

SORGENIA GROUP

Code of Ethics



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1. Introduction

1.1 Foreword

The Sorgenia Group is one of the leading Italian operators on the free market of electricity and natural gas established on the deregulation of the energy market. Established in 1999 as Energia S.p.A. (now Sorgenia S.p.A.), through the start-up of new companies and the acquisition of existing ones, the Group has developed into an international holding. Energy efficiency and sustainable development are the principles underpinning its growth, both as a producer and a supplier of electricity and gas to end customers.

The Group operates in the business of sourcing electricity and natural gas and selling them to end customers.

Sourcing in the electricity sector comes from:

- Direct generation in its own production plants;
- Imports from a number of bordering countries;
- Participation in the IPEX (Italian Power Exchange).

The generation of electricity takes place in the group's own plants in the thermoelectric, wind, hydroelectric and photovoltaic segments.

In the natural gas segment, sourcing comes from:

- Imports;
- Participation in the Virtual Trading Point (*Punto di Scambio Virtuale (PSV)*).

The sale of electricity and natural gas is aimed at all types of customers of the free energy market through a dual fuel offer of power and gas, with additional services for improving energy efficiency, which is customised according to client type (large industry, medium industry, small and medium enterprises, micro businesses and freelance professionals, residential market).

The Group is also characterised by its use of strongly diversified energy sources (thermoelectric, wind, hydroelectric and photovoltaic) and by its drive towards internationalisation, through:

- Strategic alliances with important international groups, for example, the Joint Venture with Acea-Electrabel for the acquisition of Tirreno Power;
- The acquisition in December 2007 of Société Française d'Eolienne – SFE (French operator vertically integrated in all phases of the wind supply chain) with the aim of developing renewable sources in the European market;
- The establishment in March 2008 of Sorgenia Romania, a company dedicated to developing wind power in a high potential country that is still under-exploited;
- The establishment in July 2008 of Sorgenia Exploration & Production for the purpose of investing in selected high potential areas for the extraction of gas and hydrocarbons.

1.2 Purpose of this Document

This Code of Ethics was approved by a resolution of the Board of Directors of Sorgenia S.p.A. at the meeting held on 6 July 2009. It was drawn up in order to provide a clear and transparent definition of the values and principles which should inspire the companies of the Sorgenia Group in the pursuit of their objectives, complying with national and international regulations and respecting the legitimate interests of the various categories of stakeholders.

Sorgenia S.p.A. requires that all those who, on any account, operate in its name and on its behalf or who cooperate in the running of the Group companies' business, in the sphere of their individual roles and responsibilities, undertake to observe and ensure observance of the commitment to embrace the values of and comply with the principles established in this Code of Ethics.

Compliance with this Code of Ethics is also an indispensable element for strengthening the reliability, reputation and image of Sorgenia S.p.A. and the Group in the community.

The belief that an action is being implemented to the advantage of an individual company of the Group or of the Group as a whole shall on no account justify conduct that is in contrast with the principles set forth in this Code of Ethics.

An English translation of this Code of Ethics is available so that it can be circulated more extensively and more effectively. It should however be pointed out that in the event of any conflict or lack of consistency between the translated version of the Code and the original version in Italian, the provisions of the latter shall prevail and be applicable.

Hereinafter the term "Company" shall mean Sorgenia S.p.A. or its subsidiaries, both Italian and foreign, considered individually, including branches and permanent organizations. These companies as a whole are referred to as the "Group" or the "Sorgenia Group".

1.3 Scope of Application and Addressees of the Code of Ethics

Application of the Code of Ethics extends to the whole of the Sorgenia Group.

Specifically, Sorgenia S.p.A. undertakes to ensure that the principles contained in this Code of Ethics are adopted by all the member companies of the Group, in Italy and abroad, with due consideration for the various cultural, social and economic diversities of the various countries in which the aforesaid companies operate.

