



## DEALING CODE

As approved by the Torre Board of Directors of February 16, 2010



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## Article 1 – Preamble and references

1. The purpose of the Dealing Code (the “**Code**”) is to ensure efficiency, transparency and uniformity of the information to the market. It governs (i) the obligations of the “Relevant Persons” (as defined) of Torre SGR S.p.A. (the “**SGR**”) and (ii) of the “Persons Closely Related” to them (as defined) in relation to the information to be disclosed to the market and (iii) the manner such persons may carry out certain transactions, as specified below, also through intermediaries, on units (“**Units**”) of listed real estate closed-end funds managed by the SGR (the “**Listed Funds**”).
2. The Code was adopted pursuant to art. 114, section 7, del D. Lgs. 24 February 1998, n. 58 (“**TUF**”), that governs the obligations to disclose information to Consob and to the market, about certain transactions carried out by Relevant Persons and by Persons Closely Related to them and pursuant to art. 102, section 1, 152-*sexies*, 152-*septies* and 152-*octies* of Consob Rules n. 11971 of May 14, 1999, as subsequently amended (“**Consob Rules**” and, jointly with the TUF, the “**Governing Regulation**”).  
In particular, art. 102, section 1 of Consob Rules, which sets out the rules governing transactions carried out by Relevant Persons or by Persons Closely Related to them, applies to Asset Management Companies in relation to closed end real estate funds listed on the Italian Stock Exchange.  
In consideration of the SGR activities, consisting in the establishment and management of real estate investment funds, and the nature of the financial instruments under management (units listed on a regulated market), the obligation concerning the information to be disclosed to the market applies only to units of Listed Funds managed by the SGR.
3. The Code is binding for Relevant Persons, as defined below. Compliance with the Code does not exempt anyone from the obligation to comply with any other law or regulation, including but not limited to, art. 180 and subsequent provisions of TUF, related to the abuse of inside information (so-called insider trading) and market manipulation.  
Compliance with the Code, among others, does not exempt any person from the obligation to comply with the SGR procedure regarding “personal transactions,” adopted by the SGR pursuant to art. 18 of the joint regulation of Bank of Italy-Consob issued on October 29, 2007 (the “**Joint-Regulation**”), that applies, *inter alia*, to transactions on units of listed funds.

## Article 2 – Relevant Persons

1. Pursuant to Governing Regulation and the Code, Persons who fall within the definition of Relevant Persons that are subject to a duty of information, with the relevant liabilities, are:
  - a) Members of the Board of Directors, even when not vested with executive powers;
  - b) Statutory Auditors;
  - c) SGR Executive Officers, including but not limited to, the General Manager, Vice-Presidents, Deputy-Managers;

- d) Other SGR Managers who have access to inside information on a regular basis and who have the power to make decisions that may influence the development and future perspectives of the Listed Funds:
  - e) Entities holding a participation equal to, at least, 10% of the SGR share-capital, as well as any other entity/persons controlling the SGR.
2. The SGR shall identify those persons who, from time to time, as a result of their activities or duties, fall within the definition of Relevant Persons pursuant to the Code, and shall register their names in a dedicated list (the “**List of Relevant Persons**”).
  3. The SGR shall inform the Relevant Persons of their status as Relevant Persons and provide them with the Code and its annexes, so as to enable them to comply with its provisions.
  4. The status as Relevant Person may be valid for limited periods of time; therefore, the Relevant Person shall inform the Delegate for the Implementation of the Code (as defined), of the termination of their activity or office, resulting in the termination of their status as Relevant Person.

