

INTERNAL CODE OF BEHAVIOUR

Index

Introduction	3
Section I – Introduction	4
Art. 1 Recipients and Introduction	4
Section II – General Principles and definitions	5
Article 2 General Principles	5
Article 3 Definitions	6
Section III – BEHAVIOUR AND OBLIGATIONS OF THE RECIPIENTS OF THIS CODE	7
Article 4 Obligations with regard to confidentiality in relation to Privileged Information and Confidential Information and of prevention of the actions regarding the manipulation of the market ..	7
Article 5 Personal transactions in financial instruments	8
Article 6 Admission and negotiation of shares of closed mutual funds managed by the SGR	9
Article 7 Provision of assignments and procedures by the Investors	9
Article 8 Gifts, representation expenses, charity and sponsorships.....	9
Article 10 Relations with other external persons	10
Article 12 Formation	11
Article 13 Access to the documentation and registration, corporate reporting	11
Article 14 Operating procedures and accounting data.....	12
Article 15 Protection of the company’s assets	12
Section IV – CONFLICT OF INTERESTS, INDIPENDENT DIRECTORS AND OPERATIONS WITH RELATED PARTIES	13
Art. 16 General provisions.....	13
Article 17 Transparency rules and specific behavioural obligations in the provision of the management service	14
Article 18 Management of conflict of interests.....	14
Article 19 Independent Directors	15
Article 20 Joint Investments	16
Section V – SANCTIONS	17
Art. 23 Sanctions	17
Section VI – NORMS REGARDING DIFFUSION, IMPLEMENTATION AND COMPLIANCE	18
Article 24 Promotion and disclosure	18
Article 25 Implementation and control of the Code	18
Article 26 Obligation to signal possible issues and/or violations.....	19

Introduction

The present Internal Code of Behaviour (from now the “**Code**”), which makes explicit reference to the one approved on the 6th of July 2010 by the Governing Council of AIFI, The Italian Association for Private Equity and Venture capital, (AIFI or “**Association**”), displays the measures adopted by Green Arrow Capital SGR S.p.A (“**Green Arrow Capital SGR**” or “**Green Capital**” or the “**SGR**”) to safeguard the rights of the fund investors, as well as the resources and the procedures in place to ensure the efficient conduct of the services in accordance with Article 40 of the TUF.

The Code reflects the dispositions of the 2004/39/CE Directive of the European Parliament and of the Council of the 21st of April 2004, of the Commission Directive 2006/73/CE of the 10th of August 2006, of the Commission Regulation (CE)n. 1287/2006 del 10 August 2006, and of the implemented regulation; for the latter we recall the provisions of the Regulation which establishes the implemented rules of the TUF regarding intermediaries, adopted by the Consob through its resolutions (“**Intermediary Regulation**”) and the ones contained in the Regulation of the Bank of Italy and of the Consob in terms of organization and procedures of the intermediaries which offer investment services or of asset management, adopted with the provision of the 29th of October 2007, to be referred from now as (the “**Joint Regulation**”)

The Code states further ethical responsibilities with regards to the conduction of affairs and of the activities of the company, and defines combination of the values and principles, as well the guidelines that Recipients have to follow, as defined in following Article 1.

As part of the internal control system, the Code constitutes the prerequisite and an integral part of both the organisational Model for management and control (from now on also referred as the “**Model**”), as well the sanction system for the violation of the norms established by the latter, adopted by the Administrative Council of the Company as established by articles 6 and 7 of the D .Lgs. 231/2001

Under the organisational profile, each of the corporate bodies must be involved in the drafting process, implementation and application of the Code, according to the distribution of assignments described below.

- ✓ The Board of Directors defines and approves the Code, periodically verifies the suitability of the measures and procedures indicated in the latter and, where appropriate, assumes the necessary decisions to remedy eventual shortcomings. In addition, the Code needs to ensure that the flow of information system is appropriate, complete and timely.
- ✓ The Chief Executive Officer shall implement the measures and procedures defined by the Board of Directors, and constantly ensures it’s the adequacy
- ✓ The Supervisory Body, appointed in accordance to D .Lgs. 231/2001, supervises on the implementation of the Code under its own supervisory duties regarding the operability and the adherence to the Model, of which the Code is an integral part, and communicates its own evaluation to the Board of Directors , so that the latter adopts the necessary measures. In view of the coordination of their activities, the Board of Auditors shall inform the supervisory body with regard to its own planned and carried out competence assessment, as well as the relevant outcomes, where such are justified, the correct application of the measures and procedures, including the present Code, as long as the Supervisory Body is able to account for its own supervisory function and related communication to the Board of Directors , prevents the possibility of direct access to such body from the Board of Auditors .

