

ALPIQ



Alpiq Energia Italia S.p.A.

Organizational, management and
control model
pursuant to Legislative Decree no.
231/01

Code of Conduct

Version updated on June 3, 2009

List of Contents

1. Foreword
2. General Guidelines
3. Relationships with the Personnel
4. Conduct for business
5. Transparency of Accounting
6. Senior Administration
7. Corporate Data Processing Systems
8. Internet and e-mail
9. Mobile Phones
10. Privacy and Discretion
11. Health, Safety and Environment
12. Disciplinary Sanctions and Procedure

1 FOREWORD

Alpiq Energia Italia S.p.A. (hereinafter "**Alpiq Energia**" or the "**Company**") is a company of the Alpiq Group operating in the Italian field of electric energy, with specific regard to the trading of electric and thermal energy and of fuel. The Company performs its activity within an institutional, economical, political, social and cultural context that is permanently and rapidly evolving.

In order to face successfully the complexity of the situations in which the Company operates, it is important to clearly state the values which inspire the Company and which shall find application.

At this purpose, the Ethical and Disciplinary Code of Conduct and Behaviour (the "**Code**"), whose compliance by the Company's employees is of key-importance both for the purposes of good performance and reliability of the Company and of the Alpiq Group as well as for the protection of the Company's standing, image and know-how. Such components represent a fundamental heritage for the success and the image of the Company.

All the activities of Alpiq Energia, in compliance with the ethical guidelines of the Group, whether performed in Italy or abroad, shall be carried out in compliance with the law provisions enforced from time to time, in a context of fair competition and with fairness, integrity, accuracy and good faith, in full respect of the legitimate interests of customers, employees, shareholders, commercial and financial partners and the communities where the Alpiq Group is present with its own activities. All the subjects working and operating for the Company, with no distinctions or exceptions whatsoever, shall commit in order to comply and cause other subjects to comply with said guidelines with regard to their own functions and responsibilities.

Under no circumstance the belief to act for the benefit of the Company or even of only one company belonging to the Alpiq Group may justify the occurrence of conducts in breach of the aforesaid guidelines.

In addition to complying with the generic duties of loyalty, fairness and fulfilment *bona fide* of the relevant employment agreements, the Employees of the Company shall abstain from carrying out activities competing with the interests of the companies belonging to the Alpiq Group and shall comply with the enforced rules and corporate procedures (whose competences layout is furthermore provided) as well as with the provisions set forth by the Code, whose compliance is required also pursuant to and for the consequences set forth under Sections 2104 and 2105 of the Italian Civil Code.

Each employee, collaborator, member of the Board of Directors and supplier shall (i) be aware of the contents of the Code, (ii) actively contribute to the relevant fulfilment and (iii) notify potential lack of same. The Company undertakes to facilitate and promote the knowledge of the Code by its employees, Directors and suppliers as well as their constructive contribution on the relevant contents.

Any conduct adverse to the Code contents and intent may be sanctioned in compliance with the provisions set forth herein, with the provisions of law and with the applicable Collective Labour Agreements.

The Company will carefully supervise the compliance with the Code, providing adequate informative, preventive and supervision instruments and ensuring transparency in the performed actions and conducts. The Company will furthermore intervene, if applicable, with remedial measures.

The Code is disclosed to all those subjects involved in business relationships with the Company.

2 GENERAL GUIDELINES

2.1 Recipients of the Code and relevant enforcement

The provisions of the Code are applicable without any exception to all the Company's employees and to all those subjects that operate to achieve the purposes of the Alpiq Group and of the companies belonging to same.

In order to establish the corporate purposes, the members of the Board of Directors shall be inspired by guidelines set forth in the Code.

The Company shall comply with the provisions of the Code with regard to the proposals and the performance of projects, the transactions and the investments required in order to increment the long-term patrimonial, managerial and technological worth of the business, the dividends for the shareholders, the long-term welfare for the employees and the community. Managers shall be the first responsible for the fulfilment of the values and guidelines set forth in the Code, undertaking the relevant obligations both within and outside the Company.

In the performance of the assigned duties, the employees and the collaborators of the Company shall cause their actions and conducts to comply with the guidelines and provisions set forth in the Code.

The entirety of actions, transactions, negotiations and, in general, all the relevant conducts carried out by the Company's employees in the performance of their working activity shall be inspired by the highest fairness and integrity with regard to the handling, to the completeness, transparency and clarity of the information as well as to formal and substantial lawfulness, to the transparency and truthfulness of the auditing of accounts in compliance with the provisions currently enforced and with the internal procedures.

