

CODE OF ETHICS

Extract of the Model for Organization, Management and Control ex D. Lgs.231/01

Approved by the Board of Directors on the 21st of February, 2006

Tirreno Power, in the pursuance of its mission, has always considered it a priority to integrate its business activities with the compliance to and control of the interests of all its partners and of all individuals involved with the Company, as well as the protection of the environment and its preservation for future generations.

This is so not only in view of the fact that having good relations with stakeholders, and in particular the territory and society at large is a sensible move from a strategic point of view, it is also because we feel it is possible to blend a pro-active, winning approach to competition for commercial success with the long-term sustainability of one's own business model. Mere results have never been at the core of the Company's interests, there has always also been the way in which such results have been achieved.

Tirreno Power's business has always been centered around the diffusion of the culture of ethical behavior, aimed at eliminating potentially opportunist procedures. Honesty, transparency and innovation, social and environmental, are values, which derive from Tirreno Power's strong and well-known cultural identity. The Company is certain that keeping relations with its stakeholders which are honest and up-front, based on good faith, and treating employees in a respectful and dignified manner, as well as offering everyone equal opportunities and observing universal rights and principles, beyond those offered by legislation, is not only a bond, it is also a 'must' and an opportunity for the development of our Company.

Giovanni Gosio
CEO



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1 INTRODUCTION

¹Tirreno Power recognizes the importance of ethical and social responsibilities and the safeguard of the environment in business management and in the Company's activities and, to this end, it promotes a management of the Company oriented towards the balancing of stakeholders' legitimate interests as well as of the society it operates in. The Code of Ethics, forming part of the Model of organization, management and control, is the instrument with which the Company regulates its own behavior and that of those who operate in its name and/or on its account, in the fulfillment of its company mission in compliance with legislation, socio-economic development of the territory and of its citizens with the aim of making the Company's activities transparent and to address its implementation.

The Company is attuned to the carrying out of its activities following principles and norms of behavior expressed in the present Code of Ethics and in the Model of Organization, management and control and asks parties operating in its name and on its behalf to uniform such principles to every action in the interest of the Company itself. In the field of the internal control system, the Code of Ethics forms (following art.s 6 and 7, D. Lgs. 231/01 of Italian law, and 'Guidelines for the construction of models of organization, management and control ex D. Lgs 231/2001' of Italian law, approved by Confindustria on the 7.3.2002 and updated on the 24.5.2004) the base and point of reference of the Model of organization management and control of Tirreno Power.

Verification of accurate implementation and application of the Model is a duty of the Board of Directors of the Company and of company management, which will be in a position to promote proposals for integrations and modifications of contents. To this purpose the Board of Directors delegates the above task to the Supervisory Body, set up also in accordance with D.Lgs 231/01, art. 6, co.1, lett. B of Italian law), even if it is the task of the Board of Directors to update the Model, so as to adapt it to any future legislation and evolution in civil sensibilities.

With the purpose of guaranteeing proper respect of principles foreseen by

1 Tirreno Power stakeholders are to be considered all shareholders, human resources (executives, employees and collaborators), clients, suppliers, Public Administration, society at large and, by extension, all parties involved, directly or indirectly, in Company activities.



The Model, the Company, in compliance with privacy and individual rights, arranges appropriate information channels through which anyone finding out about illicit activities existing within the Society may give that information freely, in a confidential manner, directly to the Supervisory Body.

Principles and norms of the Model of organization, management and control, constitute exemplifications of general diligence, correct behavior and loyalty duties which qualify the implementation of work activities and the behavior which executives, employees or collaborators must follow, as well as the general obligation of bona fide which must be provided by suppliers of goods and services.

RECIPIENTS AND FIELDS OF ENFORCEMENT

The norms of the Model, and of the Code, as much as it is a part of the former, are binding for what concerns the behavior of all the executives of the Company, of the managers, the employees, the consultants and all those persons setting up, with whatever claim, directly or indirectly, steadily or for a short period, relations of a collaborative nature, or partnerships, whatever be the nature or the duration of the relationship, which binds them to the same (to exemplify: consultants, agents, intermediaries and project workers, collectively called henceforth ‘Collaborators’). In particular:

- Members of the Board of Directors must keep to the principles of the Code of Ethics and the Model of organization, management and control when fixing the aims of the Company, in proposing investments and implementing projects, as well as in whichever decision or action related to the management of the Company.
- Managers, while concretely carrying out activities of management of the Company, must be inspired by the above-mentioned principles, both within the Company itself, and when faced with others coming into contact with the same;
- Employees, collaborators of a non-subordinate nature, as well as partners in business relations and all those having commercial relations with the Company, are likewise bound- in the context of different relations held with Companies- to adapt their behavior to Model guidelines.