- ✓ The compliance function regularly controls and evaluates the appropriateness and efficacy of the measures and procedures of the Code as well as the ones adopted to fix eventual shortcomings. In addition, it provides advice and assistance to other functions for the detection of violations of the same measures and procedures. For example, applying an *ex ante* control approach, it analyses the compliance of the internal procedures of the current legislation, it verifies the adoption of the requested policy of the regulation of the sector, as well as the relative compliance to the laws currently in place and provides the flow of information directed at the corporate bodies in order to achieve timely communications of the organisational and procedural changes necessary for the prevention of the risks of non-conformity and the implementation of these.
- ✓ The internal audit function carries out controls on the operative behaviour, the appropriateness and the efficacy of the measures and procedures illustrated in the Code. The same function, more broadly, verifies the efficacy of the control system adopted by the SGR, as well the correct sizing in regard to the activities that are required to be done.
- ✓ The Risk Management function monitors the risks that the SGR and the fund portfolio could be exposed to, and in particular the factors that may put at risk the correctness of the measures and procedures displayed by the Code. More specifically, among the variables that need to be monitored, there will be highlighted: the financial risks (such as the liquidity risk, to do with usually non-listed securities and credit risk, to do with the missing or late payment of capital calls by investors), the operational risks that can arise from errors in the internal procedures, inefficiencies in the systems, human errors or external events, and non-observance risks indicated in the regulation of the funds.

Section I – Introduction

Art. 1 Recipients and Introduction

The disposition of the Code applies to the SGR and to the “internal persons” of the same SGR, as well as all the “external persons” which, pursuant of contractual relationships, shall make available their collaboration to Green Arrow Capital for the implementation of its activities, following definitions for:

- ✓ **Internal persons:** *(i)* components of the social organs of the SGR; *(ii)* all the personnel of Green Arrow, i.e. employees; including the top management and employees with fix-term contracts *(iii)* relevant persons in terms of Personal Operations (as defined below);
- ✓ **External persons,** in the limits of the relationship with the SGR, not limited to *(i)* independent workers or non-permanent employees; *(ii)* providers of goods and services, including professionals and consultants; *(iii)* the agents; *(iv)* commercial partners, including introducers

The SGR asks external subjects to respect the Internal Code of conduct (as well the Model of which the latter is an integral part), using this following document to acknowledge the sealing of a contractual clause which commits the contractor to stick to the principles reported in such contract.

With specific reference to eventual commercial partners, in addition, the SGR verifies that the principles which their activities are based on are aligned with the ones of the present Code (as well the Model), as far as applicable

The whole of the internal persons and the external persons constitutes the “**Recipients**” of this code (which coincide with Recipients of the Model). Hereinafter the document makes general reference to the Recipients, subject to cases which certain principles are applicable to specific internal/external persons.

The Code indicates the general behavioural rules which the Recipients have to respect when exercising certain tasks and duties, which are detailed in the manual for internal procedures of the SGR, also with reference to:

- a. obligation of confidentiality regarding information of Confidential Nature (as defined in the following) acquired from investors (as defined in the following) or of whomever is in reason in regard to their function
- b. procedures established to complete, on their own, operations involving financial instruments
- c. procedures concerning relationship with investors which intend to make use of attorneys or persons with the purpose of concluding contracts or transactions, if these are administrators, mayors, employers, collaborators or financial advisors of the same SGR
- d. prohibitions to receive from third parties, more specifically, to give or promise to third parties services which may result in attitudes which are in contrast to the interests of the investors or of the subject on behalf they work for.

Section II – General Principles and definitions

Article 2 General Principles

The rules of the Code are aimed to ensure that the SGR operates in the interests of the investors, while safeguarding their rights.

The SGR, in general, is committed to carry its activities on the common principles of:

- ✓ Honesty, transparency and correctness,
- ✓ Independence,
- ✓ Objectivity,
- ✓ Legality,
- ✓ Professionalism and
- ✓ Confidentiality.

In particular the SGR is committed:

- ✓ to conduct its activities in a correct and professional manner, abstaining from any behaviour contrary or not conforming to the law or that might affect the general image of the investment activity in the risk capital;
- ✓ to not divulge to third parties information of Confidential Character acquired through its activities, apart from when explicit authorization is given, more precisely, in the cases expected under the law, to provide market information of Confidential or reserved character;
- ✓ to have a loyal attitude towards those who entrust their financial resources, watching out for conflicts of interest and operating with the only goal being to maximise investor returns;
- ✓ to regularly provide clients clear, complete and up-to-date information;
- ✓ to adopt an internal organisational structure suitable to prevent incorrect conduct and/or non-professional and/or contrary or not complying to the law;
- ✓ to respect the Code and to make the Recipients respect it ,and eventual other persons from time to time recalled from specific provisions of the Code.

Article 3 Definitions

For the purpose of the present Code we refer to the following:

- ✓ **“Privileged Information”**: the information of precise nature, which have not been rendered public, concerning, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments allowed or for which it has been presented a request for acceptance to negotiate in a regulated Italian market or of another European Union Country, and if, rendered public, could significantly influence the price of such financial instruments.
- ✓ **“Information of confidential character”**: any other news, data or information, not available to the public, that if revealed, would induce a situation of informational privilege in favour of the subject to which it was communicated compared to the generality of the subjects potentially interested in such.
- ✓ **“Investors”** or the singular **“Investor”**: all those of which the SGR caters to in the provision of activities and services, thus, with particular referral to closed and reserved mutual investment funds, sponsored and managed by Green Arrow Capital, shall include all the contacted subjects, in the capacity of potential investors, that is, when the process of subscription is concluded with the issuing of quotes, all the participants of the fund (or investors), where appropriate, their eventual representatives or delegates. In order to ensure compliance of the general behavioural principles, of which present is the Code, the definition of investor needs to include even the largest meaning of client.