All the activities performed within the Company shall be carried out with the highest commitment and professional diligence. Each employee shall provide professional supports suitable to the assigned duties and shall act in order to safeguard the Company's prestige and image.

The relationships among employees, at all ranks, shall be inspired by criteria and conducts of fairness, cooperation, honesty and mutual respect.

In order to ensure full compliance with the Code, each employee may address either the relevant supervisor, or directly the Supervision Authority (hereinafter "**OdV**") pursuant to Legislative Decree 231/01 ("**Decree**") the General Management and the Vice President of Alpiq Energia.

2.2 Representations and Obligations set forth by the Code

In order to ensure full compliance with the Code, the Company hereby undertakes to ensure the enforcement of all measures that may guarantee:

- highest circulation of the Code among the employees, partners and the Management of the Company and of the Alpiq Group;
- in-depth analysis and update of the Code in order to cause same to comply with the evolution of the values and relevant provisions of the law for the Code itself;
- availability of any possible instrument for information and clarification with regard to the interpretation and enforcement of the provisions set forth herein;
- performance of inspections for each case of disclosure of a violation of the provisions of reference or set forth in the Code;
- assessment of the facts and, in case of ascertained violation, the consequent enforcement of adequate disciplinary sanctions;
- immunity from retaliation of any kind for whomever provided information of potential violations of the Code or of the relevant laws.

The Company requires every employee and member of the Management to acknowledge the provisions set forth in the Code as well as of the relevant provisions of the law which discipline the activity performed with regard to the relevant position.

In particular, the Company's employees shall:

- abstain from conducts contrary to the aforesaid provisions;
- address their supervisors or, directly, the OdV pursuant to the Decree or the General Management of Alpiq Energia for clarifications on the procedures for enforcement of said provisions;
- promptly report to their supervisors or, directly, the OdV pursuant to the Decree or the General Management of Alpiq Energia, pursuant with the procedures set forth in the last subsection of paragraph 2.1 above:
 - any direct or indirect information concerning potential violations of the aforesaid provisions
 - any request to violate the Code received by the subjects in breach;
- cooperate with the corporate bodies entitled to assess the potential violations of the Code.

2.3 Further obligations for directors, managers and employees with operative duties

Each subject of the Company entrusted with operative duties shall:

- through his conduct, serve as role-model for his own collaborators within the Company;
- cause the employees to comply with the Code and urge same to raise questions with regard to the enforcement of the relevant provisions;
- act in order to cause employees to understand that the compliance with the provisions of the Code represents an essential feature for the quality of the professional performance rendered;
- to the extent allowed by his office, carefully select employees and external collaborators supervising the assignment of duties to subjects who guarantee full reliability on the commitment for compliance with the Code;
- promptly report, pursuant to the procedure set forth in the last subsection of the foregoing paragraph 2.1, his own remarks as well as information disclosed by the employees or externally obtained with regard to potential violations of the provisions herein;
- adopt immediate remedial measures whenever required by the circumstance;
- prevent any kind of retaliation against the employees who reported violations of the Code.

2.4 Obligations toward third parties

In relationships with third parties and to the extent allowed by their office, the employees and the Management of the companies of the Alpiq Group will:

- adequately inform third parties with regard to the obligations and commitments set forth by the Code;
- require observance of the obligations directly concerning third parties' activities;
- adopt the necessary internal and, if to their knowledge, external measures in case of third parties' omitted compliance with the provisions set forth herein.

2.5 Contractual value of the Code

Compliance with the provisions set forth herein shall be deemed as an essential part of the contractual obligations of the Company's employees pursuant to and for the consequences of Section 2104 of the Italian Civil Code.

Section 2104 of the Italian Civil Code – Diligence of the Employee -

"The employee shall observe the diligence required by the nature of the services to be rendered by same and by the interests of the enterprise. Furthermore, the employee shall comply with the instructions for the performance and discipline of the work as are given by the employer and the collaborators to whom he is subordinated."

The guidelines and contents of this Code represent exemplified specifications of the obligations of diligence, fairness and impartiality that qualify the correct fulfilment of the professional services as well as the conducts to be held toward the Company and the Alpiq Group by the employees.

The violation of the provisions set forth in the Code might represent a breach of the primary obligations set forth in the employment relationship or a disciplinary offence, with each and every consequence as set forth by the law and by the Collective Labour Agreement. Said violation may furthermore cause the compensation for the damages deriving from same.