• Executives, employees and collaborators in general must know the norms contained in the Model of organization, management and control and the norms referred to which regulate the activity carried out in its office, deriving from the Law or from internal procedures and regulations. In particular, executives, employees and collaborators are obliged to:

- Abstain from behavior adverse to norms contained in the Code and in the Model;
- Turn to their bosses, to company representatives or to the organization in charge of the supervision of the Code of Ethics and the Model, in case of a request for clarifications regarding applications of the same;
- Refer quickly to bosses, to company representatives or to the organization in charge of supervision of the Model any news of direct relevance or mentioned by third parties, regarding possible violations and any request which has been made to violate the same,
- Collaborate with appointed structures in verifying possible violations;
- Inform adequately any third party with which they may come into contact in the field of work regarding the existence of the Code and the Model and duties and obligations imposed by the same to external persons,
- Demand the compliance to the duties directly concerning their own activity;
- Adopt the suitable internal initiatives and, in case of own field, external in case of lack of fulfillment on the part of third parties of the obligation to conform to the Code of organization, management and control. To such an end the Model has been placed at the disposal of any interlocutor of the company, by means of publication in the company intranet, and copy of the same is handed in to all employees.





2 CODE OF ETHICS IN BUSINESS AND COMPANY ACTIVITIES

LAWFULNESS AND COMPLIANCE WITH INTERNAL AND EXTERNAL NORMS

Tirreno Power operates fully respecting the Law, Italian and international norms, principles set in the present Model and in internal procedures. Moral integrity is a constant duty for the Company which characterizes the behavior of the whole organization. In particular, all recipients of the present document must abide by, while carrying out activities in the interest of Tirreno Power, legislation in force, the Model and internal company regulations and their behavior according to its indications. On no occasion does the pursuance of Company interests justify behavior not in accordance with the above-mentioned.

RELATIONS WITH SHAREHOLDERS

Tirreno Power creates the conditions for diffused and attentive participation on the part of shareholders for decisions concerning them, it promotes equal opportunities and integral information so as to ensure every investor's right to receive the same information and be able to make well thought out investment choices, it protects their interests and makes the Company's interest prevail as well as the one of shareholders as a group rather than favoring the interest of single shareholders or groups of them. To this end, the Company has structured the system of corporate governance, in compliance with legislation in force, to allow for:

- Timely information to shareholders and potential shareholders in any action or decision which may have a relevant effect on their investments;
- Shareholders to be ensured of the availability, with reasonable forewarning, of documents prepared for the Assembly;
- the regular participation of executives at assembly activities;
- A guarantee that Assemblies take place in an orderly and functional manner, in compliance with the fundamental right of every stakeholder to ask for explanations on different arguments under discussion and expressing their own opinion;



- A guarantee of the availability of structures and /or offices destined to management of relations with shareholders.
- In particular, Tirreno Power asks personnel involved in the formation of balance² sheets (yearly and during the year) and of every other social communication to:
 - Know and apply regulations and principles which regulate its formation and communication, so that recipients of such documents may have all the information for an accurate assessment of the economic, financial and patrimonial situation of the Company;
 - Allow and facilitate supervisory activities legally attributed to the Partners.
 - On no occasion the pursuance of the interest of the Company justifies acts of prevention or hindrance to the legitimate activity of supervision of the Partners, including hiding or destroying documents, and the undue influence of decisions of the Assembly through simulated or fraudulent acts.

2 The reference is not limited to personnel of the Direction, Administration, Finance and Supervision. In fact, the procedure under examination begins with the registration of elementary facts in the company information system (for example a request for acquisition, a maintenance order), which may even not have an immediate economic content.

INTERNAL SUPERVISION SYSTEM

Tirreno Power considers an essential element of company culture the fact of having an adequate system of supervision, capable of contributing to the improvement of the efficiency and effectiveness of company activities. The Internal Supervision System identifies the entirety of the processes, instruments and procedures necessary or useful to address, verify and monitor Company activities, its function is to ensure with reasonable certainty:

- The achievement of company objectives;
- The safeguard of company goods;
- The adoption of behavior and processes guaranteeing that legislation in force is being complied with and that it is conformant with internal norms;
- The efficiency, the effectiveness and the best value for money of company activities;
- The dependability and the accuracy of information, also book-keeping and financial, which circulate internally in the Company or that are divulged to third parties and to the market
- The privacy of company information which has not been diffused in public.

The Internal Supervision System constitutes an essential element of ‘Corporate Governance’ of the Company and provides an adequate safeguard of shareholders and to all parties interacting in whatever way with the company. The Board of Directors is responsible for the Internal Supervision System, of which, by the way, the present Model forms one of the points of reference, it fixes guidelines and periodically verifies appropriateness and effective functioning.



BOOK-KEEPING TRANSPARENCY

The Company is aware of the importance of the role of its stakeholders and, in relations held with them, asks recipients of the Model to operate with a sense of responsibility, bona fide, setting up correct professional and commercial relations, tending to enhance and safeguard company assets, so that any activity, internal and external, be based on maximum loyalty and integrity. Tirreno Power sees in transparency, accuracy and completeness of accounts information the essential tool to give concrete implementation to its ethical values in relations with stakeholders and, to that end, operates to provide a dependable administrative- accounting system, able to correctly represent management facts, as well as the tools to identify and manage, as far as possible, financial and operative risks, as well as frauds to the detriment of the Company.