“The Executives” of the SGR are those that the SGR has picked out and nominated/ and the persons which are responsible for the implementation of the provisions contained in the adopted Code and those which the SGR has communicated the name to the Recipients.

- ✓ **“Relevant subjects”** are those who belong to the following categories:
 1. Administrator, partner or equivalent, or executive of the SGR;
 2. Employees of the SGR, as well as any other physical person of which services are made disposable to the company and under its control, and which takes part in the collective management of the SGR;
 3. Physical or legal persons which directly take part in the provision of services to the SGR as part of a third party delegation agreement for the collective management of the SGR.
- ✓ **“Person with which the relevant person is related to”** are those who belong to the following categories:
 1. The spouse or the cohabitee *more uxorio* of the Relevant Person
 2. The children of the Relevant Person
 3. Every other relative who belongs within to the fourth degree of the Relevant Person which has cohabited for at least one year with the Relevant Person at the date of the personal transaction.
- ✓ **“Personal Operations”**: An operation regarding a financial instrument realized by, or on behalf, of a Relevant Person, where at least one of the following conditions is realized:
 1. The Relevant Person acts outside of the scope of the activities, when acting in the capacity of Relevant Subject
 2. The operation is carried out on behalf of any of the following persons
 - a. the Relevant Person;

- b. a person with which the Relevant Person has a parental relationship belonging to the fourth degree or close ties¹
- c. a person who entertains relations with the Relevant Person for which the Relevant Person has a significant interest, directly or indirectly, towards the result of the of the operation which is different from the payment of the fee or commissions for the execution of the operation.

Section III – BEHAVIOUR AND OBLIGATIONS OF THE RECIPIENTS OF THIS CODE

Article 4 Obligations with regard to confidentiality in relation to Privileged Information and Confidential Information and of prevention of the actions regarding the manipulation of the market

1. The SGR has set up the “Policy for the management of personal operations” aimed at providing, among other things, the privacy, the treatment, and the internal management and external communications of Privileged Information and of Confidential Information, the prevention of actions regarding the manipulation of the market, with respect to the current legislation and of the established principles by the current Code. With regard the security of personal data, from what is established by the “Italian Privacy Code”, the SGR considers that the whole of policy and of business processes are in compliance and are appropriate to provide a sufficient level of reliability.

2. The recipients are held to maintain confidentiality regarding Privileged Information and Confidential Information, of which they are aware of, and that they are committed to follow the procedures predisposed by the SGR, and to adopt, with the upmost care, every other possible suitable precaution to avoid that these, even if only by accident, fall knowledge to third parties.

3. The obligation of privacy is also to be applied to the scope of the infrastructure and offices of the SGR. Thus with regard to this framework, the Privileged Information and the Confidential Information can only be shares with those that possess the necessity to know these, in view of the work or professional activities, responsible in accordance to the “Italian Privacy Code” and made known of the responsibilities that these entail, as well as the sanctions applicable in the case of the non-authorized abuse or spread of the above information.

4. The acts and documents of relevance to the SGR, or in its possession, either in electronic format or hard copy , containing Privileged Information and of Confidential Nature, can be brought out of SGR establishments only for reasons to do with the undertaking of services or to do with the undertaking of institutional tasks for the SGR.

5. If Privileged information or information of Confidential Nature has to be communicated to a third party, these are in turn held to confidentiality obligations, however the privileged or confidential na-

¹ For “close ties” it is meant a situation in which two or more physical or legal persons are tied by: (i) a participation, namely due to holding, directly or through a control relationship, 20 percent or more of the voting rights or of the capital of a company, (ii) by a control relationship, namely through a bond which exists through a parent undertaking and a subsidiary undertaking, in all case of the article [22, paragraphs 1 and 2 of the 2013/34/EU directive] or from a relationship of the same nature between a physical or legal person and a company; the subsidiary undertaking of a subsidiary undertaking is also to be regarded a subsidiary undertaking of the parent undertaking which is the chief of such companies. It constitutes a tight bond between one or more physical or legal persons even the situation in which these are tied in a last- ing manner to a same person by a control relationship

ture of the information needs to be highlighted beforehand regardless, and such notice needs to happen in accordance to the precautions laid down by the law

6. In uncertain cases, the Recipients must abstain from circulating any Privileged Information or of Confidential Nature, eventually requesting clarification from the SGR.

7. In the case that it is necessary, probable or even only possible that Privileged Information and/or of Confidential Nature are about to be disclosed, the Recipients must immediately contact the Executives of the SGR, which in turn must take the appropriate provisions to ensure that such disclosure happens in compliance with the law and to prevent, to the most possible extent, the occurrence of inappropriate behaviour, unprofessional and/or against or not in compliance to the law. In the case of involuntary disclosure, the Recipients that have come to know of this, must immediately notify the Executives of the SGR.

8. The Recipients will inform the Executives of the SGR of suspicious operations, which based on reasonable motives, can consider configuring a violation of the provisions with regard to the abuse of Privileged Information and market manipulation, in accordance to EU Regulation 596/2014 with regard to market abuse (“MAR”), such as to enable the SGR to fulfil its reporting requirements.

