



VODAFONE OMNITEL N.V.

CODE OF ETHICS

Vodafone Omnitel N.V.
Società del gruppo Vodafone Group Plc.

Confidentiality grade: C1

Vodafone Omnitel N.V.
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SUMMARY

This Code of Ethics states the main ethics and values that form our corporate culture and that must inspire the conduct and behaviour of those who operate in the interests of Vodafone Omnitel N.V. (hereafter, “Vodafone Italy” or the “Company”) both inside and outside the corporate organisation. It is the fundamental element of the organisation, management and control model adopted by the Company according to and for the purposes of Law Decree 231/2001.

The Code of Ethics is composed of five parts, the contents of which are summarised below:

1. Introduction and scope:

It describes the general principles of the Code of Ethics and the persons to whom it is destined.

2. General Principles of the company policy:

It describes the Vision, the behavioural standard and Business principles which inspire the business decisions of Vodafone Italy;

3. Other Principles

It describes the guidelines, i.e. the behavioural principles of Vodafone Italy and its employees towards some interlocutors including the Public Administration and the public supervisory authorities. It also describes the principles regarding the protection of privacy, accounting control and transparency adopted, and finally the procedures for notifying any breaches of the Code of Ethics.

4. Penalty system

It describes the penalty system enforced in the event of a breach of the Code of Ethics

5. Implementation and communication

It describes the procedures adopted in implementing the principles of the Code of Ethics and in communicating it to the persons concerned.

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1. Introduction and scope

The success of Vodafone Omnitel N.V. is determined by the correct business policy implemented and the transparency adopted with regard to all individuals involved – for various reasons – in the existence and operations of the Company: therefore, by this we mean employees, external staff members, customers, suppliers, shareholders and financial backers, the State and institutions, the population in general, the environment and mass media (hereafter referred to as *stakeholders*).

In fact, Vodafone Italy belongs to an international Group that observes the applicable laws in the various juridical systems in which it operates – including human rights promoted at international level – and aware of the fact that the adoption of ethically correct conduct is the essential premise for achieving a business that will be successful in the long term.

This Code of Ethics (hereafter, the “Code”), adopted by the Company through the formal approval by resolution of the Board of Directors of **15 November 2005**, has been drafted with the purpose of clearly defining all the principles and values that are at the basis of the activities of Vodafone Italy and the companies it controls and which all those undertaking dealings and relations, of any kind, with Vodafone Italy, are obliged to observe.

Through the explicit definition and communication of the fundamental rules of conduct of the Company, the Code is also a crucial element of the organisation, management and control model adopted by the company in compliance with and for the purposes of Law Decree 231/2001 with resolution of the Board of Directors on **15 November 2005** (hereafter, the “Model”) **and subsequently added to on several occasions to keep pace with legislative and regulatory changes.**

In particular, with this Code Vodafone Italy intends:

- recognising the juridical importance and obligatory efficacy of the ethical principles and behavioural standards described, also from the point of view of the prevention of corporate crimes;
- defining and stating the values and principles that are at the basis of our activities and relations with employees, external staff members, business partners, shareholders, institutions and with any other stakeholder in general, in compliance with the values and principles defined by the Vodafone Group in the *Group Governance and Policy Manual*;
- indicating the principles of conduct that must be observed by the addressees of this Code, as defined in detail below;
- making those who, for various reasons, have dealings with Vodafone Italy assume responsibility for observing these principles, providing, where possible, a specific penalty system that ensures that this Code is effective and efficacious;
- communicating and promoting the Company’s **behavioural standards** externally also.

All employees and, in particular, all executives, are responsible for seeing that the Code (an integral part of the organisation, management and control model pursuant to Law Decree 231/2001) is observed and for making known the ethical principles and values of the Company. On the other hand, the task of clarifying any doubts concerning interpretation, receiving notifications of any breaches of the Code and proposing any improvements in the provisions of the Code itself, is the responsibility of the Supervisory Body set up by Vodafone Italy pursuant to Law Decree 231/2001, which is also responsible for the

general duty of supervising the functioning and observance of this organisational model and its updating.

1.1. Addressees

The provisions of this Code are addressed, without any exceptions, at the executives, employees, consultants, administrators, auditors and accountants of the Company as well as all those who, directly or indirectly, permanently or temporarily, establish with the Company, for any reason, dealings and relations of collaboration – under any name – or supply or who operate in its interest. Such subjects will hereafter be defined as “Addressees”.

In particular, for example:

- members of the Board of Directors follow the principles of the Code in establishing corporate objectives;
- members of the Board of Auditors ensure the contents of the Code are respected and observed in carrying out their duties;
- executives implement the values and principles contained in the Code, assuming responsibilities internally and externally and strengthening the trust, cohesion and spirit of the group;
- in compliance with the law and applicable provisions, employees adapt their own actions and behaviour to the principles, objectives and commitments provided by the Code;
- external staff members (consultants, agents, etc.) and business partners, including suppliers, conform their conduct and their own professional practices to the principles contained in the Code.

2. General principles of corporate policy

Vodafone Italy has adopted and further expressed a series of corporate behavioural standards and “principles”, already defined at Group level, aimed at implementing an attentive and responsible management of its activities and interactions with all of its stakeholders.