Book-keeping surveys and documents deriving from them must be based on precise information, full and verifiable, they must reflect the nature of the operation they refer to, respecting external limitations, (legislation and accounting principles), as well as politics, plans, regulations and internal procedures; moreover, they must be equipped with the related documentation necessary for verification and analysis.

Any information related to the activity of Tirreno Power must be clear, correct, complete, accurate and diffused uniformly and promptly to stakeholders according to limitations applicable by norms, within the limits of the safeguarding of the know-how and of company assets (3).

All collaborators must operate in a way that management facts be represented correctly and in a timely fashion, so that the whole administrative- accounting system may achieve all the potential mentioned above.

3 Requisites of economic, financial and patrimonial information derive from art.s 2 423 ss cc. of Italian law. In particular, the postulate of 'clarity' of information requires the balance sheet be comprehensible or intelligible for recipients presupposing they have a normal knowledge of the subject-matter dealt with, obtained also through an adequate classification of income and financial components, with a balanced level of analysis, with the absence of compensation between entries, guaranteeing transparency in the process of attribution of the value of all the items being evaluated and the presence of an additional note with all the information useful to the intelligibility of the data. Requisites of correctness, completeness and accuracy of financial-economical information pertain to the postulate of 'truthfulness' of the information itself, intended as a binding need to provide the reader of the data all the elements to become the setting stones of company reality from which the data is born, applying correct accounting principles and recurring to the criteria of reasonableness in the processes of evaluation and enhancement of uncertain items, so as to show an objective picture, with no reticence, deformations or omissions of values. Finally, in order to interpret the requisite of the 'timely and uniform diffusion' of information mentioned above, please turn to the special section in this document dedicated to company offences.

In particular, the Company requires parties operating in its name and on its behalf that documentation of elementary facts, to bring to accountancy to support the registration, be always complete, clear, truthful, accurate, valid and be kept on record for any opportune verification.

Annexed accounting records must reflect in a full manner, clearly, accurately and in a valid way what is described in supporting documentation.

In case of economical-patrimonial ways founded on evaluations, connected registration must be made respecting criteria of reasonableness and caution, illustrating clearly in the relevant support documentation, the criteria of the determination of the assets' value.

Anyone getting to know possible omissions, falsifications, irregularities in the book-keeping and in basic documentation, or in any case violations of principles fixed by the Model and by specific protocols must report at once to the Supervisory Body.

The above-mentioned violations break the relation based on trust with the Company, are important from a disciplinary point of view and will be appropriately sanctioned. (V. Special part G- Sanctions system).



MANAGEMENT OF OPERATIVE ACCOUNTING PROCEDURES AND RELATED DATA

Specific protocols, aimed at preventing prejudicial and consequently potentially negative impacts on the company situation, are inspired by the Model and are predisposed, or opportunely integrated and modified, following an analysis of the company context, aimed at highlighting risks weighing on the company and existing control system, as well as its actual efficacy.

To that end, according to the control principle represented by the separation of tasks, it is necessary that single operations be carried out in the varying phases by different parties, whose different professionalisms are clearly defined and known within the organization, so as to avoid unlimited and/or excessive powers being given to single individuals.

In particular, company procedures must order the carrying out of any operation and transaction, following the principles of 'accountability', that is, any activity/ phase in the process must be clearly attributed to a person who takes responsibility for it, there must be a splitting of functions, according to which procedures related to assets (tangible or intangible) belonging to the Company must be attributed in such a way as to avoid the same party (as the case may be, a person or an organization) managing independently and without supervision an entire process; balancing responsibilities, even through organizational devices of the 'check and balance' type, so that any decision taken in the name of or on account of the Company or that in any case has an impact, direct or via intermediary, on it, is the result of serious assessment, whose aim is to protect the integrity of company material and to enhance the value for shareholders, in pursuance of legislation in force.

For all transactions, it must be possible to note (through the following elements of control of a non comprehensive nature: balancing, countersignatures, supporting accounting documentation, in-depth examinations of activities of commercial agents, consultants, suppliers, etc.) their legitimacy, authorization, coherence, correct registration and possibility of verification, also from the point of view of financial resources.

All transactions will therefore have to be supported by adequate, clear and comprehensive documentation to be kept on record, so as to allow, at any moment, to check motivations and characteristics of operations and the precise identification of parties having, in the various different phases, authorized them, carried them out, recorded them and verified them.

Correct carrying out of accounting procedures must in any case guarantee the possibility of identifying company parties in charge of decision processes as well as the authorization and carrying out of operations.

To that end, company procedures are promptly modified and updated, with the possibility of adopting new protocols, so it will always be possible to locate the place where information is archived and to single out parties in charge of guaranteeing security and limiting access to non-authorized personnel.

Executives, employees and all parties having any dealings with Tirreno Power, each in the field of respective skills and duties, must follow with strict observance procedures envisaged by protocols.