### **Article 3 – Persons Closely Related to Relevant Persons**

Pursuant to the Code, persons falling within the definition of “**Persons Closely Related to Relevant Persons**” to which certain provisions of the Code shall apply, are:

- (i) The spouse (if not legally separated), children (including those of the spouse) and, if living with the Relevant Person since 1 year, parents, relatives and in law, of a Relevant Person;
- (ii) Legal entities, companies, partnerships and *trusts* managed by a Relevant Person or by any of the persons mentioned under subparagraph (i);
- (iii) Legal entities directly or indirectly controlled by a Relevant Person or by any of the persons mentioned under subparagraph (i);
- (iv) Partnerships having interests substantially in line and consistent with those of any of the persons mentioned under subparagraph (i);
- (v) Trusts having as beneficiaries a Relevant Person or any of the persons mentioned under subparagraph (i).

### **Article 4 – Relevant Transactions**

1. “**Relevant Transactions**” are hereby defined as the underwriting, purchase, sale or exchange of Units of Listed Funds, by any Relevant Persons or by Persons Closely Related to them, also through intermediaries, on condition that said transactions exceed 5,000.00 Euro per year.
2. The following transactions shall not be considered Relevant Transactions and, therefore, shall not be subject to an obligation of disclosure according to the Code:

- a) Transactions for a value not exceeding Euro 5,000.00 per year; for financial derivatives, the value shall be calculated with reference to the value of the underlying assets; said value is calculated by adding transactions carried out by a Relevant Person directly with those effected on behalf of Persons Closely Related to them;
  - b) Transactions carried out between a Relevant Person and any Person Closely Related to them;
  - c) Transactions carried out between the SGR and companies controlled by the SGR;
  - d) Transactions without an economic consideration (gifts, wills, legacies);
  - e) Loans, pledges and usufruct of Units of Listed Funds managed by SGR.
3. The computation of the total value of the transactions carried out by Relevant Persons and Persons Closely Related to them, pursuant to section 2, subparagraph a) above, is made by Relevant Persons that have an obligation to disclose, under their sole responsibility.

#### **Article 5 – Person Delegate for the Implementation of the Code**

1. The SGR, pursuant to art. 152-octies, section 9, of Consob Rules, appointed the Head of Legal Department as the person in charge of the implementation of the Code (“**Delegate for the Implementation of the Code**”).
2. The Delegate for the Implementation of the Code shall carry out the following activities:
  - (i) Deliver to the Relevant Persons the informational report regarding (i) their identification as Relevant Persons, (ii) the obligations deriving from such status and (iii) the conditions for their fulfilment, including for the purpose of Legislative Decree n. 196/2003 (Privacy Law);
  - (ii) Keep an updated the List of the Relevant Persons;
  - (iii) Receive and deliver the declarations, as per Annex A1 and A2, by which Relevant Persons acknowledge and accept the provisions of the Code, granting, if applicable, the SGR with a mandate to effect the communications of the Relevant Transactions to Consob – and to the market if those communications refer to Relevant Persons as per subparagraph e) of art. 2 above – on behalf of Relevant Persons (“**Mandate for Communications**”) and give their consent for the use of their Personal Data pursuant to Legislative Decree 196/2003 and the Governing Regulation;
  - (iv) Receive and retain copies of the communications, as per Annex B, made by Relevant Persons regarding Relevant Transactions carried out by Relevant Persons and/or Persons Closely Related to them;
  - (v) In case the SGR receives a Mandate for Communications, inform Consob - and the market, with reference to Relevant Persons as per art. 2, subparagraph e) above – about Relevant Transactions, and disclose to the public the information received by Relevant Persons, pursuant to art. 8 below;
  - (vi) Monitor the implementation of the Code and inform the Internal Auditor and the CEO of any breach of the Code, in order to enable them to take all the necessary steps.