Article 5 Personal transactions in financial instruments

1. The Recipients can not use the Privileged Information and/or of Confidential Nature to implement operations which are part of the circumstances which under Chapter V, Section I-bis, Par. II e III of TUF, directly or indirectly, even for an intermediary, on their own or on behalf of a third party, immediately notifying the Executives of the SGR’s inappropriate, unprofessional behaviour and/or contrary or in non-compliance with the law.

2. The recipient can not put in place, directly or indirectly, for their own or a third party’s use, Personal Operations which involve the abuse or disclosure of Confidential information. The recipients can not put in place, directly or indirectly, for their own or a third party’s use, Personal Operations pertaining to financial instruments or issuers of financial instruments regarding operations conducted by the SGR, under evaluation or even if only communicated to the SGR, apart from the application of the eventual derogatory procedures provided for by national legislation.

3. So far as the Recipients, when concerning management activity , have directly or indirectly, in relation to certain investment choices, a personal interest in a potential conflict with the interest of the investors and/or of the assets of the managed funds, the provisions laid down by paragraph 9 of Article 16, Section IV are to be applied.

4. The Relevant Subjects can not suggest or solicit any other person, outside of the workplace, to put in place operation regarding financial instruments which, if carried out personally by the Relevant Subject, would fall within the scope of paragraphs 1, 2, 3 of Article 5.

5. The Relevant Subjects may not communicate, outside of the workplace, information or opinions, in order to entice the subject which receives them to perform operations on financial instruments which, if performed personally by the Relevant Subject, they would fall within the scope of paragraphs 1,2 and 3 in Article 5, or to urge others to perform such operations.

6. The Relevant Subjects must not participate in OPA, OPS and OPV if the involvement is offered to the subject in accordance to the relationships which tie him/her to the proponents of the offer.

7. The compliance functions informs the Relevant Subjects of the procedures with regard to Personal Operations adopted by the SGR and of the fact that such subjects must bring to light, to the persons with which they have parental or close relationships, the prohibitions and obligations regarding Personal Operations

8. The compliance function constantly keeps updated, where applicable within the meaning of the current legislation and with regard to the adopted procedures the "Register of financial instruments of the Funds" in which they are listed (i) the financial instruments listed which are part of the portfolio of the AIF managed by the SGR and (ii) the issuers of financial instruments not listed which are part of the portfolio of the AIF managed by the SGR.

Article 6 Admission and negotiation of shares of closed mutual funds managed by the SGR

1. The quotes of a mutual investment fund admitted to trading, or for which it has been presented a request for admission in a regulated Italian market or of another EU country, are subject to the discipline of the TUF in regard to the abuse of Privileged Information and the manipulation of the market. Consequently, the Recipients are held to observe, with reference to all the information and news pertaining to them, the principles and the behavioural guidelines of Article 4 and 5 of Section III.

Article 7 Provision of assignments and procedures by the Investors

1. The Recipients can not accept assignments from investors, for the stipulation of contracts or to carry out operations, without the authorization of Administrative Body or the Executives of the SGR, and they have to refuse to enter into contracts or to put in place operations in the case that there is suspicion that these are not correct, not professional and/or contrary or not in compliance to the law. Particular attention needs to be had in the case of negotiations of shares of the fund or the funds managed by the SGR.

2. The SGR is obliged to check that from the bestowal of the assignment or of the demand, there have not been derived charges to investor that could have been otherwise avoided, or advantages at the expense of other investors.

Article 8 Gifts, representation expenses, charity and sponsorships

1. In order to safeguard the correctness of the behaviour of the SGR, the Recipients strive to not accept from third parties and to not give, offer or promise to third parties (with them being either clients or providers or just persons which in any way and for any reason hold a relationship with the SGR) gifts which value, even in relation to other eventual gifts already received or given in the previous 12 months, that can be used to influence the operator, or constitutes a conflict with regard to the fulfilment of its duties to the SGR or the investors as well as duties of the SGR in relation to its employees.

2. It is in every case prohibited for internal persons to give, accept or offer, or to promise cash gifts no matter their entity.

3. In particular, the Recipients are strictly prohibited from accepting, giving, offering or promising, even indirectly and/or following induction money, gifts, goods, services, benefits, favours or other utilities (even in terms of, for example, employment opportunities or provision of services and goods) concerning relations maintained with public officials, in charge of public service or private sector, to influence decisions, expecting more favourable treatment or indebted results or for any other purpose.

4. It is prohibited for the Recipients to carry out an incorrect and non-transparent management of representation, donation, charity and sponsorship expenses. It is also prohibited to carry out donations, charity and sponsorships in favour of entities involved (or to whom the involvement cannot be excluded) in activities which are not in compliance to the law.

Article 9 Relations with the press and external communications

1. The SGR is responsible for the advertising and promotional activities referred to itself and the managed funds.

2. The external communications must take place according to the procedures previously established, with respect to the principles of the previous Article 4, with regard to Privileged Information or Confidential Nature and market manipulation. In any case, the outwards communication needs to follow the guiding principles of truth, correctness, transparency and prudence and needs to be in favour of the company policies and the Company program. The relationship with the mass media needs to be in accordance with the law, the present Code, and with the procedures and principles already outlined with reference to the relations with public institutions, with the aim to protect the company image.

3. In addition, the SGR is committed to not spread news such to mislead the investors and/or damage competing companies and to adopt suitable procedures to this end. The Recipients are required to respect such procedures.