2.6 Cooperation and information

In compliance with the corporate policy of the Company/companies of the Alpiq Group, the Company aims at promoting at all levels a corporate culture characterized by the sharing of the information instrumental to corporate development.

All employees shall actively cooperate to the diffusion of information instrumental to a better performance of the Company's activities.

2.7 Supervision activity

The Company's policy provides a diffusion at all levels of a corporate culture characterized both by the awareness of each subject's individual and community-related responsibilities, by the enforcement of supervision activities and by the adoption of a mind frame oriented to the exercise of supervision activities. The attitude toward supervision activities shall be positive for the relevant contribution provided to the improvement of efficiency.

Internal supervision activities shall be deemed as the entirety of instruments required or useful in order to direct, manage and verify the activities of the enterprise with the purpose to ensure the compliance with the law and with corporate procedures, protect the corporate goods, efficiently manage the activities and provide accurate and complete accounting and financial data.

The responsibility to achieve an efficient internal supervision system concerns each level of the corporate structure; as a consequence, all the employees of the Company, within the assigned duties, are responsible for the establishment and correct application of the supervision system.

Within the assigned duties, the managers shall actively participate to the corporate supervision system and shall cause the employees to be active participant to such system.

Everyone shall feel like a custodian in charge of corporate assets (both tangible and intangible) that are instrumental to the performed activity. No employee may improperly use the assets and resources of the companies of the Alpiq Group or allow third parties to do so.

3 RELATIONSHIPS WITH THE PERSONNEL

3.1 Human Resources

Human resources are a key element to the existence of the enterprise. The dedication and professionalism of the employees represent values and factors of decisive importance toward the fulfilment of the Company's and of the Alpiq Group's purposes.

The Company offers to all employees the same opportunities of work and professional growth, furthermore enabling everyone to enjoy a fair treatment based upon criteria of merit and without any discrimination.

The competent Corporate Functions shall:

- adopt criteria of merit, competence and anyway strictly professional criteria for whatsoever decision regarding an employee;
- select, hire, train, compensate and manage the employees without any discrimination;
- create a work environment where personal features may not cause discriminations.

The Alpiq Group and the Company belonging to same, fulfil their entrepreneurial role both through the protection of working conditions as well as of the psychophysical integrity of the employee, in respect of his moral personality, and avoiding that same incur in illicit pressures or improper annoyances.

The Alpiq Group and the Company belonging to same expect all employees, at every rank, to cooperate in order to maintain at the Company an atmosphere of mutual respect, dignity and honour as well as to safeguard the reputation of each subject. The Company and the Alpiq Group furthermore expect the aforesaid subjects to intervene in order to avoid abusive or slanderous interpersonal conducts.

3.2 Training

The Company undertakes to develop each employee's skills and competences in order to facilitate the productive fulfilment of each subject's potential through initiative and creativity.

The Company considers professional training an essential instrument for the improvement of the employees' professionalism. As a consequence, the

Company promotes both the attendance of specialization and/or refresher courses and seminars that might be of interest for the Company's activity and are organized by third parties. The Company also encourages the attendance of internal seminars and the training activities that are performed within the corporate context.

3.3 Harassment on the workplace

Each employee shall be entitled to the right to work in an environment free from any discrimination based on race, religion, gender, ethnic group, labour union or political group of affiliation, as well as on any other discrimination.

The Company requires all internal and external work relationships to be inspired by the highest fairness with avoidance of all harassments such as:

- the creation of a threatening, hostile or isolating work environment for single employee or groups of employees;
- the unjustified interference with the performances of other employees';
- the hindrance to individual professional perspectives of other employees for mere reasons of personal competitiveness.

The Company does not admit nor tolerate sexual harassments such as:

- the subordination of key aspects of the professional life of the beneficiary upon acceptance of favours of sexual nature;
- proposals of personal relationships notwithstanding an explicit or reasonably manifested dislike which might, due to the specific circumstances in which such situation may occur, upset the well being of the beneficiary of the proposals causing factual influences on the professional performance of same;
- any unwelcome act or behaviour, even verbal, with sexual connotation and insulting the dignity and the freedom of the offended person, and that is able to create reprisals or an atmosphere of threats towards him or her.

The managers shall in particular act as balanced role models by showing and promoting a well-mannered, fair and responsible conduct with regard to issues of sexual nature.

4 CONDUCT FOR BUSINESS

In the management of the business and of business relationships, the Company is inspired by principles of fairness, transparency, efficiency and openness to the market.