Vodafone Italy has therefore identified its own vision (which can be defined as “the dream to be realised”) and its own principles – that inspire the conduct and behaviour of the Company itself towards its main categories of stakeholders and the social context as a whole – with the vision and principles (business principles) defined by the Vodafone Group in the *Group Governance and Policy Manual* document, already circulated and applied prior to approval of the Code

2.1. Vision

“We will be the communications leader in an increasingly connected world”,

2.2. Behaviours

Vodafone puts the customer at the centre of its strategic decision-making. Vodafone's goal of getting the respect of its customers translates into our desire:

- **to put all our passion into satisfying our customers, understanding their needs and offering solutions that always exceed their expectations;**
- **to live in the present but with a constant eye on the future, searching for innovative products, services and solutions capable of anticipating customer needs;**
- **to give ourselves the daily purpose of setting and achieving new goals in relation to both customers and the market in which we operate. To be ambitious and competitive and to be a market leader each and every day, in the ongoing search for excellence;**
- **to feel part of a major business present in numerous markets but at the same time rooted in our home territory, leveraging the Group's international footprint to the full in order to benefit our Company.**

To make this possible, Vodafone's people are committed to operate with speed, simplicity and trust approach to gain our customers' admiration day by day.

2.3. Principles

The success of Vodafone Italy depends on our commitment to implement a correct business policy and on the way we interact with our own stakeholders and/or external staff members, i.e., not only shareholders, employees, customers, business partners and suppliers but also Authorities, institutions, communities, the society and the environment.

Vodafone Italy carries out its business in full respect of the laws, also upholding, in an appropriate manner, the rules accepted at international level, including respect of human rights. The principles on which the company policy is based represent a further commitment of Vodafone Italy with regard to all those that interact with our Company.

Such a company policy is applied to all the companies in which Vodafone Italy has a majority stake and therefore also to all the relative employees. Where Vodafone Italy operates together with business partners, third parties or in joint venture agreements, where it does not have a majority stake, the Company continues to strive to promote the application and respect of its own principles.

Vodafone Italy is aware that its own business success also depends on its capacity to follow and observe company principles and, consequently, tries to put into action such principles with the greatest diligence in order to constantly improve the coherence of its own action with respect to such principles.

Vodafone Italy asks all its employees to be aware of, share and observe with the greatest of diligence the corporate principles listed below and to promote the application of such principles by external staff members, business partners and suppliers.

2.3.1 Creation of value

“Vodafone Italy believes that competition in a market economy, pursued in an ethical way, is the best way of delivering benefits to his stakeholders.

- *The commitment of all provide the best possible return to the shareholders.*
- *The criteria of investment decision, acquisitions and business relationship will be primarily economic but they will also include social and environmental considerations.”*

2.3.2 Public Policy

“Vodafone Italy may voice its opinions on legislative and regulatory proposals and other matters that may affect Vodafone Italy’s Stakeholders, but will not make gifts or donations to political parties nor will it intervene in party political matters.”

In particular, Vodafone Italy does not make any direct or indirect contributions of any kind to political parties, movements, committees and political and union organisations in Italy or abroad, their representatives or candidates. It also abstains from putting any illicit direct or indirect pressure on political exponents.

Board members and employees of Vodafone Italy, in turn, may not carry out any political activity, excluding union activity – during working hours, or use the Company’s assets or equipment for such a purpose; they must also explain that any political opinions expressed by them to third persons are strictly personal and therefore do not represent the opinion and policy of the Company.

2.3.3 Communication

“Vodafone Italy will communicate openly and transparently with all of its stakeholders, within the limits of business confidentiality.”

Relations between the Company and the mass media, and also – more in general – communications with the various external interlocutors, are the exclusive competence of the business functions who have been explicitly appointed to do so and must be carried out in observance of the communication policy defined by the Company.

Therefore, addressees may not give information to representatives of the mass media and to the various external interlocutors, without the authorisation of the relevant functions.

In any case, information and communications relating to the Company and destined to external agencies must be accurate, truthful, complete, transparent and homogeneous.

2.3.4 Customers

“Vodafone Italy is committed to providing its customers with safe, reliable products and services that represent good value for money.

- *Vodafone Italy will work to understand, anticipate and respond to the needs of its customers and to provide them innovative products and services.*
- *Vodafone Italy values the trust its customers place in it and will safeguard the information provided to it in accordance with relevant laws.”*

Addressees involved in Vodafone Italy’s business activity must therefore:

- scrupulously observe the provisions of this Code and the internal procedures relating to the management of relations with customers;
- conform its conduct in relations with all customers to principles of transparency, reliability, responsibility and quality;
- ensure the quality and reliability of the services and products offered, monitoring that the services and products provided and supplied by subcontractors in general, fully comply with the quality standards of Vodafone Italy;
- give the customer every information possible about contractual terms and conditions relating to the provision of company services, so that the customer may be fully aware of them when the contract is signed;
- stick to the truth in advertising communications;
- adopt a helpful, respectful and polite conduct in line with Vodafone Italy’s standards, characterised by the highest professionalism;
- pay particular attention to customer satisfaction activities, with a view to the on-going improvement of the quality of the services and products offered, accepting politely any suggestions or complaints made by the customers and making use, for this purpose, of suitable and rapid communication systems.

2.3.5 Employees

“Relationship with and between employees are based upon respect for individuals and their human rights.

- *Vodafone Italy will pursue equality of opportunity and diversity through its employment policies.*
- *Vodafone Italy will encourage its employees to reach their full potential through through training and development..*
- *Vodafone Italy promotes the participation in share incentive plans.”*

Full respect of the employee and no employment discrimination based on sex, race, language, religion, political opinions, union membership and social and personal condition are some of the basic values adopted by Vodafone Italy.

Professional development and growth are two important policy objectives adopted in the management of the Company's resources. In fact, Vodafone Italy intends to attract, reward and foster people of exceptional qualities, to whom it offers stimulating responsibilities and development opportunities. In particular, attention is aimed at creating a new breed of managers, extended to all levels, to foster the management of the on-going changes required by the market and by Vodafone Italy's role within the Group sphere. Vodafone contributes in this direction to the growth of skills through considerable investments in training, job rotation and international mobility.

In the various phases of managing relations with its own employees, Vodafone Italy therefore adopts the following principles.

a) Selection of personnel

Vodafone Italy offers the same job and/or professional growth opportunities without any discrimination, starting from the time the personnel are selected.