Article 10 Relations with other external persons

1. The SGR shall conduct its activities with the upmost correctness and transparency with regard to the market and competitors

2. The relations of the SGR with public administrations, political organisations, trade unions and with other external persons must happen with the upmost correctness, integrity, impartiality and independence.

3. The relationships held with public officials- which operate for the Public Administration, central or otherwise peripheral, or legislative bodies, communal institutions, public international organisations for any foreign state- with the judiciary, with public regulatory authorities and with other independent authorities, as well as with private partners concessionary of a public services, must be undertaken and handled with the absolute and rigorous respect towards the law and the regulations in force, the principles established in the Code and in the internal procedures, and in a manner to not compromise the integrity and reputation of both parts. In particular, in the case of legal controversies, investigations, inquisitorial proceedings and general legal proceedings, the Recipients must abstain from acting in a manner aimed at hindering the course of justice and must fully cooperate with the enquiring authorities with regard to every request, providing truthful information.

Article 11 Human resources and employment policies

1. Honesty, loyalty, skill, professionalism, seriousness, technical readiness and the dedication of the personnel all make up the key conditions that enable to achieve company objectives and represent the attributes that are required from Recipients.

2. The selection policies are undertaken to select each employee, consultant and collaborator according to the values and attributes highlighted above, with regard to equal opportunities and without discrimination regarding the private life and opinions of the candidates.
3. Green Arrow Capital respects the existing legal provisions regarding employment and is against any form of irregular employment. Work is conducted with respect to the reference regulations, guaranteeing the dignity of the employees and condemning and preventing any form of exploitation.
4. At the start of their work relationship, every employee receives information regarding: the characteristics of the function and tasks to complete, legislation and salary, the norms and procedures to adopt, in order to avoid possible health risks associated with the professional activities.
5. With regard to the progress of the working relations, Green Arrow SGR is committed to create and maintain the necessary conditions so that the knowledge and capabilities of each person can be maximised when performing team work, following a policy based on the recognition of merits and equal opportunities, including specific programs for the professional development and the acquisition of further skills.
6. The Company guarantees to its own employees safe and healthy work environments and favours a safe work culture.
7. With regard to the current legislation, Green Arrow Capital is committed to the protection of privacy with regard to private information and the opinions of each employee, and more broadly, those who interact with the company.
8. Green Arrow Capital is committed to managing its own activities with full respect to the current legislation concerning work health and security, (Legislative Decree 9th of April 2008, n. 81 and s.n.) and every other applicable law. Every employee, even if passively, must not expose any other persons, internal or external, to risks that might result in damage to that person's health or physical security.
9. Internal persons must act in a loyal manner in order to respect the contractual obligations, and in compliance, to what is listed in this Code.

Article 12 Formation

1. The SGR looks after the constant professional development of the Recipients, providing them the information tools necessary with regard to the assigned functions and to the services of which they are responsible.

Article 13 Access to the documentation and registration, corporate reporting

1. Green Arrow Capital SGR, in the limits established by the regulations in force, promptly and fully provides to partners, clients, providers, public regulatory authorities, institutions, bodies (including control bodies, i.e. in particular the Board of Auditors), firm of auditors, entities and other persons, in the performance of the respective functions- the information, the clarifications, the data and the paperwork requested.

Every relevant company information must be communicated with complete promptness, completeness and impartiality to both the Corporate Bodies in charge of the social management, of both the

regulatory authorities, and the firm of auditors, in order for these to be able to fulfil their functions of respective competence.

The SGR shall provide, on the request of the client, in a prompt manner, the documents and the recordings relating to such clients.

3. All the actions of the SGR must have a proper registration and it must be possible to verify the decision-making process of the decision, the authorization and performance.

Article 14 Operating procedures and accounting data

1. The Recipients are kept to the strict observance of the internal procedures, as well as the protocols defined in the Model adopted by the company under article 231/200 of Italian Law. In particular, the company procedures must regulate the performance of every operation and transaction, of which they must be able to reveal their legitimacy, the authorisation, the consistency, the correct registration and verifiability, even under the profile regarding the use of financial resources.

2. Every operation shall be supported by adequate, clear and complete documentation to record the acts, in a manner that allows to control the motivations at any moment, the characteristics of the operation and the precise identification of who, in the different phases, has the authorisation, and is registered and verified.

3. Veracity, accuracy, completeness and clarity of the basic information represent the necessary conditions that allow a transparent book entry process and constitute a fundamental value for the Company, also to guarantee to the partners and third parties have the possibility to have a clear image of the economic, capital and financial situation of the company.

4. The book entry needs to reflect in a, complete, clear, truthful, accurate and valid manner what is written in the supporting documentation.

Article 15 Protection of the company's assets

1. The Company shall endeavour that the available resources- carried out in compliance with the current legislation and with the contents of the respective statutes, and in line with values of the Code- are designed to, increase and reinforce the corporate assets, to protect of the company, partners, creditors and the market.

2. The corporate assets are used for work purposes, in accordance to the existing legislation. In no case it is allowed to use corporate assets and, in particular, the IT and network resources, for personal purposes and for ends contrary to mandatory statutory obligations, public policy and morality, as well as to commit or to induce crimes or racial intolerance, the glorification of violence or the violation of human rights.