Those Company's employees and external collaborators whose actions may somehow be related to the Company or to the companies of the Alpiq Group itself shall follow a proper conduct in the business for the benefit of the Company and of the Alpiq Group and in the relationships with the Public Administration, disregarding of the competitiveness of market as well as of the relevance of the dealt transaction.

Conducts implying bribery, illegitimate favours, collusive conducts, direct or indirect pressures, personal and career-oriented benefits for the self and for others are prohibited and shall constitute a breach of the primary duties of the employment relationship or disciplinary tort, with any consequence provided by the law and by the national collective agreement, even related to the continuation of the employment relationship and may also cause the claim by the Company for damages caused to same company by it.

The economic resources, as well as the assets of the Company and of the Alpiq Group, shall not be employed for illicit or unfair purposes or for purposes of dubious transparency. Benefits of any kind may not be obtained through illegitimate financial favours or favours of whatsoever nature.

4.1 "Non-compete" covenant

The Company acknowledges and respects the right of its employees to participate to investments, transactions or activities of other kind than those performed in the interest of the Alpiq Group under condition that such activities are lawful, do not influence the regular professional performance and are consistent with the obligations undertaken as employees.

In any case, pursuant to section 2105 of the Italian Civil Code, all employees of the companies of the Alpiq Group shall not perform any activity that might, potentially and/or indirectly, compete with the activities of the companies of the Alpiq Group.

Section 2105 of the Italian Civil Code – Duty of loyalty – “An employee shall not engage in business, either for his own account or for the account of third persons, in competition with his employer nor divulge information pertaining to the organization and methods of production of the enterprise, nor use it in such a manner as may be prejudicial to the enterprise.

4.2. Conflict of interests

All employees and the Management of the Company shall avoid any circumstance and activity in which a conflict of interests with the enterprise may occur. The employees and the Management shall furthermore avoid any circumstance and activity which may interfere with their capacity to take impartial decisions for the benefit of the enterprise and in full compliance with the provisions set forth by the Code.

Each circumstance which may represent or cause a conflict of interests shall be promptly notified to the Vice President of the Board of Directors and to the General Management of the Company, where appointed, who will inform the OdV.

In particular, all employees and the Management of the Company shall avoid any conflict of interests arising between their personal business activities and the functions they perform within the corporate structure.

For illustrative purposes, conflicts of interests are caused by the following circumstances:

- economical and financial interests of the employee and/or of his family for the activities of suppliers, customers and competitors;
- use by a subject of his position within the Company or of the information obtained in the performance of his activities which may cause the occurrence of a conflict between the relevant personal interests and the corporate interests;
- performance of working activities of whatsoever nature at customers, suppliers, competitors;
- acceptance of money, favours or benefits by subjects, companies or entities which are parties to or intend to undertake business relationships with the Company and the companies of the Alpiq Group.

4.3. Gifts or other benefits

Directly or indirectly offering or presenting gifts, payments, benefits of material or of other nature for whatsoever amount to third parties, public officers or private subjects in general is not allowed in order to influence or compensate the aforesaid subjects for an action performed by same or in order to obtain from them an advantage of whatsoever nature.

Initiatives of commercial courtesy, of complimentary gifts or hospitality are allowed when of reasonable value and in any case when same do not compromise the integrity or the reputation of one of the parties involved and may not be interpreted by an impartial observer as aiming at obtaining advantages in an improper manner. In any case, the relevant expenses shall be always authorized and duly supported with evidences.

The employee who receives complimentary gifts or special treatments not directly due to ordinary courtesy relationships shall promptly inform the relevant supervisor. External collaborators (with the inclusion of consultants, representatives, brokers, agents etc.) are requested to comply with the provisions set forth herein.

For the aforesaid purpose and with regard to the relevant functions, each employee shall:

- duly comply with all provisions and internal procedures for the selection and the direction of relationships with the external suppliers;
- exclusively select qualified subject and companies with good reputation;

- adequately take into consideration suggestions from whatsoever source concerning the opportunity to have recourse to certain external collaborators;
- promptly notify, pursuant to the last subsection of paragraph 2.1 above, doubts concerning potential violations of the Code by external collaborators.

4.4. Relationships with Public Entities, Public Officers and Employees in the public service

Should the company in relation to its activity, enter into relationships with public entities and their officers and employees, with public officers and the employees of the public administration, , all Employees, Directors and collaborators, whose actions may be anyhow referable to the Company, must act in compliance with the law and always with correctness and transparency.