The assessment of candidates participating in selection is centred on checking satisfaction of the professional, behavioural and aptitudinal requisites envisaged for the requested profile, in observance of the dignity, personality, private sphere and opinions of the candidate.

Favouritisms or forms of patronage are not allowed (for example, there must be no conflict of interest between the person selecting or participating in selection and the candidate).

b) Employing procedures

Employees are hired with a regular employment contract in full observance of the law and the applied National Employment Contract, fostering the employee's introduction into the working environment.

Employees are aware of the terms and conditions of their job, and the Company provides salaries and conditions that are fair and reasonable¹.

¹ Due attention must be paid to the type of work carried out and to the market wage for such a job, and also to any minimum wage stipulated by the law and the applied National Employment Contract.

c) *Personnel management*

Vodafone Italy offers the same career opportunities to those that possess the required characteristics for access to the top functions, duties and/or profiles, without any discrimination and on the basis of meritocratic criteria, acquired professional competence and, in any event, on the basis of strictly professional parameters.

Vodafone Italy considers the training of personnel and constant updating on specific topics (for example, job safety and hygiene) a primary requirement of the company.

Vodafone Italy promotes team spirit and the spirit of reciprocal collaboration and expects that employees, at all levels, work together in maintaining a climate of reciprocal respect of the dignity and reputation of each person.

d) *Harassment and discrimination in the work place*

Vodafone Italy demands that in internal and external working relations no harassment of any kind occurs involving employees, suppliers, customers or visitors. By harassment we mean any form of intimidation or threat that is an obstacle to problem-free performance of functions, or abuse by members of the upper hierarchy of their position of authority.

Vodafone Italy also demands that no discrimination of any kind should be made in internal and external working relations with regard to employees, suppliers, customers or visitors associated to difference of sex, race, language, religion, political opinions, union membership or personal or social conditions.

Whoever, in carrying out his or her own job for the Company, considers that he/she is the object of harassment or discrimination for any reason must notify the Supervisory Body. Any form of retaliation against an employee who rejects, complains or notifies such regrettable facts, is forbidden.

e) *Alcohol or drug abuse*

Vodafone Italy bans employees or external staff members from working under the influence of alcohol or in a state of consciousness that has been altered due to the assumption of drugs, hallucinogens or of any substances that have a negative influence on the ability to carry out their job. In any event, Vodafone Italy also discourages the abuse of alcoholic substances and the use of drugs by employees or external staff members outside working hours and irrespective of the influence of such conduct on their ability to perform their job.

f) *Smoking*

The Company shall guarantee the safety and health of its own employees, without prejudice to smoking bans stipulated by law in places where this may cause a hazard for the safety of individuals and the healthiness of the premises.

h) Protection of privacy

Vodafone Italy shall observe applicable legal prescriptions concerning the handling of personal data. In particular, with regard to the handling of workers' personal data, Vodafone Italy takes specific precautions to inform each employee about the nature of the personal data being handled by the Company, on the procedures for handling such data, on the spheres of communication, and, in general, about every piece of information relating to his/her person.

2.3.6 Individual Conduct

“Vodafone Italy expects that all its employees act with honesty, integrity and fairness.

- *No form of corruption, including improper offers or payments to or from employees will be tolerated.*
- *Employees must avoid any contact that may lead to, or suggest, a conflict of interest between their personal activities and the business Vodafone Italy.*
- *Employees must avoid accepting gifts or hospitality that might appear to place them under an obligation.”*

a) Ban on corruptive practices

The Company does not tolerate any form of corruption, including improper payments or illicit offers of payments for or by employees.

In relations with third parties, including the Public Administration, in Italy or abroad, Vodafone Italy employees, external staff members and/or representatives are not allowed, for any reason, to pay or offer, directly or through third parties, sums of money or gifts of any kind or amount to individuals outside Vodafone Italy, whether they be public officials or persons appointed for public service, government representatives, public employees or private citizens, Italian or from other countries, with whom Vodafone Italy has business relations, to pay them or reward them for an action carried out in their official capacity or for carrying out an action that is contrary to the duties of their office².

Acts of commercial courtesy, such as free gifts or forms of hospitality, or any other form of charity (even under the form of generosity) are only allowed if of a modest amount, in compliance with customs or such that they do not compromise the integrity and

² With regard to this point, refer also to paragraph 3 concerning relations with the Public Administration..

reputation of the parties: in any event, it must not be possible for such acts to be interpreted, by a third party and impartial observer, as acts aimed at obtaining advantages and favours in an improper manner. In any case, such acts must always be authorised and documented.

b) Diligence and good faith

Employees and external staff members, of any kind, of Vodafone Italy must act loyally and according to good faith, observing the obligations underwritten in the employment or collaboration contract and guaranteeing the services requested. They must also be aware of and observe the ethical provisions of this Code, basing their own conduct on reciprocal respect and co-operation and reciprocal collaboration.

All actions, operations and negotiations and, in general, behaviour existing in carrying out the working activity, must be based on principles of honesty, correctness, integrity, transparency, legitimacy, clarity and reciprocal respect and must be open to verification and monitoring according to applicable laws and internal procedures.

All activities must be carried out with professional commitment and rigour. Each person must make a professional contribution that is in line with the allocated responsibilities and must act in such a way as to protect the Company's prestige.

Irrespective of the function held and/or the level of responsibility assumed, Vodafone Italy personnel must be aware of and implement Company provisions concerning environmental, health and safety protection and the protection of privacy.

As required by the regulations currently in force, Vodafone Omnitel N.V.'s staff must not cancel requests for mobile number portability sent to Vodafone Omnitel N.V. as the donating operator by a recipient operator. The details of customers who have requested mobile number portability to another telecommunications operator must be treated with the utmost confidentiality. Moreover, this data may not be used during the portability implementation period for promotional, commercial or retention purposes.

c) Conflict of interests

Employees and external staff members, of any kind, of Vodafone Italy must refrain from carrying out activities that are even only potentially in conflict with the Company's interests.