The primary addressees of the values, principles and rules of conduct defined in the Code are the directors, employees, freelancers (meaning all persons who work under some kind of contract for the company), even if only occasionally, the suppliers of goods and services, commercial partners, customers and Group agents, all of whom must comply with the principles and provisions of the Code of Ethics, protecting, through their conduct, the reputation and image of the Sorgenia Group and ensuring the protection and proper use of corporate assets.

The members of the Company's Board of Directors are specifically obliged to embrace the principles of the Code of Ethics, when establishing the Company's objectives, proposing investments and implementing projects, as well as in any decision or action relating to the management of the Company.

Similarly, in carrying out their management activity, executives must also embrace the same principles, both within the Company, thus increasing cohesion and a teamwork spirit, and towards third parties who come into contact with the Company.

Employees and and freelance workers of the companies of the Group, as well as their business partners and all those who have contractual relations with the Group companies, must adjust their conduct to comply with the provisions of this Code of Ethics.

In addition to the persons to whom this Code of Ethics is addressed, the values and principles set forth herein are valid for all other categories of stakeholders, i.e. those holding an interest in the Sorgenia Group, such as public administrations, social entities, local communities and mass media.

The Sorgenia Group undertakes to divulge and encourage awareness of the principles and rules contained in the Code of Ethics among the addressees through targeted communication activity.

2. General Principles

2.1 Compliance with the Law

The Group considers compliance with the laws and regulations in force in all the countries in which it operates to be an indispensable principle.

In the sphere of their professional activity, directors, employees, freelancers, even occasional ones, agents, dealers and any other persons who may act in the Company's name and on its behalf must observe the laws in force, the Code of Ethics and internal regulations with due diligence.

2.2 Honesty and Fairness

Relations with the Group's stakeholders are based on criteria and conduct characterised by fairness, collaboration, loyalty and mutual respect. Honesty is the fundamental principle for all the Group activities and constitutes an indispensable element of corporate management. In no case may the pursuit of a personal or Group interest justify dishonest conduct.

2.3 Impartiality and Equal Opportunities

The Sorgenia Group undertakes to avoid any form of discrimination based on age, sex, sexual orientation, state of health, ethnic origin, nationality, political opinions or religious beliefs, in all decisions that affect relations with stakeholders.

2.4 Transparency and Completeness of Information

The Sorgenia Group undertakes to inform all the stakeholders in a clear and transparent manner of its position and performance, without favouring any interest group or individual, through the functions entrusted with this duty.

Group disclosure towards its stakeholders (including through the media, conferences, seminars and round tables) is characterised by respect of the right to information. In no case may false or tendentious news or comments be disclosed.

All communication activity must comply with the laws, rules and professional conduct practices, and be implemented with clarity, transparency and timeliness, safeguarding, among other things, price sensitive information and industrial secrets.

All press releases and other information, including the Code of Ethics, can be found on the website www.sorgenia.it or through other dedicated channels created by the individual local Group branches, so that they can be exploited to the full.

2.5 Confidentiality of Information

The Sorgenia Group guarantees confidentiality of the information in its possession and observance of the regulations governing personal data.

All the information at the Group's disposal is processed respecting the confidentiality and privacy of the parties concerned.

In this regard each employee and freelance worker must:

- Acquire and process only data that is necessary and directly related to his or her functions;
- Preserve the said data in such a way as to prevent extraneous third parties from gaining knowledge thereof;
- Communicate and disclose the data according to the established procedures and therefore subject to authorisation of the person so delegated and in compliance with applicable regulations governing the protection of personal information;
- Determine the confidential and reserved nature of the information pursuant to the provisions of the related procedures;
- Ensure that there are no confidentiality restrictions in virtue of relations of any nature with third parties.

Furthermore, employees and freelancers of the Group companies must not use confidential information for purposes unrelated to their own activity, as in the case of insider trading.

3. Protection and Enhancement of Human Resources

3.1 Human Resources

The Sorgenia Group acknowledges the centrality of human resources and the importance of establishing and maintaining with them relations based on loyalty and mutual trust.

Human resources mean the directors, employees, temporary staff and regular freelancers, even those who only work occasionally (hereinafter all referred to as "Human Resources").

