criteria of correctness, clarity and equal access to information.

Conduct principles

Relations with suppliers

Suppliers and outside consultants are chosen on the basis competence/professionalism, cost, correctness and transparency criteria. Suppliers should ensure compliance with law and applicable labour market practice in its country of residence, in addition to compliance with this Code.

Remuneration and amounts of any type paid to suppliers and consultants for supplies and professional appointments should be in line with market conditions and adequately documented.

Corruption, unlawful favours, collusive conduct, the soliciting of advantages, the payment of material and immaterial benefits, in addition to other advantages for the purposes of influencing business agreements are prohibited and prosecuted. Gratuities of minor value considered as normal business practice are however permitted.

Any conflicts of interest in choosing suppliers should be promptly reported to superiors.

Relations with the Public Sector

Relations with the Public Administration in Italy or in other countries should always be clear, transparent and correct.

Addressees should refrain from improperly influencing the decisions of the Public Administration by offering money or other benefits, such as employment or commercial opportunities in favour of public officials or those providing a public service, in addition to their family members.

BasicNet S.p.A. and the Group companies may not provide direct or indirect contributions of any type, nor set up funds in support of public officials, except where permitted and in accordance with applicable law and regulations and on the condition that: (i) they are properly approved by the competent company functions, (ii) they are properly documented from an accounting and operating viewpoint, (iii) they do not put any of the addressees in a position of conflict of interest.

Untruthful statements may not be made to national or EU public bodies for the awarding of public funds, public grants or subsidised financing, or to obtain concessions, permits, licenses or other administrative acts.

The direction of funds received from national or EU authorities as disbursements, contributions or financing for objectives other than those intended is prohibited.

The altering of computer or IT systems or the manipulation of data contained therein in order to obtain unjust profit and causing damage to the Public Administration is prohibited.

In commercial relations with the Public Administration, including also participation in public tenders, conduct should always be in compliance with law and proper commercial practice, while conduct which is undertaken to induce the committal of an offense in seeking advantage for the Group is expressly prohibited.

Relations with Shareholders

All Shareholders are recognised equality of treatment. All outside communication of documents and information concerning the Group should be made in compliance with law and applicable regulations.

Accounting information, internal controls and anti-money laundering

The financial reports, financial statements and corporate communications required by law and regulations should be prepared with clarity and present a true and fair view of the Group company financial statements.

No payments (in any form) may be made in the interest of the Group in the absence of corresponding adequate documentation.

Transactions with related parties, including inter-company transactions, should comply with the criteria of substantial and procedural correctness. Those undertaking transactions in conflict of interest are required to report such to their superior or in accordance with that set out in the adopted procedures.

The internal control system concerns the control activities undertaken to protect company assets, effectively manage operations and clearly provide information on the Group financial statements, in addition to those activities undertaken to identify and contain company risks.

The Addressees are required, to the extent of their respective remits, to actively contribute to the correct and effective functioning of the internal control system.

The company operates in compliance with applicable anti-money laundering regulations and the provisions issued by the Competent Authorities and for such purposes commits to refraining from undertaking suspect transactions from a correctness and transparency viewpoint.

The confidentiality and processing of information

The Group protects the confidentiality of the information and data concerning employees, collaborators or third parties, collated with regard to or during operational activities and all employees and collaborators are required to comply with these principles.

Addressees of the Code are in addition required to refrain from utilising information concerning the company, deeds, documents, reports, projects and any other material which has not been made public for purposes unrelated to operations and to refrain from utilising such information in a manner which differs from the pursuit of company objectives or as established by applicable law and regulations.

Those who in the execution of their duties become aware of “inside information” and/or confidential information, as established by the applicable regulation, are held to maintain its confidentiality.

With regards to that stated above, the external communication of confidential information should exclusively be made by authorised persons in accordance with Group procedures and - in any case - in compliance with applicable provisions and the principles of equal and concurrent information.

Addressees of the Code, in compliance with the “*market abuse*” regulations, should not utilise inside information to gain advantage of any type, whether directly or indirectly, immediate or future and whether personal or property related.

Competition

Operations should be conducted in compliance with competition and antitrust regulations. Addressees should therefore refrain from proposing or stipulating agreements or contracts with competitors in relation to sales to third parties concerning prices, market areas or other contractual conditions.

Compliance with the Code

The Supervisory Board, set up by BasicNet and the Group companies, in accordance with Legislative Decree 231/2011 oversees, among other matters, compliance with the Code, promptly reporting to the Control and Risks Committee and the Board of Directors any violations thereof.

The information and reports acquired by the Supervisory Board and by the structures it utilises are considered confidential and may not be circulated except as per the legally established cases.

All stakeholders may report in writing and anonymously any violation or suspected violation of the Code to the Supervisory Board address odv@basic.net. Reports made in good faith are guaranteed not to result in any form of retaliation, discrimination or penalty, ensuring in any case the confidentiality of their identity, subject to the legal obligations and the protection of the rights of the Group or the persons accused in error and/or in bad faith.

Disciplinary System

Compliance with the Code is considered an essential part of the contractual obligations of employees of BasicNet and the Group companies in accordance with the applicable regulations. Violation of the principles set out in the Code may constitute non-fulfilment of employment and/or collaboration contractual obligations.

Any disciplinary sanctions upon BasicNet Group employees shall be handled by the relative company functions, taking account of the gravity of the improper conduct by the employee, in accordance with Law No. 300 of May 20, 1970 and that set out by the collective contract.

Violation of the rules contained in this Code by members of the Board of Directors or the Board of Statutory Auditors of the company shall be penalised, in view of the gravity of the violation, by the Board of Directors of BasicNet S.p.A.. Dismissal shall be applied in the most serious cases.

Any conduct undertaken by collaborators, consultants or by other third parties connected to BasicNet or to Group companies by means of a non-employee based contractual relationship, in violation of the Code, shall result in, according to the specific contractual clauses of the respective appointment letters, the resolution of the contractual relationship, subject to any claim for damages where such conduct results in damage to the Group, also independently of the resolution of contract.

Final provisions

Any amendment to this Ethics Code shall be approved by the Board of Directors of BasicNet.

The Ethics Code is an integral part of the organisation, management and control system adopted in accordance with Legislative Decree 231/2001. All those collaborating with the Group are required to comply with and ensure compliance with the principles of this Code. Acting to the benefit of the Group in no way shall justify the adoption of conduct conflicting with law and these principles.

This Code is circulated to all Addressees and is available on the website www.BasicNet.com.

The Human Resources Department informs all employees on the content of this Ethics Code, which shall be published on the website for access by all employees, also in accordance with Article 7 of Law No. 300 of May 1970.