Practices of corruption, unlawful favours, collusive behaviours, direct and/or through third parties solicitations for personal and career-oriented advantages for their self, for the Company or for other people, are forbidden and shall be sanctioned in compliance both with the provisions of the Italian Civil Code and with legislative dispositions and with the current joint agreement.

Within its activities the Company collaborates in a complete, transparent and effective way with such Public Entities, their officers and employees, with Public Officers and the employees of the public service.

Initiatives of commercial courtesy, of complimentary gifts or hospitality are allowed when of reasonable value and in any case when same do not compromise the integrity or the reputation of one of the parties involved and may not be interpreted by an impartial observer as aiming at obtaining advantages in an improper manner. In any case, the relevant expenses shall be always authorized for each individual circumstance and duly supported with evidences.

4.5. Relationships with political and trade union entities

The Company does not provide direct or indirect contributions of whatsoever nature to political parties, movements, committees and political or trade union organizations as well as to candidates, exception made for the contributions due pursuant to specific obligations set forth by the law. However such expenses must be preventively and case by case authorized and documented in a proper way.

4.6 Relationships with mass media, research companies, trade associations and other similar entities

The disclosed information shall be complete, true and clear.

The Alpiq Group shall perform in an accurate and compact manner for disclosures to mass media, research companies, trade associations and other similar entities are reserved exclusively to the subjects thereto delegated in reason of the relevant corporate offices and functions. Such disclosures shall be previously agreed upon with the General Management, where appointed, or the Vice President of Alpiq Energia, also in concert with the PR Manager of the Group.

The employees of the Company and of the companies of the Alpiq Group may not disclose any information nor undertake to provide same to mass media, research companies, trade associations and other similar entities without the previous authorization of the competent corporate bodies.

Under no circumstance or manner the employees of the companies of the Alpiq Group may offer payments, gifts or other benefits aiming at influencing the professional activity of the aforesaid entities, or which might be reasonably interpreted as such.

4.7 Financing third parties

In case of payment of economical contributions, or of any other kind of financing or direct or indirect support to companies, natural person or entities, the maximum attention should be given to the knowledge of the effective purpose and use, as to avoid risks of involvement in organizations aimed to the subversion of the democratic order or to terrorism or anyway with illegal purposes.

4.8 Public loans or contributions

Should the Company request public loans, facilitated tax or contributive treatments or other types of advantage that need specific requirements, the Company must proceed in truth and correctness.

In the same way, in case of assignment of the benefit, the Company must allocate the contribution to the specific authorized purpose, with immediate and official communication to the granting Entity in the event should any essential condition requested for the allocation of the loan / contribution be cancelled or superseded.

4.9 Relationships with customers

The Company pursues its own corporate success on national and international markets through the offer of high quality services and products and in compliance with all the provisions aiming at protecting fair competition.

The Company and the AlpiqGroup acknowledge that the appreciation of the recipients of the products or services provided is of key-relevance for the corporate success.

At this regard, the Company's employees shall:

- meticulously comply with all regulations and internal procedures for the management of relationships with customers;
- provide efficiently and courteously and within the limitations set forth in the relevant employment agreements, high quality products which satisfy the reasonable expectations and needs of the customers;
- provide adequate and exhaustive information with regard to the services and products provided in order to allow the customer to make conscious decisions;
- adhere to principles of truthfulness and transparency when disclosing commercial information to the Customers.

4.10 Relationships with suppliers

It is a specific duty of the employees and Management of the Company to verify that suppliers and subcontractors shall conform their conducts to the aforesaid conditions and that same maintains the ethical guidelines required by the Company.

Should grounded suspicions on a supplier's or subcontractor's ethical conduct and compliance with the aforesaid guidelines arise, the Management shall take the necessary steps in order to terminate the relevant relationship.

With regard to tenders, purveying and, in general, supply of goods and/or services, the employees of the Company shall:

- duly comply with all provisions and internal procedures for the selection and the direction of relationships with the suppliers;
- adopt objective criteria of fairness and transparency in the selection process in order not to preclude the possibility to make a tender in order for a supply to the companies of the Alpiq Group to any supplier in possession of the necessary requisites and pursuant to transparent and clearly stated procedures;
- select suppliers on the basis of corporate needs and with the purpose of obtaining the best qualitative conditions for the offered products in a cost-effective manner;
- obtain from suppliers the highest cooperation in constantly ensuring the fulfilment of the Alpiq Group's and of its customers' needs in terms of quality, costs and time of delivery in a manner at least equal to their expectations;
- to make sure that its suppliers respect the law in force in relation to employment matters (with particular attention to the juvenile and night work, to safety in the work places, etc.);
- maintain a straightforward and open dialogue with the suppliers, in compliance with good business practices;

- directly notify to the competent corporate bodies relevant issues arising out of a relationship with a supplier, in order to estimate all the potential consequences in the interest of the Company and its customers.