Hence management of permanent and temporary employment relationships is based on the respect of workers' rights and giving full value to their contribution with a view to fostering their development and professional growth.

All the Human Resources of the Group companies are expected to undertake to act loyally in order to observe the obligations assumed under this Code of Ethics, their respective employment contract or freelance agreement or the mandate received from the Company. They shall ensure that they perform their duties and comply with the commitments undertaken towards the company they work for in accordance with the policies applied by the Sorgenia Group, avoiding situations and decisions that may lead to real or apparent conflict of interest with the individual company and/or with the Group.

3.2 Personnel Selection

The information requested during the selection phases is strictly linked to checking whether the candidate has the right professional and psychological profile and competences needed for the job, respecting his or her private life and opinions.

The persons carrying out the selection process, whether they work inside the company or are external service providers, within the limits of the information available, shall take appropriate measures to avoid any form of favouritism or nepotism in the selection and recruitment phases (for example, by avoiding situations in which the recruiter has family ties with the candidate).

3.3 Employment Relationship

Staff are recruited with a regular employment contract. No form of irregular employment is tolerated.

At the start of the employment relationship each employee receives precise information on:

- The characteristics of the function and the duties to be performed;
- The regulatory elements and the minimum wage levels, as governed by the national collective labour agreement;
- Rules and procedures to be adopted to avoid possible work-related health risks.

This information is presented to the employee in order to ensure that acceptance of the assignment is based on effective understanding.

3.4 Personnel Management

The Sorgenia Group avoids any form of discrimination towards its personnel.

In the personnel management and development processes, as in the selection phase, decisions taken are based on correspondence between expected profiles and the actual profiles held by the employers (for example in the event of promotion or transfer) and/or on considerations of merit (for example the assignment of performance-related incentives).

Access to roles and assignments is also established in consideration of skills and competencies. Furthermore, insofar as general work efficiency allows, the Company favours forms of flexibility in work organisation that make it easier for parents to organize their childcare.

Within the limits of the information available and the protection of privacy, in personnel management activities forms of nepotism are forbidden (for example, not allowing workers who have family ties to be in a direct report situation).

Heads of department should use and enhance to the full all the professional expertise present in their departments, using all the means available to foster the development and growth of their staff.

Each manager is responsible for putting staff working hours to the best use, requesting services from staff that are consistent with their job descriptions.

The request by a direct superior of services, personal favours or any conduct from people reporting to him or her that represents a breach of this Code of Ethics, constitutes abuse of a position of authority.

The involvement of staff in the execution of work is guaranteed, with opportunities being provided to participate in discussions and decisions that further the achievement of corporate targets. Hearing various points of view, insofar as they are compatible with corporate requirements, allows the person responsible to take a final decision. Staff must however always contribute to carrying out the duties thus established.

Any employee or other person working for the Group who becomes aware that there has been conduct in contrast with the founding principles of this Code of Ethics, must inform his or her direct superior immediately.

3.5 Industrial Health and Safety

The Sorgenia Group undertakes to spread and consolidate the culture of safety by raising awareness of risks and promoting knowledge and respect of prevailing regulations on prevention and protection by encouraging responsible conduct on the part of all workers. It specifically favours taking preventive action to maintain health and safety in the workplace and protect the interests of other stakeholders.

Group activities must be performed in full compliance with prevailing laws on safeguarding health and safety in the workplace and with any other rules on prevention that may be applicable. In carrying out its operating activities, Sorgenia favours putting safety management systems in place to improve health and safety in the workplace.

The Sorgenia Group therefore undertakes to:

- Eliminate/reduce to a minimum the risks relating to know-how acquired as a result of technical progress, favouring intervention at source;
- Carry out an ongoing analysis of the risks and critical areas of the various processes and of the resources to be protected;
- Adopt and use, in the exercise of its business, infrastructures, equipment and plant that meet essential safety requirements;
- Limit to a minimum the number of workers who are, or who may be, exposed to risks;
- Adopt appropriate management systems to ensure and maintain a high level of prevention and protection from risks of accident and industrial illness;
- Guarantee appropriate information, training and raising of awareness on workers' health and safety issues;
- Adopt safety management systems at its own production units.