Anyone finding out about possible omissions, falsifications, irregularities in book-keeping and in basic documentation, or in any case with violations of principles fixed by the Ethical Code, by the Model and by specific protocols, must report directly to their boss, that is, to the Supervisory Body.



RELATIONS WITH SUPERVISORY AND AUDITING BODIES

Relations with Supervisory bodies (Board of Auditors, Supervisory body and Auditing Company) are based on maximum transparency, clearness, professionalism and propriety, so as to create a relationship providing the utmost collaboration.

Tirreno Power does not justify the fact that the pursuance of company interests be carried out through the promise, the offer or the payment, direct or through intermediaries, of sums of money or other benefits, gifts and acts of politeness and hospitality in favor of parties in charge of supervision and auditing, so as to influence them in the implementation of their duties (both with the purpose of making them act and with the purpose of making them abstain from acting) and/or derive undue benefit.

In no case the pursuance of the Company's interest, in compliance with regulations and the system of corporate governance adopted, justifies actions aimed at preventing or hindering legitimate auditing activities, including hiding or destroying documents, even through the carrying out of simulated or fraudulent actions with the sole aim of unduly influencing activities and decisions of above-mentioned Bodies.

RELATIONS WITH CLIENTS AND SUPPLIERS

Correct and transparent behavior with clients and suppliers represents a relevant aspect of the success of a Company. Style of behavior of the Company towards clients and suppliers is based on availability, respect and politeness, with the prospect of a collaboration revealing high professionalism.

In relations with clients and suppliers, the Company requires its personnel to keep to the Model's indications: to observe scrupulously internal procedures related to management of relations with clients and suppliers; providing accurate, truthful and comprehensive information regarding products and services offered by the Company; keeping to the truth in advertisement, commercial or any other kind of communication.

Selection of suppliers and the fixing of conditions of acquisitions take place on the basis of objective parameters such as, for example, quality, convenience, price, capacity and efficiency.

They are therefore benchmark requisites. The interlocutor's professionalism, the availability, appropriately documented, of means, also financial, of organized structures, of capacities and project resources, of know-how, etc.; the existence of and actual carrying out of quality systems, safety and environmental safeguard.

In contracting relations, acquisitions or procurement and, in general, supplies of goods and services, the Company develops relations only with companies having requisites compliant with legislation in force and by the procedure, selected on the basis of objective and transparent criteria, taking inspiration from the management of commercial relations, to principles of fair-play and bona fide in correspondence and in dialogue, in keeping with the most rigorous commercial practices.

Specifically, the Company requires appropriate parties to adopt, when selecting suppliers, evaluation criteria envisaged in existing procedures; not preventing anyone having the right requisites the possibility of competing in the stipulation of contracts, adopting, in the choice of candidates, objective and documented criteria; observing contract conditions, keeping open and frank dialogue with suppliers, in keeping with best commercial practices.

In commercial transactions it is the Company's primary interest that particular importance be placed in reception and sending of money, bank notes, credit instruments and securities in general, so as to avoid the danger of placing into the market counterfeited or altered securities.

Tirreno Power asks its suppliers, at the beginning of each contractual relation of whatever nature as well as during the renewal of the same, to sign an appropriate declaration in which it appears that parties accept to keep to regulations fixed in the Model of organization, management and control of Tirreno Power and, if subjected to their own model with identical goals, to declare they keep to it.



RELATIONS WITH PUBLIC ADMINISTRATION AND/OR RELATED TO RELATIONS OF A PUBLIC NATURE

Tirreno Power attunes its business relations with Public Officials or Parties in Charge of Public Services - that is, with parties acting, due to their positions, in the name of Public Administration, central and peripheral, of Legislative Bodies of EU Institutions, of Public International Organizations, and of any foreign States, of the Courts, of Public Supervisory Bodies and other Independent Authorities – and with private partners managing a public service, Italian or foreign, in full respect of legislation and current norms, and of the principles outlined in the present Model and in internal procedures, so as not to compromise the integrity and the reputation of both parts.

The taking on of tasks and managing relations, of whichever nature, with Public Administration, and/or parties having a public function are duties reserved exclusively to expressly appointed company personnel, authorized to undertake such dealings. To this end, the Company requires particular attention and care to be taken with relations with the above-mentioned parties, in management of operations concerning calls for tender, contracts, authorizations, licenses, license fees, requests and/or management and use of funds of whatever type deriving from a public source, (both national and EU), relations with Auditing Bodies and other independent Bodies, Welfare bodies, Taxation Bodies, Organisms dealing with bankruptcy procedures, civil law procedures, penal or administrative law, etc.

To avoid the carrying out of actions in contrast with legislation in force or in any case capable of damaging the image and the integrity of the Company, operations mentioned above and the management of financial resources connected are to be undertaken by company parties specifically authorized, fully respecting the law and principles of the Ethic Code, the Model and with the full compliance of internal procedures.