5 TRANSPARENCY OF ACCOUNTING

The principle of transparency in accounting records concerns not only the activity of the employees in charge of the administration but also each employee disregarding the relevant corporate area of activity.

Transparency in accounting is based upon truth, accuracy and completeness of the basic information for the relevant accounting records.

Each employee shall therefore collaborate in order to cause each corporate transaction to be promptly and correctly entered in the accounting records.

Adequate documentation as evidence of each performed transaction is duly filed in order to facilitate:

- simplified accounting records;
- the identification of the different levels of responsibility;
- the accurate reconstruction of the transaction also in order to reduce the occurrence of interpretative mistakes.

Each accounting record shall exactly reflect the information resulting from the aforesaid documentation. Each employee shall act in order to make the documentation easily traceable and properly filed according to logic criteria and in any case in compliance with the procedures set forth in the relevant Company's manual.

The employees of the companies of the Alpiq Group who became aware of omissions, falsifications, negligence in accounting records or in the documentation upon which such records are based shall report such facts pursuant to the procedures set forth under the last subsection of paragraph 2.1.

6 Functions' Leaders

The leaders of the different functions of the Company are involved in to pursue constantly, among others:

- transparency and correctness in the business management, in the preparation of the annual financial statements and in the corporate communications, as well as the respect of the principles of the present Code by the personnel of the Company;
 - requesting and verifying that the actions of all employees are driven by the deepest collaboration, by clearness and completeness of the information given, by the accuracy of the data and of the elaborations;
-

- transparency and correctness with respect to the activity and the specific requests by the Board of Statutory Auditors, by the Auditing Company, by the other Corporate Bodies, by the Public Surveillance Authorities.

7 CORPORATE DATA PROCESSING SYSTEMS

Keeping a good level of IT safety is essential in order to protect the information employed by the Company and the Alpiq Group on a daily basis and is essential for an efficient development of corporate policies and business strategies.

The growing diffusion of new technologies implies issues with regard to corporate safety and image and exposes the Company to risks of pecuniary and penal liabilities.

At this specific regard, the Alpiq Group already provided with adequate guidelines and instructions the entirety of the personnel concerned with the aforesaid measures with regard to the discipline of safety measures for data handling pursuant to Presidential Decree 318/1999, as well as by Law Decree dated June 30, 2003, No. 196 and following amendments.

7.1 Procedure for a proper use of corporate data-processing systems

In consideration of the fact that the use of corporate IT and computerized resources shall always be inspired by principles of diligence and fairness, also inspiring each conduct held within the professional relationship, the employees shall in any case adopt the additional internal rules of standard conduct aiming at avoiding incorrect and/or unaware conducts which might damage the Company itself, other employees or the customers in full compliance with the instructions provided by the IT Manager.

7.2 Corporate data-processing systems

Personal computers (fixed or laptops) and the mobile telecommunications systems and the relevant software and/or applications assigned to the employees shall be deemed, as well known, instrumental to the working performance.

As a consequence, such instruments shall:

- a) be properly preserved;
- b) be only used for professional purposes (with obvious regard to the assigned duties) and not for personal or even illicit purposes;
- c) in addition to the foregoing, thefts, damages or losses of such instruments shall be promptly reported to the Company;
- d) for the purposes illustrated above, actions or conducts in breach of the aforesaid provisions shall be avoided.

8. INTERNET AND E-MAIL

The Company considers new technologies very important in order to carry out the Company's industrial activity and to pursue the Company's objectives.

8.1. Use of personal computers, mobile communication systems and other devices

In order to avoid the serious danger represented by informatics viruses as well as for the purposes of avoiding alterations to the stability of the applications of personal computers, the employees and the Management of the Company shall not:

- a) install programs of whatsoever kind if not under the IT Manager's explicit authorization;
- b) use programs that are not officially distributed by the IT Manager;
- c) use software and hardware instruments capable of intercepting, falsifying, modifying or destroying the content of informatics communications and/or documents;
- d) modify the configurations settings on the PC;
- e) install personal communication devices on their PCs or in any case on corporate IT instruments (such as, for illustrative purposes, modems).