The Group's aim is to protect its human, equity and financial resources, constantly seeking the synergies required not only within the Company, but also with suppliers, firms and customers involved in its activity.

3.6 Protection of Privacy

The possibility of any inquiry being made into the ideas, preferences, personal tastes and, in general, the private life of staff is not allowed.

The Group undertakes to protect the personal information acquired, stored and processed as part of its management activities, in full compliance with the provisions of the law governing the subject and according to the instructions issued by specially identified company representatives.

All suitable measures are taken to avoid risks of unauthorised access or of processing that is not permitted or does not comply with the purposes for which the data was collected and later identified.

It is specifically forbidden for employees who have not been expressly authorised to have knowledge of, record, process and disclose the personal information of other employees or third parties.

The use of personal information must in any case, and without prejudice to the exceptions as per applicable law, be subject to the consent of the party concerned.

Sanctions established by applicable laws and disciplinary sanctions laid down in employment contracts and regulations for the protection of corporate assets will in any case apply.

3.7 Integrity, Protection and Equal Opportunities

The Sorgenia Group promotes respect for the physical, cultural and moral integrity of its personnel. It guarantees work conditions that respect the dignity of the individual. For this reason it protects its workers from acts of psychological violence and opposes any attitude or behaviour that is discriminatory or harmful towards any person (for example, cases of verbal abuse, threats, isolation or excessive intrusiveness, professional limitations).

Sexual harassment is not permitted and conduct or comments that can offend a person's sensitivity must be avoided (for example, the exposure to images with explicit sexual references, persistent and continued allusions of the same nature).

Members of staff of any company of the Sorgenia Group who believe that they have suffered harassment or discrimination for reasons linked to age, sex, sexual orientation, ethnic origin, state of health, nationality, political opinions or religious beliefs, etc., may report the incident to the Surveillance Body (referred to in Chapter 10 below) responsible for monitoring compliance with the Code of Ethics and gathering reports on actual or alleged breaches thereof. Disparity of treatment is not however considered discriminatory if it is justified or justifiable on the basis of objective criteria.

Lastly, the Group supports and respects human rights in compliance with the UN Universal Declaration of Human Rights.

3.8 Prevention of Conflict of Interests

All Group employees must avoid situations that may give rise to conflict of interests and must abstain from drawing personal advantage from business opportunities of which they have become aware as they carry out their duties.

By way of example, but not limited to the same, the following situations may give rise to conflict of interests:

- Evident or concealed joint interest of the employee in the activity of suppliers, customers or competitors;
- Using one's personal position to achieve ends that are in contrast with those of the company;
- Use of information acquired in carrying out one's duties to one's own advantage or to the advantage of third parties and in any case in contrast with the interests of the company;
- Holding a senior management position (managing director, board member, head of department) and having economic interests with suppliers, customers or competitors (shareholdings, professional assignments, etc.) even through family members;
- Performing working activities of any kind (providing labour or intellectual services) for customers, suppliers, competitors and/or for third parties in contrast with the interests of the company.

In the event that even an apparent conflict of interests arises, the staff member involved must inform his or her superior, who, in accordance with established procedures, will inform the Surveillance Body (described in Chapter 10 below), which will assess whether there is conflict of interest on a case-by-case basis.

3.9 Duties of Employees and other staff

The conduct of employees and other staff members must be based on loyalty and fairness in observance of the obligations undertaken in the employment contract or freelance agreement and must be ethically compliant with this Code, as well as legally and professionally correct. The staff member must guarantee the services required and is obliged to report, through the appropriate channels, any breach of the rules of conduct established by internal procedures.

Staff members must be aware of and implement the provisions of corporate policies on the matter of information security in order to guarantee its integrity and confidentiality.

They are obliged to draw up their own documents using clear, objective and exhaustive language, allowing any inspections by colleagues, managers or external parties authorised to do so.