3. In regard to computer tools belonging the company, it is expressly forbidden to behave in a manner that can in away damage, alter, deteriorate or destroy the computer tools, programs and computer data of the company or third parties.

4. The use of the company's computer information for the consultation, the access, and in general, for any activity which concerns pornographic websites is explicitly prohibited.

5. To protect the integrity of the company's assets, it is in particular prohibited, apart from cases where it consented explicitly by the law, to return, in any form, contributions or to free the partners from the duty to execute these; to share profits not actually achieved or destined for the law to reserves, more precisely, shares non distributable by law, buy or subscribe shares or stocks of the Company or of its subsidiaries, carry out reductions in the registered capital, mergers or scissions breaking the set to protect the creditors, to fictitiously create or to increase the registered capital, satisfy, in the case of liquidation, the demands of the partners at the expense of the creditors.

Section IV – CONFLICT OF INTERESTS, INDEPENDENT DIRECTORS AND OPERATIONS WITH RELATED PARTIES

Art. 16 General provisions

1. The management activities are performed in the exclusive interest of the Investors.
2. The SGR has prepared a specific policy, in which there are specified the potential circumstances of a conflict of interest which may happen, considering its specific operations, the relative organisational and procedural measures, as well as the management oversight predisposed to avoid that the presence of the above-mentioned conflicts may harm the interests of the managed funds and the investors.
3. The SGR has adopted rules and procedures which allow to pre-emptively identify and to manage with precision and transparency eventual conflicts of interest and to prevent the occurrence of incorrect behaviours and situations, as well as non-professional behaviours and/or contrary to the law and that allow a quick reaction to such situations. Such procedures consider the particular characteristics of each managed fund.
4. The SGR shall have in place staff resources, organisation and structures suitable of ensuring the efficient management of the funds, and it shall adopt appropriate procedures appropriate for the performance of an efficient and transparent management, even in accounting.
5. The SGR shall introduce mechanisms for remuneration of the management abiding to the principle of participation to the profits from investment activities and based on the return on the funds, to maximise the return for investors.
6. The SGR shall provide investors, as part of the of precontractual information, a description, even in synthetic form, of its own management policy regarding the handling of conflicts of interest.
7. In compliance with the relevant legislation, the SGR establishes and updates a special register in which there are reported all the situations for which exist, or could come up, a possible conflict that could seriously harm the interests of the managed funds. The Recipients of the Code are made to communicate to the Compliance function all the useful information for the management of the said register.
8. The Compliance function provides consultancy and assistance regarding the correct identification of potential conflicts of interests for the Recipients.

9. The Recipients, that in the exercise of the management activities, have, in relation to determined investment choices, a personal interest in potential conflict with the interest of the investors and and/or the assets of the managed funds or have otherwise a conflict which falls within those in the list provided in the specific policy for the management of conflicts of interest, have to be communicated to the Compliance function of the SGR which, on the base of the policy adopted, assesses the validity of the claim in order for the person to refrain from the conflicting operation in question.

Article 17 Transparency rules and specific behavioural obligations in the provision of the management service

1. In the presentation of the management service, the SGR outlines the investment decision for each managed fund, according to the following steps:

- ✓ selects a certain number of investment opportunities compatible with the objectives of the fund
- ✓ performs a comprehensive research and acquisition of information relevant to the single companies which are potentially subject to investment.
- ✓ performs thorough due diligence on target companies, suitable to guarantee a complete evaluation of their economic fundamentals, of the market conditions in which they operate, and the connected profitability prospects, regarding the risks potentially connected to the relative operability. In the case of investments having credit interventions, it also foresees the evaluation of the credit quality of the beneficiary.
- ✓ on the basis of the analytical activities and verification performed, it predisposes a documentation that precisely describes the operations as a whole (*Investment Memorandum*), highlighting, where appropriate, all the potential situations involving a conflict of interest to manage in accordance with the policy adopted by the SGR
- ✓ plans the fund assistance, in terms of capital injections and organisational and/or managerial competence deemed necessary.
- ✓ constantly monitors the performed activities and the volume of the business sales produced by the target companies, manages the participations in line with the business plan of the funds and provides the Board of Directors specific information regarding target companies.

2. The SGR needs to ensure the traceability and the storage of all the documentation examined and produced for each selected investment opportunity, even if not presented to the strategic supervisory Body for its approval.

Article 18 Management of conflict of interests

1. The SGR can put in place operations which it has direct or indirect conflict of interest, even deriving from group relations or from relations from its own business or company of the group, as long as the interests of the investors are protected, and that a fair treatment of the managed fund is performed.

2. Situations involving a conflict of interest can arise in the case that the SGR manages different investment funds, or it belongs to a group of companies which manages different investment funds, investing directly or indirectly in the same society, conceding finances to target companies, providing consultancy services (in terms of financial structure, industry strategy and similar questions, consultancy and services connected to the company merges and purchase of companies, as well as the consultancy relating to stock exchange listing) to companies in which the managed fund invest in.

3. The SGR has defined the procedures that ensure an equal treatment of the managed funds in the circumstances to which paragraph 2 refers to.

4. In the case of co-investment between funds managed by the SGR, the internal procedural norms guarantee the management and the monitoring of the potential conflict of interests between respective assets of the fund and provide indications regarding the hypothesis that the fund can purchase shares of a company already invested by another closed-end fund managed by the SGR.