8.2. Use of magnetic supports

The employees and the Management of the Company are forbidden from downloading files contained in magnetic/optic supports which are not related to their working activities.

All files whose origin is doubtful or uncertain, even though related to the working performance, must be previously authorized by and under control of the IT Manager.

8.3. Intranet use

Intranet units are sharing areas restricted to professional information and under no circumstance they shall be used in any way for different aims.

The Company is entitled to remove every file or application which might be considered dangerous for the safety of the system or which were acquired or downloaded in violation of the provisions of the Code.

8.4. Use of internet and relevant internet browsing services

The employees and the Management of the Company are forbidden from:

- a) accessing websites not related to the assigned duties and, specifically, in websites which can reveal political, religious or trade union opinions of the employee;
- b) downloading free software (freeware e shareware) from Internet websites, if not expressly authorized by the IT Manager of the Company;
- c) registering to websites whose contents are not related to the professional activity;
- d) participating in forums, using chat-lines, electronic showcases and registration in guest books even through the use of pseudonyms or (nicknames) for non-professional reasons;
- e) memorizing informatics documents whose nature is outrageous and/or discriminatory for gender, language, religion, race, ethnic origin, trade union and/or political reasons;
- f) in any case, it is strictly forbidden to be linked or however to enter into websites whose contents might lead to crimes against the person included in the Decree (enslaving, juvenile prostitution, juvenile pornography and related crimes, trade of persons, purchasing and alienation of slaves).

8.5. E-mail

The e-mail represents another working instrument: as a consequence, it shall be pointed out to the employees and Management of the Company that:

- a) it is forbidden to send or memorize messages (both internal and external) whose nature is outrageous and/or discriminatory for gender, language, religion, race, ethnic origin, trade union and/or political reasons;
- b) each communication (both internal and external), sent or received and containing obligations for the Company, shall respect the procedures and the competences indicated in the manual of corporate procedures;
- c) the use of the e-mail address in order to participate to forums, debates, mailing lists is forbidden exception made for a different and explicit authorization.

8.6. Monitoring and controls

Considering that, in case of breach of contractual obligation or provisions of law, both the Company and each employee may be sanctioned, including the enforcement of penal sanctions, the Company shall verify the fulfillment of the related rules and the integrity of its informatics systems, within contractual obligation or provisions of law.

The omitted fulfillment of the provisions set forth herein may cause the enforcement of disciplinary, as well as civil and penal sanctions.

9. MOBILE PHONES – Smart Phones

The Company's mobile telephones shall be utilized exclusively for professional purposes, exception made for specific different agreements between the employee and the Company.

10. PRIVACY AND DISCRETION

The Company's activities constantly require acquiring, safekeeping, handling, communication and diffusion of news, documents and other data related to deals, financial and commercial transactions, know how (agreements, acts, reports, notes, studies, designs, photographs, software), etc.

The Company will ensure the correct implementation and use of every information that is used in performing the corporate activity.

11.1 Privileged Information handling

All information and every other material obtained by an employee or by the Management of the Company related to their working performance are strictly owned by the Company itself.

Such information refer to former or future activities, including news not already disclosed, information and announcements even though same are next to be disclosed.

Pursuant to the first paragraph of Art. 180 of Legislative Decree no. 58/98, an *Insider* is the subject who, in reason of the fulfillment of a duty, a position, a job or an office, may access privileged information concerning the Company as particularly resulting from the participation to decisional processes, meetings, presentations and informal discussions. The employees belong in full to such category.

At this regard and when aware of internal and relevant information, the employees shall not use same for their own benefit and for the benefit of relatives, acquaintances and, in general, third parties even for the purpose of purchasing and selling securities issued by the companies of the Alpiq Group or by external companies.

In any circumstance, dealing transactions on securities issued by companies of the Alpiq Group shall always be conducted with absolute and highest fairness toward the issuing Company and the Alpiq Group, the investors and in a manner not capable of determining reliance, expectations, alarmism or evaluation mistakes by third parties.

11.2 Information and news

The employees of the Company who shall illustrate or provide news to third parties concerning goals, activities, outcomes and viewpoints of the companies of the Group through, for illustrative purposes:

- participation to conferences, congresses and seminars;
- drawing up of articles, essays and publications in general;
- participation to public events.

The Employees shall furthermore obtain the relevant authorizations both from the relevant corporate Top Management and from the Management of Alpiq Energia, where appointed, with regard to the texts, the drafted reports and the lines of conduct the aforesaid subjects intend to follow.