Each staff member is obliged to act with diligence to protect corporate assets, adopting responsible behaviour in line with the operating procedures drawn up to regulate their utilisation, accurately documenting their use. He or she must use the assets with which they have been entrusted sparingly and conscientiously and avoid any improper use of corporate assets that could cause damage or reduce efficiency or in any case be in contrast with the company's interests. Each member of staff is responsible for protecting the resources with which he or she has been entrusted. The Sorgenia Group reserves the right to prevent improper utilisation of its assets and infrastructures by using accounting, reporting, financial control, analysis and

risk prevention systems, without prejudice to compliance with the provisions of laws in force (laws on privacy, workers' charter, etc.).

With regard to IT applications, members of staff must comply scrupulously with the provisions of corporate security policies, so as not to compromise the functionality and protection of IT systems.

4. Criteria of Conduct in Relations with Customers

4.1 Sales Contracts

Contracts and communications to the Company's customers (including advertising messages) must be complete, transparent and serious. The contracts must also comply with regulations in force and be complete so as not to overlook any element that may be important for the purposes of the customer's decision and they must be stipulated without any elusive purposes and with fair consideration for the services provided.

4.2 Style of Behaviour with Customers and Customer Satisfaction

The style of behaviour adopted by the Company towards its customers is based on availability, respect and courtesy and has the aim of establishing a collaborative and highly professional relationship.

In accordance with the principles of impartiality and equal opportunities, the Company undertakes not to discriminate arbitrarily among its customers.

The Group also undertakes not to use misleading or untrue advertising ploys and to adhere to the truth in communications of an advertising, commercial or any other nature.

The Group undertakes to provide feedback to the suggestions and complaints from customers and associations for their protection using suitable and timely communication systems (for example, call centre services, email addresses, etc.).

4.3 Product and Service Quality

The Group undertakes to provide products and services that satisfy the reasonable expectations of its customers and protect their safety and physical integrity, guaranteeing that the services/products offered meet adequate quality standards at pre-defined levels.

5. Criteria of Conduct in Relations with Suppliers

5.1 Compliance with Laws

The Group expressly requests that suppliers with whom it has contractual relations act with respect for human rights, workers' rights and the environment.

Specifically, by way of example, the Sorgenia Group asks the Group companies to use suppliers who do not employ child or underage labour, who do not use discrimination, abuse or coercion against their workers, and who comply with environmental regulations even adopting company policies to limit the consumption of raw materials, reduce waste and harmful emissions and in general limit the impact of production.

Lastly, each of the Group companies is responsible for asking suppliers to comply with the directives of the Sorgenia Group.

5.2 Choice of Supplier

Relations with suppliers are governed by this Code of Ethics and by internal procurement procedures.

The procurement processes endeavour to achieve the maximum competitive advantage for the Company, while ensuring equal opportunities for each supplier. They are also based on mutual loyalty, transparency and collaboration.

Specifically, the Company personnel in charge of these processes are obliged:

- Not to prevent any supplier with the necessary requisites from tendering an offer, adopting objective and documentable criteria in selecting the list of candidates;
- To ensure each tender has sufficient competition.

Selection of the suppliers and determination of the purchase conditions are based on an objective assessment of the quality, price and capacity of supplying and guaranteeing services of a suitable level. In practice the employee, freelancer, agent, dealer or any other person who may act in the name and on behalf of the Company may not:

- Receive any form of consideration from anyone either for fulfilling the duties of their position or for acting against the interests of their position;
- Accept any form of conditioning by third parties external to the Group, and not authorised by the latter to do so, for the taking of decisions relating to the choice of supplier.

5.3 Protection of Ethical Aspects in Supply Relations

In the event that the Sorgenia Group becomes aware of the fact that in performing its activity for the Company the supplier adopted conduct that was not consistent with the general principles of this Code of Ethics, it is entitled to take appropriate measures to prevent any further opportunities for collaboration.

For the purposes of maximum transparency and efficiency in the procurement process, the activities performed:

- Are directed at guaranteeing that choices made can be traced adequately by preserving the information and the official tender documents and contracts for the periods established by regulations in force and mentioned in the internal procurement procedures;
- Are guided by the principle of separation of roles between the unit requesting the supply and the unit signing the contract if the size of the company so allows.