For example, the following cases could constitute conflict of interests:

- the existence – obvious or undisclosed, direct or indirect – of economic or financial interests of the employee or external staff member or his family members in the activities of suppliers, customers or competitors;
- exploitation of his own functional position for the realisation of interests that may be only potentially in contrast with those of the Company;
- utilisation of information acquired in carrying out working activities for his own or third party advantage in contrast with Company interests;

- the carrying out of working activities of any kind (provision of services and intellectual services) at the premises of customers, suppliers, competitors and/or third parties that are in contrast with the interests of the Company;
- the conclusion, execution or start-up of negotiations and/or contracts – in the name and/or on behalf of the Company – whose counter-part is a family member or partner of the employee or external staff member, or a corporate body owned by him or in which he is involved;
- acceptance of money or another benefit or favour from individuals or corporate bodies that are or intend entering into business relations with Vodafone Italy.

It is absolutely forbidden for employees and external staff members to benefit personally from business opportunities they become aware of when carrying out their own jobs within the Company.

Before accepting a consultancy, management, administration or any other kind of appointment in favour of another subject which should be potentially a conflict of interest, or if a situation of conflict of interest should occur, each employee shall notify the fact to his own superior and to the General Affairs and Security Manager, as stipulated in company policies. If the notification has no result or if the employee feels uncomfortable about informing his own direct superior and the General Affairs and Security Manager, he must inform the Supervisory Body. Similarly, each employee shall notify, following the same procedure as above, any situations of conflict of interests involving other employees and about which he has become aware.

d) *Free gifts or other forms of benefit/advantage*

Any employee who receives free gifts, or any other form of benefit/advantage, that can not be attributed directly to normal relations of courtesy, must take every appropriate action to refuse said free gift or form of benefit/advantage in observance of company policies.

e) *Protection of company property and the working environment*

Every employee shall safeguard company property, taking good care of movable and immovable assets, technological resources and information supports, equipment, company products and Vodafone Italy information and/or know-how.

In particular, each employee must:

- 1) use company assets according to company policies, scrupulously observing all security programs for preventing their unauthorised usage or theft;
- 2) avoid improper usage of company assets that may cause damage or reduction in efficiency, or, in any case usages that contrast with the Company's interest;
- 3) maintain secrecy with regard to confidential information concerning the Company or the Company's business partners, avoiding disclosing such information to third parties;

- 4) scrupulously respect that provided by company security policies, so as not to compromise the functionality and protection of information systems;
- 5) not send menacing or abusive e-mail messages, use impolite or unprofessional language, make inappropriate comments that may harm the person and/or damage the company image;
- 6) protect and not reveal to unauthorised third parties his own personal password and code of access to company databases;
- 7) not duplicate for personal use company software nor use supplied tools for private ends;
- 8) not use company communication systems (*e-mail, intranet, etc.*) and the web for purposes other than professional and service purposes; Moreover, each employee involved in dealings with suppliers of contents relating to mobile videophone services and in the provision of such services is banned from acquiring and spreading contents that are against the law (e.g. child pornography); each employee involved in providing mobile videophone services must take every possible precaution to ensure observance of the ethical policies expressed by the Company concerning the sale of contents.

Each employee is responsible for protecting the resources entrusted to him and is duty-bound to inform his own direct superiors immediately about any events that are potentially harmful for Vodafone Italy.

The principles mentioned above also apply to external staff members, to the degree in which they can actually be involved in safeguarding company property, since they are allowed to use the Company's equipment, resources or assets (as described in more detail above).

f) Protection of image

The good reputation and/or image of Vodafone Italy is an immaterial essential resource.

Vodafone Italy employees shall act in compliance with the principles dictated by this Code in relations with colleagues, customers, suppliers and third parties in general, maintaining a decorous attitude in keeping with standards that are common to companies of the size and importance of Vodafone Italy.

2.3.7 Environment

“Vodafone Italy is committed to sustainable business practices and environmental protection.

- *Processes are put into action to actively improve the efficiency with which limited resources are used (such as, for example, energy, water, raw materials).*

- *Management, operating and technical checks are carried out to minimise the leakage of emissions that are dangerous for the environment.*
- *The use of operating policies that are able to reduce the environmental impact of Vodafone Italy's activities are promoted.*
- *Innovative improvements in products and services that offer environmental and social benefits are supported.*

Protection of the environment and the safeguarding of natural resources are high priority company objectives.

Vodafone Italy has always been alert to environmental topics, showing a sensitivity that is expressed through specific ventures, aimed at protecting and respecting the territory and nature. New ideas in which technological innovation coincides with environmental protection.

In performing his job, each Addressee must cooperate in achieving exemplary results in this sector.

2.3.8 Communities and Society

“Vodafone Italy accepts the responsibility to engage with communities and will invest in society in a way that makes effective use of its resources, including support for charitable organisations”.

Vodafone Italy has always been very mindful of social matters and continues to assume responsibilities also in a social field, making its own contribution to various sectors.

Coherent with the philosophy that has always distinguished it and with Group values, Vodafone Italy implements ventures to contribute to projects that are closest to the heart of local communities and to improve people's lives by using their own technology. Vodafone Italy also promotes Corporate Social Responsibility, developed through a series of decisions and strategies which, in respect of society and the legitimate expectations of stakeholders, increase the economic value of the company itself.

2.3.9 Health and safety

“Vodafone Italy is committed to the health and safety of its customers, employees and the communities in which it operates.

- *Vodafone Italy will disclose any information that comes to its knowledge, which clearly demonstrates that any of its product or services breach internationally accepted safety standards or guidelines.”*

In observance of current health and safety regulations, Vodafone Italy shall spread and consolidate a culture of health and safety on the work place developing awareness of risks and promoting responsible behaviour by its own employees; moreover, it operates to preserve – also

through training plans, preventive actions and periodic checks – the health and safety of its workers.