## **Article 6 – Procedure for the identification of Relevant Persons and of Persons Closely Related to them**

1. The Delegate for the Implementation of the Code shall promptly deliver to Relevant Persons a copy of the Code together with the informational report as per art. 5, section 1, subparagraph (i) above and the forms regarding the declarations as per art. 5, section 1, subparagraph (iii) above:
  - with reference to Relevant Persons as per art. 2, subparagraphs a), b), c) d), when the Relevant Persons accept their office;
  - with reference to Relevant Persons as per art. 2, subparagraph e), after their acquisition of SGR's shares.
2. At the time of the delivery of the Code, the Delegate for the Implementation of the Code shall provide Relevant Persons with his contact information, including any variation thereof.
3. Relevant Persons shall promptly deliver to the SGR the declarations as per art. 5, section 1, paragraph (iii), specifying their personal data and the personal data of the Persons Closely Related to them, informing the Delegate for the Implementation of the Code of any variation.
4. Relevant Persons shall inform Persons Closely Related to them about their status and their obligations deriving from the Governing Regulation and the Code.

## **Article 7 – Limits to Relevant Transactions and Relevant Persons' obligations of disclosure**

### **Article 7.1 Limits to Relevant Transactions**

1. Relevant Persons and Persons Closely Related shall not:
  - (i) Trade on Units of Listed Funds, such as carrying out investments/divestments for the purpose of earning profits in the short term; for the purpose hereof, Relevant Persons and Persons Closely Related to them shall be considered in breach of this provision if the divestment of Units takes place during a period of three months from the date the purchase of Units was made;
  - (ii) Carry out Relevant Transactions in breach of the limits set out in art. 18, section 1, subparagraph a) of the Joint Regulation.
2. The Board of Directors shall be entitled to prohibit or limit transactions on the Units during specific periods, informing Relevant Persons in advance in relation thereof.

### **Article 7.2 – Obligations of communication Relevant Persons regarding Relevant Transactions**

1. Without prejudice to the prohibition to carry out Relevant Transactions as per article 7.1 and art. 9, section 4 above, Relevant Persons shall provide information about Relevant Transactions carried out by them or by Persons Closely Related to them, including those carried out in breach of the limits set out in art. 7.1 section 1 (i) above. In particular:
  - a) Pursuant to art. 7.2.1 below, Relevant Persons as per art. 2, subparagraphs a) b), c), d), shall inform:
    - the SGR;
    - Consob;of Relevant Transactions carried out by them or by any Person Closely Related to them.
  - b) Pursuant to article 7.2 below, Relevant Persons as per art. 2, subparagraph e) shall inform:
    - Consob;
    - The market;of Relevant Transactions carried out by them or by Persons Closely Related to them.
2. By the subscription of the forms as per Annex A1 and A2, each Relevant Person accepts the provisions set out thereby and undertakes to comply with them. In particular, each Relevant Person shall take due note of the fact that, pursuant to the Governing Regulation, the obligation to inform Consob – and, with regard to Relevant Persons as per art. 2 subparagraph e) above, the market - of the Relevant Transactions, is a personal obligation which breach may be fined by the Surveillance Authority.

**Article 7.2.1. – Terms and conditions for communication of Relevant Transactions by Relevant Persons as per art. 2 subparagraphs a), b), c), d)**

1. Relevant Persons as per art. 2 subparagraphs a), b), c), d) shall inform the SGR and Consob of Relevant Transactions carried out by them and by any Person Closely Related to them, within the fifth day from the date of the transaction, by filling-in the form as per Annex B.
2. In case SGR was granted with the Mandate for Communication, pursuant to art. 5, section 1, subparagraph (iii) above, Relevant Person shall inform the Delegate for the Implementation of the Code about the details of Relevant Transactions within the fourth day from the date of the transaction, in order to enable the Delegate, on behalf of Relevant Persons, to provide Consob with the information in due course.
3. Said information shall be sent to the Delegate for the Implementation of the Code at his e-mail address as per art. 6 section 2 above. In case of technical malfunctioning, the communication may be sent to SGR by registered letter a.r., by hand or by telefax.  
Any communication made by e-mail or telefax shall be anticipated by telephone to the Delegate for the Implementation of the Code, pursuant to art. 6, section 2 of the Code.