5. It is also committed to regulate the hypothesis in which a fund managed by the SGR would invest in shares of other funds also ran by the SGR, including, if the case, appropriate prudential investment limits, taking into account, as well as the risk\return profile associated with the single investment fund, other eventual services provided to the SGR and of the internal organisation structure of the latter.

6. To safeguard the interests of the managed funds, the SGR, when defining the regulation regarding the management of the funds, it specifies the investment strategies, the allocation percentages of the investments between the different types of financial instruments and the eventual co-investment hypothesis in the target companies.

Article 19 Independent Directors

1. The SGR, ensures the presence, in its own Board of Directors, of a number of independent Directors, of at least two. An Independent Directors, is considered independent² if it does not have any executive directors in the SGR, while at the same time:

- a. is not the spouse, a relative and/or relative by marriage within the fourth degree of the directors, or rather, is not a director, the spouse, a relative and/or within the fourth degree of directors of the companies controlled by the SGR, of the companies which control the SGR and of the ones subject to common control;
- b. is not tied to the company or to the companies controlled by the SGR or companies that control the SGR or companies under common control, that is, subject to the directors and to the persons of which the letter a) gives independent working relations or subject to other relations of patrimonial or professional nature which are to compromise the independence.

2. The Independent Directors annually sign a declaration relating to the continuation of the specific conditions specified in the previous paragraph, and they are nevertheless committed to immediately communicate the ceasing of such.

It is best if each Independent Director participates to at least two thirds of the meetings of the Board of Directors in the space of a year. If an Independent Director is not present to at least four consecutive Board Meetings, the SGR will evaluate the possibility of revoking the job.

3. The Independent Directors

- a. evaluate, with support of the Board of Directors, situations of potential conflict of interest of the Investors and of the capital of the managed funds.
- b. express an opinion on the adequacy of the content and response to the interests of the investors of the contracts, having significant incidence on the managed funds as well as the process of fund raising and subject to the Board of Directors as well as the issues subject directly to the Committee by at least two members of the Board of Directors.

² Definition provided for the independent directors of the listed companies referred by the combined provisions of the article 147-ter, paragraph 4 and 148, paragraph 3, TUF

c. express an opinion in accordance to the general criteria for the remuneration of the executive administrator, of senior management and the managers.

4. The opinions expressed by the Independent Directors do not have binding nature, in the case that the Board of Directors adopts deliberations contrary to the opinions expressed by the Independent Directors, it is held to display justification.

Article 20 Joint Investments

1. In the case in which a fund carries out an initial investment in conjunction with other funds managed by the SGR or by companies managed by the group, the investment must be carried out according to equivalent conditions in terms of the exit as well as the entry (which should be, in principle, contextual), taking into consideration of the specific characteristics of each fund which, for example, the duration and limits of the investments.

Article 22 Verifications conducted in accordance to counterparties, including the anti-money laundering requirements

1. Green Arrow Capital SGR exercise its own activity in respect of the current anti-money laundering regulations and terrorism regulation and of legislation issued by the competent Italian and foreign authorities, and to this end it is committed to refuse to put in place suspicious transactions from the point of view of correctness and transparency.

2. The internal competent subjects are held to verify beforehand the available information on the (potential) counterparties of the SGR, of which the investors, providers, partner, collaborators and consultants, in order to ascertain their respectability and legitimacy of the activity before business dealing with these.

3. The Recipients must avoid any implications in eligible operations, even potential ones, to promote laundering of money from illicit or criminal activities, and act with full respect of primary and secondary anti-money regulation and of the internal control procedures.

Article 22 Environmental protection

1. The company is committed to monitoring the obligations with respect to environmental matters and to preserve natural resources, minimising the environmental impact of company activities

2. Every employee is committed to quickly reporting dangerous environmental practices and violations of behavioural rules and relevant company procedures.

Section V – SANCTIONS

Art. 23 Sanctions

1. It is reminded that:

- ✓ the violation of the rules of conduct laid down by the TUF entails the application of administrative sanctions according to the dispositions of the TUF. In particular, the failure to communicate the conflict of interest is punished by criminal penalties in accordance to article 2629-*bis* c.c. as modified by Law 29th December 2005, n.262;
- ✓ the abuse of privileged information and/or the manipulation of the market entails the application of criminal and administrative penalties charged to the person responsible for the illicit conduct, with regard to art. 184 e ss. of the TUF, as well as, where the conditions for the applications will require, the administrative executives of the SGR.
- ✓ the illicit treatment of personal data, in violation of the provisions of which D. Lgs. 30th of June 2003, n.196, is punished with administrative and criminal penalties.
- ✓ the crimes that constitute the condition for administrative responsibility of the institutions ex D.Lgs. 231/2001 include- regardless of such Decree- sanctions for the subjects involved in the illicit circumstances defined by the reference standards; as well upon the occurrence of other conditions of the responsibilities of the institutions, there are expected sanctions on the institution, in accordance to D. Lgs. 231/2001.

- ✓ 2. Without prejudice, the sanctions provided by the legislative measures regarding the violations of provisions in this contained, but not limited to the above, the SGR had disciplined, as part of organisational Model, management and control adopted in accordance to D. Lgs. 231/2001, the sanctions towards the Recipients of the same Model- which coincide with the Recipients of the present Code- which have behaved in non-compliance to the relative provisions.