2.3.10 Business partners, external staff members and suppliers

“Vodafone Italy will pursue mutually beneficial relationships with its business partners, external staff members and suppliers.

➤ *Vodafone Italy will seek to promote the application of its Business Principles by its business partner, external staff members and suppliers..”*

a) Relations with external staff members

The Company’s external staff members, called (“external staff members”, “consultants”, “representatives”, “agents”, “finders”, “dealers”; hereafter, for short, “External staff members”) are obliged to observe the principles contained in the Code.

In relation to his own functions, each employee shall:

- 1) scrupulously observe operating practices and internal procedures relating to the selection and management of relations with External staff members;
- 2) select, as Company External staff members, only persons and businesses that are recognised as qualified, with an excellent reputation and/or for which no behaviour is known that contrasts with the principles of the Code;
- 3) contact his own direct superior immediately if any breaches should be made of the Code by Company external staff members; if there is no conclusion to the notification, or if the employee feels uncomfortable about reporting the matter to his direct superior, he may contact the Supervisory Body;
- 4) explicitly mention, in all contracts concluded with External staff members irrespective of the *nomen iuris* adopted for such contracts (“collaboration”, “consultancy”, “agency”, “business procurement”, “general contract”, “private agreement”), the obligation to respect the principles of the Code, to behave in a way that prevents even the attempted committing of crimes in relation to which the sanctions stipulated in Law Decree 231/2001 are applied, sanctioning any breach of such obligations with the anticipation of Vodafone Italy’s right to terminate the contract, obviously without prejudice to entitlement to compensation for any damages suffered.

b) Relations with suppliers

Vodafone Italy bases its own conduct during relations with suppliers on principles of transparency, equality, loyalty and competition.

In particular, Vodafone Italy’s employees must:

- 1) scrupulously observe operating practices and internal procedures relating to the selection of suppliers and the management of relations with them;
- 2) obtain the collaboration of suppliers in ensuring satisfaction of customers' requirements in terms of quality, cost and delivery times of the goods or provision of services;
- 3) observe and respect, in supply relations, applicable laws and contractually envisaged conditions;
- 4) in relations with suppliers of contents relating to mobile videophone services, not acquire images and/or contents that are against the law (e.g. child pornography);
- 5) observe principles of transparency and completeness of information in correspondence with suppliers;
- 6) avoid receiving money or any other advantage or benefit from anyone other than Vodafone Italy for carrying out his job or for acting contrary to his official duties;
- 7) avoid giving or receiving, directly or indirectly, presents, free gifts, hospitality or other advantages, unless their value does not exceed the limits established in the appropriate procedure.

c) *Selection of the supplier*

Purchasing processes are based on the search for the maximum competitive advantage for Vodafone Italy and protection of the image of Vodafone Italy itself.

To this end, without prejudice to the provisions of the Vodafone Group's *Code of Ethical Purchasing* (which is considered to be referred to fully herein), functions taking part in such processes must;

- 1) give suppliers in possession of the necessary requisites equal opportunities to participate in selection;
- 2) check, also by requesting the delivery of suitable documentation, the existence of subjective requisites relating to the suppliers' professionalism and reputation;
- 3) check, also by requesting the delivery of suitable documentation, that the suppliers taking part in the selection are in possession of adequate means, even financial, organisational structures, skills, know-how, quality systems and resources for the requirements and image of Vodafone Italy.

In particular, in contracts with suppliers, contractual clauses are introduced that envisage supplier's declarations about possession of the above-mentioned subjective and organisational requisites, know-how, and resources that are adequate for the requirements and image of Vodafone Italy and those relating to the existence and actual implementation of adequate company quality systems.

d) *Integrity and independence in relations with suppliers*

Relations with suppliers are governed by common principles and are the object of constant monitoring by Vodafone Italy.

In particular:

- long-term binding projects based on short-term contracts that require continuous renewals with price reviews, or consultancy contracts, however they may be called, without an adequate transfer of know-how, must be avoided;
- it is not considered correct to persuade a supplier to stipulate a disadvantageous contract basing this supply on the unfounded hope of a more advantageous future contract.

In order to guarantee the maximum transparency and efficiency of the purchasing process, Vodafone Italy arranges and/or adopts:

- 1) the separation of roles – where actually feasible – between the unit that requests the supply and the unit that stipulates the relative contract;
- 2) operating procedures/structures that govern the duty to adequately document the choices adopted (so-called “traceability”);
- 3) conservation of information and official documents relating to selection of the suppliers as well as contractual documents for periods established by applicable provisions and referred to in the internal procedures relating to the purchases;
- 4) the principle according to which no payment can be made in favour of the supplier i) in cash or by bearer securities; ii) to a subject that is not the supplier, except for cases in which the payment must be made in favour of third parties, who are not the supplier, as long as this takes place in a legitimate, transparent and documented manner (for example, in the case of the transfer of credit by the supplier), and (iii) onto to current accounts at foreign banks, when the supplier does not have headquarters abroad, except for exceptional cases that must be adequately justified and documented, without prejudice to the fact that the relative payments must be duly authorised by a person belonging to an adequate hierarchical level.

Specific clauses concerning the knowledge and obligation on the part of the supplier to observe the principles contained in the Code and to behave in a way that prevents even the attempted committing of crimes in relation to which the sanctions stipulated in Law Decree 231/2001 are applied, as well as explicit resolute clauses that Vodafone Italy can enforce in the event of breaches of such obligations, without prejudice, obviously to the entitlement to compensation for any damages suffered, are explicitly envisaged in individual supply contract.

Vodafone Italy informs suppliers of the content of this Code and encourages all suppliers to adopt an organisation, management and control model pursuant to Law Decree 231/2001, as well as a Code of Ethics, in all their companies and within their supply chains.