The Delegate for the Implementation of the Code, or any person delegated by this latter, shall promptly inform Relevant Person of the receipt of the communication and, in case of communication delivered by hand, shall provide to Relevant Persons with appropriate acknowledgement of receipt.

4. The transmission of the communications to Consob shall be considered to have been duly made if sent by telefax at 06.84.77.612, by e- mail at [internaldealing@consob.it](mailto:internaldealing@consob.it), or by electronic systems recommended by Consob. Communications can be sent to Consob also by NIS (Network Information System) of Borsa Italiana S.p.A.

#### **Article 7.2.2 – Terms and conditions for the communication of Relevant Transactions by Relevant Persons as per art. 2 subparagraph e)**

1. Relevant Persons as per art. 2 subparagraph e) (entities holding a controlling participation) shall inform Consob and the market of the Relevant Transactions carried out by them, or by any Persons Closely Related to them, by way of a duly filled-in form, as per Annex B, within the fifteenth day of the month following the month in which the transaction was made.
2. In case SGR is granted with the Mandate for Communication, Relevant Persons shall provide the Delegate for the Implementation of the Code with the information regarding the Relevant Transactions within the fourteenth day of the month following the month in which the transaction was made, in order to enable him, according to art. 7.2.1, to:
  - Send the communication to Consob on behalf of Relevant Persons within the term set out in section 1 above; and
  - Inform the market by close of business day following the day in which the information on the Relevant Transaction was received.
3. The transmission of the communications to Consob is considered as duly effected if sent pursuant to the procedure set out at article 7.2.1 section 4 above.
4. The communication to the market is effected by Relevant Persons at their own expense, unless the SGR was granted with the Mandate for Communication.
5. The communication to the market is effected by sending a notice at least to two press agencies and to Borsa Italiana or, if possible, by Network Information System of Borsa Italiana S.p.A.

#### **Article 8 – Terms and conditions for the disclosure to the market of Relevant Transactions by the SGR**

1. The Delegate for the Implementation of the Code shall provide the market with the information regarding Relevant Transactions received from Relevant Persons as per subparagraphs a), b), c), d), of art. 2 above.
2. The communication to the market of the information, as per section 1 above, is made by close of business day following the day in which said communication was received, by sending a notice, at

least to two press agencies, and to Borsa Italiana or, if possible, through NIS (Network Information System).

3. The Delegate for the Implementation of the Code, on behalf of the SGR, shall publish on the SGR website [www.torresgr.com](http://www.torresgr.com) (the “**Website**”) the communication received, specifying, at least, the date of execution of Relevant Transactions, the Relevant Persons, Persons Closely Related to them that were involved in the transaction and the value of the transaction.

### **Article 9 – Responsibility**

1. The Delegate for the Implementation of the Code shall be in charge of the prompt disclosure of the information regarding the Relevant Transactions received, in accordance with the Code.
2. The Internal Auditor shall assess the SGR organisational structure and its internal procedures in order to ensure that those procedures are in compliance with the Code, informing the Board of Directors of any necessary amendment.
3. In case a Relevant Person is in breach of the Code’s provisions, the Board of Directors shall be entitled to ask explanations in relation thereof.
4. In case of a breach of the Code:
  - Should Relevant Persons be SGR’s employees, they shall be subject to disciplinary sanctions, pursuant to the applicable labour legislation, including SGR’s right to claim damages, to the extent permitted by law;
  - Other Relevant Persons will be subject to the ordinary contractual remedies, without prejudice to the SGR’s right to claim the damages, to the extent permitted by law.

### **Article 10 – Final provisions**

1. The Code and any amendment are published on the Website and on the SGR’s intranet.
2. In case of amendment to the Code, the Delegate for the Implementation of the Code shall transmit to Relevant Persons, including in electronic form, a copy of the Code and of the forms per art. 5, section 2, subparagraph (iii), to be filled-in and promptly returned to SGR.
3. The Code shall take effect as of the date of its approval by the Board of Directors.