The Company promotes full and rigorous observance of rules dictated by the Authority for Electric Energy and Gas and by any other Authority in full compliance of legislation in force in sectors connected with its activities (for example, the Authority Warranting the right to Competition and free Market, the Authority for the Supervision of Public Work, the Authority Warranting Protection of Personal Data⁴

4The list does not have a comprehensive content, it is to exemplify.

RELATIONS WITH THE FINANCIAL COMMUNITY

Tirreno Power, within the limits set by legislation in force, communicates in a timely and thorough fashion information, explanations, data and documentation requested by partners, clients, suppliers, Public Auditing Authorities, Institutions, Organisms, Public Companies, Agencies and other stakeholders in the implementation of respective activities.

The Company, via appropriate offices, takes care of and diffuses communications which may have significant bearing on the progress of its business activities or its integrity and dependability, requiring recipients to be especially careful, and to employ uniquely appropriate channels and subjects expressly appointed, in a context of strategically planned communication, in the diffusion of documents, news and information inherent to facts taking place in the field of direct activity of the Company itself, which are not of public knowledge.

Recipients of the Model may not carry out any form of investment, direct or indirect, or by means of intermediaries, which finds its source in confidential Company news. In no case, in management of information, are recipients of the present Model to adopt behavior which may favor insider trading phenomena or of any nature which may have as a consequence the depleting of Company assets or that are aimed at creating undue personal benefits, or to third parties.

RELATIONS WITH POLITICAL AND UNION ORGANISATIONS

The Company favors 'non profit' organizations so as to affirm its involvement and actively participates in satisfying diffuse interests of communities it operates in, which are worthy of appreciation from an ethic, judicial and social point of view. Always within the limits set by the current Model, then, it is possible to transfer, in the manner and according to specific procedures defined in related protocols, contributions to non profit associations endowed with regular statutes and deeds of incorporation, which possess a high cultural or charity value, either national or local. Sponsorships, which may concern social issues, sports, show business, art and culture, are destined only to events which offer a guarantee of quality.



In any case, in the choice of proposals we adhere to, parties involved and expressly authorized by the Company must pay attention to any possible conflict of interest of a personal and company nature.

Tirreno Power does not give out contributions of any kind, either directly or indirectly, to political parties, movements, committees and political and union organizations, nor to their representatives or candidates, with the exception of contributions due on the basis of specific laws. The Company abstains moreover from behavior aimed at exercising direct and indirect pressure to political representatives.

RELATIONS WITH THE MEDIA

Relations between Tirreno Power and mass media in general (for example the press, communication and information media and , in general, external interlocutors) are carried out in the name of the Company uniquely by appointed parties . Recipients of the Model cannot, therefore, give information to mass media representatives without the authorization of appointed parties.

In any case, information and communications concerning the Company and destined to the outside world will have to be accurate, truthful, complete and diffused in a transparent way.

Employees participating, in the name of the Company or representing it, to committees and associations of any kind, be they scientific, cultural or belonging to a specific category, must be properly authorized by the Company.

Employees invited to participate, in the Company's name or in representation of the same, in meetings, conventions or seminars, or to write articles, essays or publications in general, must previously obtain permission from the appropriate Head concerning texts, relations and any other kind of document destined to that type of communication. A specific protocol is to be undertaken so as to discipline communication activities, through any kind of mass media, and participation of human resources of Tirreno Power to media events.

CONFIDENTIALITY

When carrying out its entrepreneurial activity, Tirreno Power collects personal data and confidential information, and it undertakes to treat it in compliance with current legislation concerning privacy and in harmony with best practice for protection of privacy.

Parties Tirreno Power establishes professional relations with, at the same time as undertaking or signing a contract to supply goods and services, must sign specific informatives so as to allow for the carrying out of the duties set by the laws on the treatment of personal data (D.Lgs.196/03 and successive changes and integrations)of Italian law.

TREATMENT OF CONFIDENTIAL INFORMATION

‘Confidential Information’ is considered the knowledge of a project, a proposal, an initiative, negotiations, an understanding, a commitment, an agreement, a fact or an event, even if future and uncertain, related to the field of activity of Tirreno Power S.p.A. and controlling companies, which is not of public knowledge and which, if publicized, could create trouble for the Company or be a ‘relevant fact’ in the sense of art. 114 of the Unique Text on Finance of Italian law and the article 66 of the Consob Deliberation n. 11971 of May 14 1999 and successive changes and integrations.

Final and initial budget forecasts of the Company are also considered ‘confidential’ up to the point in which they have not been the subject of diffusion in the way and in the moments previously agreed with shareholders.

Recipients of the present Model who, for work reasons, get to know confidential information, must not communicate it to third parties if not for reasons related to work or professional. In communications to third parties the confidential nature must be declared, as well as the obligation to confidentiality also on the part of the recipient. Internal circulation as well as to third parties of documents related to confidential information must be treated with special attention so as to avoid damage to the Company and undue publicity.