3. Other principles

In addition to absorbing and explaining further the above-mentioned values and principles, already defined at Group level, the Company also adopts and specifies the principles and rules of conduct illustrated below.

3.1. Relations with the Public Administration

Vodafone Italy's relations with the local, national, community and international Public Administration, or in any case relating to relations of a public law nature (for example: management of relations with the main authorities, local administrations and regulatory and/or supervisory bodies in the telecommunications sector; activities relating to the management of relations with local bodies for obtaining the authorisations necessary for the development/maintenance of network infrastructures and the relative inspections; management of checks/inspections concerning health and safety carried out by the relevant authorities and responsibility for the relative obligations; management of checks/inspections regarding social security carried out by the relevant authorities and responsibility for the relevant obligations), must be based on the most stringent observance of applicable laws and regulations and the general principles of correctness and loyalty as described above, and of company procedures.

The assumption of commitments and the management of relations, of any kind, with the Public Administration and/or of relations of a public law nature are reserved exclusively to the authorised business functions appointed for this task.

Notwithstanding the obligations imposed by current legislation in this area, during business negotiations, applications or business relations with the Public Administration and also in the event of controls/checks/inspections by the relevant Authorities, Vodafone Italy and its employees and/or External staff members shall abstain from directly or indirectly carrying out the following actions:

- favouring in any way or proposing job and/or business opportunities to personnel of the Public Administration involved in the negotiation, relationship or controls/inspections/checks, or their family members;
- offering or in any way giving, accepting or encouraging free gifts, presents or any advantage to personnel of the Public Administration, or to their family members, except in cases of acts of modest commercial courtesy, in compliance with customs, that do not compromise the integrity and reputation of the parties;
- solicit or obtain confidential information that may compromise the integrity or reputation of both parties or that may, in any case, violate the equality of treatment and procedures of public evidence activated by the Public Administration;
- subscribe to any request for contributions and sponsorships, that may influence the business negotiation or favour the Company in the event of checks/inspections/controls by the Authorities.

In particular, requests for contributions and sponsorships shall be evaluated only if proposed by bodies and associations that are non-profit making or that are of a high cultural or charitable value (for example contributions and sponsorship may concern ventures in the social, environmental, sports, entertainment, culture, art sphere). In any case, in the selection of the proposals to be accepted, Vodafone Italy pays particular attention to any possible conflict of interests of a personal or corporate kind.

Employees that receive offers of free gifts or benefits that are not allowed by the appropriate procedure are obliged, according to the established policies, to refuse them, notifying immediately the Supervisory Body that will assess if the offer complies with the principles of the Code.

3.2. Relations with the public supervisory authorities

Vodafone Italy shall fully and scrupulously observe the rules dictated by the public supervisory authorities concerning observance of current legislation applicable to the Company, providing the maximum collaboration and transparency.

The Company does not refuse, hide or delay any information/communication that may be requested by the public supervisory authorities even when exercising their inspection functions, and actively collaborates during preliminary procedures.

Vodafone Italy shall also refrain from finding itself in situations of conflict of interests with employees of any public supervisory authority or their family members.

The Company acknowledges that, at times, doubts may arise concerning the correct interpretation of laws and regulations; in such cases, employees must ask for the opinion of the person in charge of the relevant company function through the appropriate channels.

3.2.1 Institutional relations

In institutional relations, Vodafone Italy shall:

- set up, without any type of discrimination, stable channels of communication with all institutional interlocutors at international, community and territorial level;
- represent the interests and positions of Vodafone Italy in a transparent, rigorous and coherent manner, avoiding positions of a collusive nature.

In order to guarantee maximum transparency in relations, contacts with institutional interlocutors are made exclusively through people who have been explicitly appointed for the purpose by Vodafone Italy's top management.

3.3. Accounting control and transparency

In compliance with their respective functions and duties, the Addressees shall ensure that facts relating to Company management are represented in a correct, truthful manner in Vodafone Italy accounting.

The documents certifying accounting registration must enable rapid reconstruction of the accounting operation, identification of any error and the level of responsibility within the individual operating process.

Again, within the sphere of their respective functions and duties, Addressees must check the correctness and truthfulness of accounting entries and make know, to the person in charge, any errors, omissions and/or forgeries found.

Vodafone Italy instructs its own executives, employees and External staff members so that they may at all times guarantee the truthfulness, completeness, clarity and immediacy of information, both inside and outside the Company, as well as maximum accuracy in processing data and information.

To this end, every operation or transaction must be registered in the company accounting system correctly and immediately, according to the principles indicated by the law and on the basis of applicable accounting principles; every operation or transaction must be authorised, verifiable, legitimate, coherent and adequate.

In order for accounting to satisfy the requirements of truthfulness, completeness and transparency of every registered datum, adequate and complete documentation in support of the activity carried out must be kept in the Company files so as to allow:

- accurate accounting registration of each operation;
- immediate establishment of the characteristics and motivations at the basis of the same;
- easy formal reconstruction of the operation, from the chronological point of view also;
- verification of the decision-making, authorisation and realisation process as well as identification of the various levels of responsibility and control.

Each accounting entry must reflect exactly that which appears in the support documentation. Therefore, it is the duty of each employee or external staff member appointed to this work to ensure that support documentation is easy to obtain and structured according to logical criteria, in compliance with company provisions and procedures.

No-one may make any kind of payment in the interest of the Company without adequate support documentation. If authorisation is missing, no-one may use Company funds and, in any event, set up and hold funds, including foreign ones, that do not appear in the official accounts.

Any Vodafone Italy employees that become aware of omissions, forgeries or negligence in accounting entries or in support documentation, must refer this immediately to their superior. If the notification has no result or if the employee feels uncomfortable about informing his own direct superior, he must inform the Supervisory Body.