3. Regarding internal persons, the sanctions for behaviour noncomplying to the Model and the Code can be imposed- with respect of the framework of which art. 7 of the law of the 20th of May 1970, n. 300 e s.m.i., and the provisions contained in employee contracts- according to the proportionality criteria, depending on the severity and the intent of the committed violation, also considering any reiteration of the breach and/or committed violations. The SGR has also defined the methods of contestation and contradiction to ascertain the violations and their relative culprits.

The application of the disciplinary system is autonomous with respect to the procedure and the outcome of the criminal proceeding eventually initiated through the competent juridical Authority.

4. The provisions of the present Code are to be applied to even the eventual temporary personnel hired which will be held to respect the precepts. The violation of the Code by the temporary personnel will be sanctioned by disciplinary provisions adopted in their regard by the respective temp agency, which are held to such behaviour pursuant to the contractual obligations assumed by the SGR, according to the specific contractual provisions signed from time to time.

5. Regarding external persons, the violation of the present Code can be sanctioned even with the termination of existing contracts, without prejudice of the right of the SGR to request the compensation of the damages that occurred because of the such conduct.

6. The sanctions for the violation of the rules of the Code are imposed by the Board of Directors through the Director of the SGR, delegated for such end, knowledgeable by law or by the existing contractual relationship between who has violated the rules and the SGR.

Section VI – NORMS REGARDING DIFFUSION, IMPLEMENTATION AND COMPLIANCE

Article 24 Promotion and disclosure

1. The Code, together with the Model, is brought to knowledge of all internal persons and it is given the maximum diffusion inside the Company.

2. The Code is rendered available to also external persons, always together with the Model, so that they envision and, by subscription of the special contractual clause they commit to, as part of the activities undertaken in favour and/or on account of the SGR, the observance of the principles contained in these, as far as these are applicable (without prejudice the possibility of avoiding of such obligation if having declared its own Code and its own Model containing coherent principles with the ones laid down in the present Code and Model of the SGR).

3. The eventual review and update of the Code, even following the changes to the relevant legislation, shall be communicated and put to disposition of the Recipients.

Article 25 Implementation and control of the Code

1. All the recipients must implement and contribute to the implementation of the Code, in accordance to their limits of their competence and functions, conforming and taking inspiration from the principles contained in such.

2. Without prejudice, as foreseen in the introduction of the present Code, the coordination between the Supervisory Body ex D.Lgs. 231/2001 and the Board of Auditors with regard to relating to their activities of respective competence, the SGR entrusts to its own Supervisory Body the task of supervising the implementation of the Code, as part of their supervisory task on the functioning and the observance of the Model, performed even through the conduct of investigations relative to the flow of information received in accordance to the same, including any reports of infringement of the Code received.

3. The SGR assures:

- ✓ the predisposition of the flow of information with regard to the Supervisory Body, so that it can efficiently conduct the activities within its competence. Such information flows are defined in the Model and in the following article, with specific reference to the reporting of possible issues and/or violations relating to the Code.
- ✓ the prevention and suppression of any form of retaliation regarding those who contribute to implementation of the Code.

Article 26 Obligation to signal possible issues and/or violations

1. The Recipients are obliged to notify, in good faith, every fact and/or information which could be regarded as violating the principles and requirements of the present Code. They will have to notify also those which, because of matters connected to the professional relationship or more specifically to the collaboration with the SGR are subject to, even personally, investigations and inspections or receive subpoenas and/or those who have been notified of other judicial proceedings.

2. The notification can be sent to the Supervisory Body of the SGR, at the following address

- ✓ email inbox: odv@gacsgr.com;
- ✓ ordinary mail, can be anonymous:
Green Arrow Capital SGR S.p.A.
C/A Organismo di Vigilanza ex D.Lgs. 231/2001
via Del Lauro 7
20121 Milano.

The internal persons can alternatively address the report to their Director, who will have the responsibility to pass it as quickly as possible to the Supervisory Body according to the mentioned process.

3. Without prejudice to the above communication channels, for which it is planned, in any case, the protection of the reporting parties, an alternative communication channel is available for the Supervisory Body for the above information which is suitable to guarantee, via the internet, the privacy of the identity of the reporting parties. The means of access for such alternative channel for the use of such, are represented in detail in the internal disciplinary regulation and the internal report violations system (c.d. "whistleblowing") adopted by the SGR, to which reference is made.

4. It is guaranteed the protection of the reporting party against any form retaliation, discrimination or penalisation and for each case the privacy of the identity of the reporting party shall be assured, subject to legal obligations and the protection of the mistakenly or wrongly accused persons.

5. If, at the end of the fact-finding activity this is deemed subsistent, specifically, the violation of the Code, the Supervisory Body must notify the body with the strategic supervisory function so that the disciplinary sanction can be imposed and, where necessary, initiate an appropriate contract-termination process.

6. It should be noted that the violation of the protection measures of the reporting party or execution with malicious intent or reports of blame which are revealed to be unfounded are prohibited, and constitute a violation of the present Code, as well as the Model, the relative authors shall be sanctioned according to the disciplinary system defined by the same Model.