3 SAFEGUARD OF THE ENVIRONMENT

SAFEGUARD OF THE ENVIRONMENT

Tirreno Power takes the utmost care in respecting community interests and considers nature and the environment essential assets belonging to everyone, to be safeguarded and protected. To this end, the Company places, and requires of others, the same behavior to parties acting in its name and/or on its account, to make the best effort to aim its activities in keeping with these principles, it has always contributed to environmentally friendly development of the territory it operates in, it constantly respects the safeguarding of the health of employees, of other collaborators and of communities interested in Company activities.

Operational management of industrial activities is set in compliance with legislation in force concerning preventive actions and protection of the environment, and best practices to safeguard the environment, guaranteeing an adequate level of energy efficiency, so as to reduce the relative impact on the environment.

The Company contributes to the promotion and the development of scientific and technological research, so that products may be thought out and worked out which will be always more compatible with the environment, aimed at safeguarding the health of the community. Executives, employees, and collaborators at various title of the Company are called upon, each as far as his or her own duties are concerned, to actively participate in the process of risk prevention so as to ensure safeguard of the environment and the protection of general health and security standards.

Tirreno Power constantly inspires its activity in compliance with environment-friendly norms and requires Recipients of the present Model to conform their behavior to it.





4 WORK ETHICS AND SAFEGUARDING OF HUMAN RELATIONS

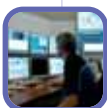
Tirreno Power considers human resources⁵ an essential element for existence and future development. In particular, it is a prime interest of the Company that every relation held in Its name and on Its account be uniformed to the above-mentioned ethical values. The Company especially requires of its executives, employees and collaborators of any kind to take special care and be especially careful when engaging in relations, both external and internal to the Company. The Company treats selection, retribution and formation procedures of Employees with criteria based on professionalism, skills and merit; it refuses any kind of discrimination or pressure of whatever nature and source aimed at favoring the undertaking of tasks or the appointment of posts; it requires that, in management of hierarchical relations, authority be exercised with equity and politeness, avoiding any excess⁶. In particular, to allow capabilities and skills of each employee to be used and for everyone to express their potential. Tirreno Power, personified in appropriate tasks, applies merit and professional skills systems when adopting any decision concerning its employees; it selects, hires, trains, pays, and manages employees without any discrimination, making it so that everyone can enjoy equable and egalitarian opportunities, regardless of age, nationality, religion and gender, guarantees each employee equal opportunities with reference to all aspects of the work relationship with the Company, including, to simplify but not limiting to, professional acknowledgments, retribution, training and formation courses, etc.

HUMAN RESOURCES MANAGEMENT COURSES

Decisions taken when managing and developing human resources are based on considerations of merit and/or correspondence with profiles expected and profiles possessed by collaborators. The same is true for access to different posts or roles.

5 the notion of 'human resources' is used here to indicate all persons connected with Tirreno Power for a working relationship, both permanent and temporary (managers, employees, collaborators in various ways).

6 It constitutes 'an abuse of the position of authority' asking, as something due to the hierarchical superior, performances, personal favors and in general any behavior including presents and gifts of any kind which figures as a violation of the present Model and of legislation in force.



Assessment of personnel to be hired is carried out on the basis of the correspondence between candidates' profiles and those expected by the needs of the Company, following principles of impartiality and equal opportunities for all parties concerned. All personnel is hired with a regular contract, no form of irregular or illegal work is allowed. The moment parties begin the collaboration, employees/collaborators are fully informed regarding characteristics and duties of tasks, are given legal and contributive data, and told about regulations and behavior connected to personal health. In case of foreign workers Tirreno Power does not take into consideration persons not in line with related immigration legislation. In the evolution of the work relationship, it is the Company's prime interest to create and maintain conditions necessary for capabilities and know-how of each worker to be further enhanced while keeping its essential values, following policies based on the acknowledgment of merit and equal opportunities, and foreseeing specific programs aimed at professional improvement and the acquisition of further skills. Any kind of discrimination towards people is forbidden. In a similar fashion, the Company requires Executives, Employees and Collaborators to:

- Behave in an impartial manner, avoiding any disparity in treatment of persons,
- Behave in a manner which ensures continuity of an internal climate respectful of the dignity and the personality of the individual. In particular, sexual harassment is not permissible and behavior or conversations which could perturb individual sensibilities ought to be avoided,
- Operate with the required diligence necessary to protect company resources⁷, avoiding improper use which could result in damage or a decrease in Company efficiency, or in any case be in contrast with the interest of the Company. When having relations with Collaborators, it is in the Company's prime interest to act in a loyal manner, so as to carry out duties undertaken by contract and by what is foreseen by the present Model. The Company requires Executives, Employees and Collaborators to;
- Assess with great care the opportunity of employing the services of external

7 To the intents and purposes of the present principle, by 'company resources' are intended assets (art. 810 c.c. of Italian law) belonging to the Company, that is;

- *Capital goods and durable goods belonging to the company,*
- *Assets belonging to third parties obtained on loan, bailment, lease or to use;*
- *it applications and devices for which it is imperative to follow to the letter company security policies, so as not to harm functioning, and capacity of data analysis and data integrity.*

collaborators and selecting counterparts with adequate professional qualifications and reputation;

- Setting up efficient relations, transparent and helpful, maintaining an open and frank attitude, in keeping with the best commercial practices;
- Obtain the co-operation of Collaborators in constantly ensuring the most convenient relationship between performance quality and cost;
- Demand the application of contract conditions provided for;
- Ask Collaborators to comply to principles of the present Model and include in contracts appropriate clauses;
- Operate in compliance with legislation in force and demand it be followed.