3.3.1 Drafting of prospectuses on investment incentive, public saving and/or the admission to listing on regulated and unregulated markets and/or extraordinary transactions on capital (take-over bids, offers for sale, offers for exchange)

In the event of drafting prospectuses and/or documents relating to investment incentive, public saving and/or the admission to listing on regulated and unregulated markets, as well as prospectuses and/or documents relating to extraordinary transactions on capital, members of the corporate bodies, executives, employees and external staff members of Vodafone Italy involved in drafting such prospectuses and/or documents are obliged to guarantee constant truthfulness, completeness, transparency of information as well as maximum accuracy in processing data and information.

3.3.2 Management of company responsibilities; transactions on capital and transactions on holdings.

Company board members and auditors as well as those in charge of the functions involved, for various reasons, in executing procedures relating to: i) the distribution of profits and reserves; ii) transactions on capital (capital increases or reductions) and procedures connected to such transactions, such as allotment in kind and their evaluation; iii) transactions on own shares or shares belonging to the parent company; iv) mergers, splitting and conversions, shall act with honesty, correctness and transparency and in full respect of the civil legal system aimed at the protection – amongst other things - of the interests of the Company's creditors in maintaining guarantees for their property.

When drafting the prospectuses/reports relating to the transactions mentioned above, Vodafone Italy board members, auditors, employees and external staff members shall at all times guarantee truthfulness, completeness and clarity of information as well as maximum accuracy in processing data and information.

3.3.3 Internal controls

By “internal controls” we mean all instruments necessary or useful for directing, checking and pursuing Company activities with the aim of ensuring observance of laws and company procedures, protecting company assets, managing efficiently and ethically company activities and supplying clear, truthful and correct information about the patrimonial, economic and financial situation of the Company and identifying and preventing the risks which the Company might incur.

Vodafone Italy endeavours to adopt the highest internal auditing standards and to spread, at all levels, an internal culture characterised by awareness of the existence of controls and oriented towards exercising the controls themselves.

Within the sphere of their functions and responsibilities, Vodafone Italy executives shall participate in the realisation and implementation of an efficient corporate auditing system and shall ensure that those working for them participate in it.

Vodafone Italy's internal auditing system is subject to a periodic formal audit³, and the results of such checks are brought to the attention of the company's top management (e.g. Audit Committee, Audit Activities Review Committee).

Within the sphere of their responsibilities, Vodafone Italy employees must:

- contribute to the correct functioning of the auditing system;
- take care responsibly of the company assets that are instrumental to the job they carry out, whether they be tangible or intangible, and refrain from making improper use of them.

³ For example reference must be made to the Key Control Questionnaire and to the auditing activities conducted by the Audit department

3.3.4 Anti-money-laundering

In no way whatsoever and under no circumstances shall Vodafone Italy employees and external staff members receive or accept the promise of cash payments or run the risk of being implicated in matters relating to the laundering of money coming from illegal or criminal activities.

Before establishing relations or entering into contracts with random suppliers and other partners in long-term business relations, they must ascertain the moral integrity, reputation and good name of the counter-part.

Vodafone Italy shall observe all national and international anti-money-laundering laws and provisions.

3.4. Relations with the Board of Auditors, auditing company and other company bodies

Company employees shall guarantee the maximum collaboration and transparency in relations they may be called upon to have with the Board of Auditors, the Auditing company and partners, relating to their auditing activities.

In particular, Company employees must refrain from behaving or failing to behave in a manner that internal and external auditors or partners may construe as being a hindrance or from acting in such a way as to hinder research or draw the attention of the internal and external auditors and partners away from carrying out their respective audits.

3.5. Relations with other interlocutors

Vodafone Italy believes that dialogue with associations is of strategic importance for the correct development of its business.

To this end it establishes a stable channel of communication with associations – where they exist - that represent the Company's non-commercial interlocutors, who may be interested, for various reasons, in the successful continuation of company business, with the aim of cooperating in the respect of reciprocal interests, presenting the positions and opinions of Vodafone Italy and preventing possible situations of conflict.

To this end, Vodafone Italy:

- guarantees a reply to the remarks of all associations;
- when possible, is oriented towards informing and involving the most qualified and representative category associations about topics that interest specific categories of interested parties.

In relations with associations that may have interests, no Addressee shall promise or pay sums of money, promise or grant non-cash assets or other benefits personally for promoting or fostering Company interests even as a result of illegal pressure.

Any contribution must be made in a way that complies strictly with applicable laws and provisions and must be adequately documented.

3.6. Confidential information and protection of privacy

The Addressees shall protect the secrecy and confidentiality of any information, relating to the Company and/or the Group, that they learn when carrying out or on occasion of the activity performed in favour of the Company.

In observance of the law⁴, all information, knowledge and data acquired or processed by the Addressees through their own activity may not be used, communicated or disclosed without the explicit authorisation of the Company.

Each Addressee shall therefore:

- 1) acquire and treat only information and data necessary and directly connected to his own activity;
- 2) keep such data/information in such a way as to prevent extraneous third parties from becoming aware of them;
- 3) communicate and disclose data/information within the sphere of procedures pre-established by the Company and subject to the Company's authorisation given by the person appointed to do so.
- 4) assess and establish the confidential and secret nature of information in compliance with the provisions of procedures pre-established by the Company;
- 5) observe the obligations of secrecy even after termination of the relationship with the Company, in compliance with current legislation and/or previously assumed contractual obligations.

The Company's activity requires the treatment of data (by this we mean any operation or series of operations, even carried out without the support of electronic instruments, concerning the gathering, registration, organisation, keeping, consultation, processing, amendment, selection, extraction, comparison, usage, interconnection, blocking, communication, spread, cancellation and destruction of data, even if not registered in a database) that is subject to protection by current privacy laws.