11.3 Databases

The Company's databases may contain, among others, personal data whose use is disciplined by the provisions on the subject of privacy protection, i.e. data that may not be disclosed to third parties pursuant to contractual agreements and whose improper or untimely disclosure may damage the corporate interests.

Each employee shall ensure the confidentiality required by the circumstances for the information learned in reason of the relevant professional duty.

The Company undertakes to protect the information regarding its own employees, customers and third parties internally generated or acquired in the course of business relationships and to avoid the improper use of said information.

The information, knowledge and data acquired or processed by the employees in the performance of their duties or in reason of their positions belong to the Company and may not be used, communicated or disclosed without the specific authorization of the relevant supervisors, both in the course of the professional relationship and after termination of same.

Without any prejudice to the prohibition to disclose news concerning the management and the corporate production methods or to make use of such news in order to cause detriment to same, each employee shall:

- acquire and process only the data required and suitable for the relevant purposes and duties;
- acquire and process such data only through specific procedures;
- store such data in order to prevent other unauthorized parties from becoming aware of same;
- disclose such data in compliance with specific procedures and/or following the explicit authorization of the subjects in superior offices and in any case only after ensuring that such data may be divulged under each specific circumstance. In details, the employees shall act with highest discretion with regard to the information belonging to the companies of the Alpiq Group whose handling is permitted to the aforesaid subjects in reason of their duties;

- ensure that no full or partial obligation exist with regard to the information which may be disclosed concerning third parties anyhow related to the Company and, in such circumstances, obtain the relevant consent to data handling;
- match such data in a manner which enables any authorized subject to obtain the most possibly precise, exhaustive and exact scenario.

In order to guarantee the accurate implementation of corporate strategies, all employees are furthermore required to abstain at any venue from expressing their remarks on the undertaken activities and the forecasted or achieved outcomes of the companies belonging to the Alpiq Group, controlling same or affiliated to same.

12 HEALTH, SAFETY AND ENVIRONMENT

The industrial activities of Alpiq Energia are managed in full compliance with the provisions currently enforced on the subject of prevention and protection from professional risks.

The operating management is inspired by criteria of environmental safeguard and efficiency aiming at improving the conditions of health and safety on the workplace.

Research and technological innovation shall be dedicated in particular to the promotion of processes and products more and more compatible with the environment and characterized by and increasingly growing attention to safety and health of the operators.

11.1 Health and safety

The employees shall comply with the provisions and instructions set forth for the purposes of individual and collective protection. The employees shall properly and correctly use the equipments, the means of transport, the other working tools and the safety devices. The employees shall furthermore report the defects of instruments, devices and equipments as well as the other potential conditions of danger of which same might become aware directly acting, in case of need, to eliminate or reduce such defects or dangers.

The employees shall neither remove nor modify without authorization the safety equipments or the equipments for alert and control, nor same shall take the initiative to perform operations or activities which are not of their competence thus endangering their own safety and the safety of other employees.

The employees shall participate to the medical examinations and sanitary inspections set forth by the laws currently enforced.

Each employee shall take care of his own safety and health as well as of those of the other subjects present on the workplace who might be exposed to the consequences of his actions or omissions.

11.2 Smoking

In situations of cohabitation on the workplace, the Company held in particular consideration the physical discomfort in presence of smoke in order to safeguard its own employees from "passive smoking" by establishing the ban from smoking in all premises.

11.3 Protection and use of corporate assets

The corporate assets of the Company are represented by the tangible material goods such as computers, printers, equipments, auto vehicles, real estates, infrastructures as well as intangible assets such as confidential information, know-how and technical knowledge developed and shared to and by the employees.

The safety of such assets deemed as the relevant protection and preservation represents an essential value for the safeguard of corporate interests.

Each employee is hold personally responsible of the preservation of such safety through compliance and disclosure of the relevant corporate guidelines and through the prevention of fraudulent or improper use of the corporate assets.

The use made by the employees of the goods belonging to the corporate asset shall be exclusively directed and instrumental to the performance of corporate activities and to the purposes authorized by the concerned corporate functions.

12 DISCIPLINARY SANCTIONS AND PROCEDURES

The contractual and legislative provisions on the subject of disciplinary sanctions as well as the procedure for the breaches disciplined in this Ethical Code, shall be deemed as integral parts of the Corporate Governance and are illustrated under Schedule D – Disciplinary Procedure – to this Corporate Governance.