HEALTH AND SAFETY

Tirreno Power promotes and diffuses, via appropriate offices, a culture of safety, by developing risk management awareness, promoting responsible behavior and safeguarding, especially by means of preventive activities, the health and safety of all employees and collaborators.

The Company requires from its executives, employees and collaborators compliance to norms and duties deriving from relevant regulations concerning health and safety, as well as compliance to all relevant measures foreseen by the procedure and internal regulations.

EMPLOYMENT AND SAFEGUARDING OF ASSETS BELONGING TO THE COMPANY

The Company requires every employee and every collaborator to work with due care and diligence to safeguard assets belonging to the Company, with responsible behavior, in line with operational procedures provided for to regulate employment, documenting, where applicable, their use. All employees and collaborators are responsible for the protection of resources entrusted them and have the duty to inform promptly relevant hierarchies concerning any threat or event which may harm the Company itself or its assets. All assets belonging to the Company have to be used only for purposes connected with and instrumental to the carrying out of the work



activity and, in any case, it is forbidden, except when specifically ruled otherwise, to use or surrender assets themselves on behalf of third parties or to third parties, also at the same time. In particular, all employees and collaborators must, within the scope of their assignments;

- Avoid improper use which might lead to undue cost, damage or decrease in efficiency and in any case in contrast with Company interests;
- Rigorously follow what is foreseen by policies and internal procedures, so as not to compromise credibility, functionality, protection and safety of IT systems, equipment and plants belonging to the Company.
- Always behave in compliance with legislation in force and internal procedure security policies, so as to prevent damage to objects, persons and the environment.
- Use goods belonging to the Company, of any kind and value, in compliance with the law and internal regulations;
- Operate, as much as possible, in a way that minimizes the risk of thefts, damage or other threats to goods and resources allotted or present, informing promptly appropriate hierarchies of any anomalous situation.
- Avoid sending electronic mail messages with an offending or threatening tone, using low-level language, expressing inappropriate comments which might cause offense and/or damage to Company image;
- Avoid navigating on Internet web sites containing indecorous and offensive material.

MANAGEMENT OF CONFIDENTIAL INFORMATION AND PERSONAL DATA

Data collected from data banks and paper archives is only employed for the uses connected to Company activities. Recipients of the present Model must protect the confidentiality of above-mentioned data and to do everything in their power to ensure all of the indications of privacy norms (D. Lgs. 196 of the 30/06/2003) of Italian law and ratified in the “Document of Security Program on the subject of protection of personal data”.

The Company protects the privacy of data related to Human Resources, in compliance with regulations in force, also by employing operational standards which specify data received and related modalities of treatment and archive.

Any inquest on ideas, preferences, personal tastes and private life of persons is excluded. Employees and collaborators must know and carry out what is provided for by Company policies on the subject of privacy of information, to guarantee its integrity, confidentiality and availability.

USE OF CONFIDENTIAL INFORMATION

Confidential documents and information, personal data of employees and clients, work projects including commercial plans, know-how and technological processes must be stored and protected in an adequate and continuous way both concerning third parties and colleagues who are not directly concerned. Parties having access to such data must in any case treat it according to instructions and procedures fixed by the employer.

Employees directly receiving requests from third parties, deliberately or fraudulently, trying to obtain confidential information, or in any case getting to know about such things, must promptly communicate the information to the Company via hierarchical direct heads.

In particular, employees who have not been expressly authorized, in the forms and terms of D. Lgs. 196/03 of Italian law concerning the protection of persons and personal data, it is forbidden to know, record, treat and divulge personal data belonging to other employees and third parties.



SITUATIONS OF CONFLICT OF INTERESTS

Between the Company and its executives, employees and collaborators there is a relationship of complete trust, within which it is a prime duty of executives, employees and collaborators to avoid any situation and abstain from any activity which might juxtapose personal interests to those of the company or that could interfere and hinder the capacity to take decisions in an impartial and objective manner, decisions having to do with the Company ⁸.

So as to avoid situations, even potential ones, of conflict of interest, Tirreno Power, at the moment of receiving an assignment or at the onset of a work relationship and at periodic intervals, asks its executives, employees and collaborators in any way to sign the appropriate declaration excluding the presence of conditions of conflict of interest between the individual and the company.

The Company, represented by the hierarchical head that is by the Supervisory Body must be promptly informed of the event or risk of event of a situation of conflict of interest, which is not deductible, by declarations made by parties. Tirreno Power asks moreover that the party, that is, anyone having news of situations of conflicts of interest give, in the ways provided for by specific protocols, prompt communication to the hierarchical head, that is, the Supervisory Body.