Vodafone Italy is particularly mindful of aspects concerning the privacy of its own employees/customers/users and of any other subject concerned in the treatment of its own personal data by the Company.

Specific security measures are observed to prevent the loss and illicit or incorrect usage of the data that is subject to treatment by the Company and/or unauthorised accesses to the Company's internet and WAP site.

Only authorised personnel are allowed to handle personal data and this must be done in observance of the provisions and procedures established in compliance with applicable legislation.

The Company shall protect information and data relating to its own Addressees and third parties, and shall prevent any improper use of them.

⁴ Law 196/2003

4. Penalty system

Observance of the regulations contained in the Code constitute fulfilment by Vodafone Italy employees of the obligations laid down by art. 2104, paragraph 2, c.c.⁵ (obligations of which the contents of the same Code are an essential and integral part), and also an essential part of the contractual obligations provided with reference to the other Addressees.

As far as Company employees are concerned, breach of the above-mentioned regulations will constitute non-fulfilment of the obligations deriving from the employment relationship and illicit behaviour, with every legal consequence, even regarding the preservation of the employment relationship, irrespective of any criminal consequence in the behaviour assumed and/or of the establishment of criminal proceedings if a crime is committed.

Vodafone Italy shall provide and issue, with coherence, impartiality and uniformity, sanctions in proportion to the respective breaches of the Code and in compliance with applicable provisions regarding the control of employment relations.

If the Code is breached by Vodafone Italy employees, the Company shall take the most appropriate disciplinary measures against the perpetrators of the censured behaviour, and – as far as non-executive employees are concerned – the disciplinary measures that comply with those laid down in the applied collective employment contract⁶, in observance of Art. 7 of Law 20 May 1970, no. 300 and applicable provisions.

In particular, with reference to non-executive employees, the disciplinary measures that may be applied are those provided by the disciplinary provisions laid down in article 46 and subsequent articles of the National Employment Contract for companies providing telecommunication services, and precisely, according to the seriousness of the breaches:

- a verbal warning;
- a written warning;
- fine up to a maximum of three hours;
- suspension (from the service and salary) up to a maximum of three days, notwithstanding the hypothesis of non-disciplinary precautionary suspension;
- dismissal.

In the event of information about breaches in the Code that emerges from reports by the employees or from ethical auditing, Vodafone Italy's Supervisory Body shall inform the Head of the Human Resources and Organisation Division. After carrying out an appropriate analysis of the reported breaches, the latter shall decide if such breaches exist or not.

During the ascertainment phase the employee will be made aware of the charge and he shall also be given a suitable time in which to prepare his defence.

⁵ Art. 2104, paragraph 2, c.c. "(Diligence of the employee) – [The employee] *must also observe the provisions for execution and discipline of the job given by the employer and his external staff members to whom he must report hierarchically*".

⁶ Also in relation to art. 7 Law 20 May 1970 no. 300, paragraph 1, we point out that disciplinary regulations are contained both in legal provisions and in the National Employment Contract of 28th June 2000 for companies providing telecommunication services.

Once the breach has been confirmed, the perpetrator will receive a disciplinary sanction, in agreement with the Supervisory Body, in proportion to the seriousness of the breach committed.

It is understood that the procedures, provisions and guarantees laid down by art. 7 of the Workers Statute and art. 46 of the National Employment Contract for companies providing telecommunication services, relating to disciplinary measures shall be observed.

In issuing sanctions to personnel at executive level, the Supervisory Body shall involve the Managing Director. In reaching his decision, the Managing Director may ask for the opinion of the Executive Committee, in compliance with the respective proxies of power and responsibilities.

If the provisions of the Code have been breached by an Addressee who is not a Vodafone Italy employee (for example, a free-lance worker, supplier or other subject linked to the Company by contractual relations), the option of terminating the relative contract or withdrawal from the same for just cause are envisaged as sanctions, notwithstanding the entitlement to compensation for any further damages incurred, and irrespective of any criminal consequence of the assumed behaviour and/or of the establishment of criminal proceedings if a crime is committed.

If the provisions of the Code are breached by one or more members of the Board of Directors and/or of the Board of Auditors, said breach shall be assessed according to its seriousness and may entail – in the most serious cases – annulment of the same for just cause, according to the provisions provided by the Law.

5. Implementation and communication

Every update, amendment and/or integration of the Code will be approved by the Board of Directors and circulated immediately to all Addressees with the means considered most appropriate.

In implementing and monitoring the Code, the Supervisory Body is responsible for the following tasks:

- 1) co-operating in decisions concerning breaches of the Code (ascertained by the same Supervisory Body on its spontaneous initiative or following reports from other business functions), in agreement – with regard to the issue of any sanctions – with the Head of the Human Resources and Organisation Division and with the boss of the perpetrator of the censured conduct;
- 2) expressing opinions about the revision of the most important company policies and procedures, with the aim of guaranteeing their coherence with the Code;
- 3) proposing to the Board of Directors a possible revision of the company policies and procedures with significant impacts on the corporate Code of Ethics, as well as any updates, amendments and/or integrations of the Code;
- 4) checking the application and observance of the Code through ethical auditing which consists in ascertaining and promoting the on-going improvement of the Code of Ethics through an analysis and an assessment of ethical risks control processes;
- 5) monitoring ventures for spreading awareness and understanding of the Code, and in particular, guaranteeing the development of ethical communication and training activities.

Internal and external stakeholders are informed of the Code through communication activities (e.g. posting on the corporate notice-board, delivery to all employees, dedicated sections on the company Intranet and/or web site, etc.).

In order to ensure that all Vodafone Italy employees and External staff members, however they may be called, understand the Code correctly, the Supervisory Body shall prepare and submit to the Board of Directors a training plan aimed at fostering knowledge of the principles and ethical rules envisaged by the Code.

Training ventures differ according to the role and responsibility of the employees or External staff members.