8. As a simplification, but not of a comprehensive nature, they must be considered conflict of interest situations where: joint interest- clear or occult- of employees in activities with suppliers, clients, competitors; exploitation of one's position functional in the carrying out of interests in contrast with those of the company; employing information acquired in the carrying out of work activities to one's personal advantage or to the advantage of third parties and in any case in contrast with company interests; carrying out of work activities of any kind (work done, professional services) for clients, suppliers, competitors and /or to third parties in contrast with interests of the company; the conclusion of agreements/contracts with companies which have as owners, overtly or occult, family members or associates of the party assigned to take care of the negotiation.



GIFTS AND DONATIONS

Tirreno Power, empathizing with those operating in its interest, does not accept, offer or promise, even indirectly, money, gifts, goods, services, performances or favors not due in connection with relations held with Public Officials, Representatives of Public Services or private parties, to influence their decisions, with a view to more favorable treatment or undue services or for whatever purpose improper or illicit.

Tirreno Power requires its executives, employees and collaborators to: refuse any form of compensation from anyone to carry out an activity of one's own office or contrary to the duties of the office; to not accept and not to give, under any shape and form, both direct and indirect, gifts, donations, unless the value of the same is such that it would not hinder the company image; avoid any form of conditioning by third parties alien to the Company when deciding and /or carrying out activities related to one's tasks. In any case, during business negotiations or a relation, also commercial, with Public Administration, in Italy or abroad, the Company undertakes not to: offer work and /or commercial opportunities to personnel of Public Administration involved in negotiations or in the relation or to their family: offer gifts, unless in a case of politeness for commercial purposes with gifts of a small value; asking and obtaining confidential information which could compromise the integrity and the reputation of the Company.

In relations with Public Administration, in Italy or abroad, it is not permissible for representatives and / or employees of the Company to correspond, nor to offer, directly or via third parties, sums of money or gifts of whatever kind and size, to Public Officials, government representatives, public employees and private citizens, both Italian and from other countries, with whom the Company has commercial relations, to compensate or pay back with an act of their office nor to achieve the carrying out of an action contrary to the duties of their office.

Acts of commercial courtesy, such as gifts or forms of hospitality, or whatever other kind of benefit (even in the form of a donation), are allowed only if they are of little value, and such as would not compromise the integrity and the reputation of the parties and that would not be interpreted by an impartial external observer, as acts destined to obtain advantages and favors in an improper way. In any case, such acts have to be always authorized and adequately documented.

Any requests or offers of money or favors of any kind (including for example gifts or presents



of not a small value) asked improperly to those, or from those people, operating on behalf of the Company in the context of relations with the Public Administration or with private parties are condemned by the Company which will take steps to take legal action against such behavior.



POLICIES FOR UPDATES AND CONTROL

Tirreno Power promotes and constantly fosters knowledge and observance of the Model of organization, management and control, of internal procedures and related updates amongst all executives, employees, collaborators, commercial and financial partners, consultants, clients and suppliers, asking for compliance and providing for, in case of non compliance, adequate disciplinary and contractual sanctions. In particular:

- The Company is committed to handing a copy of the Model to all its interlocutors, be they employees, executives, and collaborators in any way, suppliers, and clients.
- The Company requires its interlocutors to sign a declaration of having read the documentation received.
- The Company provides for its employees appropriate training and formation programs, care of offices in charge, on the Model and related protocols. On the occasion of the setting up of new work relations, consultancies and / or collaborations, the Company gives promptly information necessary for an adequate knowledge of the Model and its procedures, with particular emphasis on those related to parties' offices. Tirreno Power, to protect its image and to safeguard its resources, does not hold relations of any kind with parties not intending to operate in the full compliance of legislation in force, and/or which refuse to behave according to the values and the principles provided for by the Model and in keeping with procedures and norms annexed. To this end, the SB, coordinating the offices foreseen to the management of single contracts of provision of goods, collaboration, partnership, takes care of inserting the rescinding clause in case of lack of acceptance of the Model of Tirreno Power that is of violation of principles indicated in it. Care and update of the Model, the continuous verification of the compliance to principles and values contained is to be attributed at a first instance to the Board of Directors which to that purpose delegates offices to the Supervisory Body, with the duty, on its part, to refer yearly on the state of observance of the Model and on the opportunity of updating principles contained.

To the Supervisory Body are attributed the tasks, concerning the present document, which follow:

- To verify the application and the compliance to the Model of organization, management and control;
- To receive and inspect indications of breaches of the Model;



- To undertake all initiatives considered the most appropriate in matter of violation of the rules held in the Model;
- To express opinions in relation to the review of procedures and directions of the Company so as to guarantee coherence for what is contained in the Model.
- The herewith Model, representative of Company procedures, has been approved by the Board of Directors of the Company and it is immediately applicable. Any variation and/or integration of the same will be approved, in the most appropriate form, by the Board of Directors and promptly diffused to recipients.