A contractual relationship with a supplier must be based on extremely clear relations, avoiding where possible any form of dependency. Hence, by way of example, but not limited to this, the Company should avoid associating long-term projects with short-term contracts requiring continual renewals and price reviews, or consultancy contracts without an adequate transfer of know-how, etc.

6. Criteria of Conduct in Relations with Shareholders, Corporate Bodies, Stakeholders and other Companies of the Group

6.1 Corporate Governance

The Group ensures that the participation of shareholders in decisions within their authority is broad-based and informed and promotes equality and completeness of information and protection of their interests.

The corporate governance system adopted by the Sorgenia Group complies with the provisions of the law and is mainly directed at:

- Meeting the legitimate expectations of all the shareholders, especially minority shareholders;
- Controlling risks;
- Ensuring the regularity of corporate operations;
- Informing the company's stakeholders with maximum transparency;
- Avoiding any type of transaction to the detriment of creditors and other stakeholders.

6.2 Shareholders' Meeting

The shareholders' meeting provides the best opportunity to establish a profitable dialogue between the shareholders and the Administrative Body.

For this purpose:

- The regular participation of the directors in the meeting's business is ensured;
- Specific provisions are established to facilitate the gathering of voting proxies from shareholders, thus facilitating their involvement in the decision-making processes of the shareholders' meeting;
- The chairman of the shareholders' meeting is responsible for taking suitable measures to guarantee the order and functional execution of the meetings, respecting the fundamental right of each shareholder to request clarification on the various subjects under discussion, to express their own opinion and to formulate proposals.

6.3 Administrative Body

The Administrative Body is in charge of all departments and is responsible for providing strategic and organisational guidelines and for verifying the existence of the controls required to monitor the performance of operations.

The Company's directors are obliged:

- To all take an active role in their office, thus allowing the Company to benefit from their competences;
- To ensure continuous participation in the meetings of the Administrative Body;
- To report any situation where they hold an interest on their own account or are involved in a third-party interest, abstaining in these cases from participating in the Administrative Body's decision-making processes;
- To keep documents and information acquired during the performance of their duties confidential;
- To ensure that the interest of the Company prevails over the specific interests of individual shareholders.

The Administrative Body is made up of members who can guarantee, in terms of their numbers and authoritativeness, that their opinion has a significant weight in the passing of board resolutions.

The directors bring their specific competences to the discussions of the board, which means that the various items can be discussed from different viewpoints and the resolutions adopted will be considered, judicious and informed and in line with the interests of the Company.

6.4 Chairman of the Administrative Body

The Chairman of the Administrative Body, which takes the form of a board:

- Calls the meetings, ensuring that the members of the Administrative Body are provided in reasonably good time with the documentation and information required to allow them to take informed decisions on the issues submitted for examination and approval, without prejudice to reasons of exigency or urgency;
- Coordinates the activities of the Administrative Body and chairs its meetings;
- Verifies that the resolutions passed by the Administrative Body have been implemented;
- Chairs the shareholders' meeting and has the powers of legal representation of the Company;
- Contributes to the drawing up of corporate strategies, in agreement with the Chief Executive and without prejudice to the powers assigned to the latter by the Administrative Body.

6.5 Board of Statutory Auditors

The members of the Board of Statutory Auditors are appointed by the competent body in accordance with the applicable rule of corporate governance. The Board of Statutory Auditors must include independent professionals chosen among those who have gained professional experience deemed adequate for the complexity of the assignment given.

6.6 Auditing Company

In order to guarantee that the opinion of the company mandated to audit the financial statements is fully independent, any consulting assignments to be awarded to the same auditing company or to its network must be authorised, on a case-by-case basis, by the Chief Executive of each company.

6.7 Financial Reporting

The Sorgenia Group pursues its mission ensuring full transparency of the decisions it makes. Hence its conduct aims to guarantee utmost fairness and truthfulness in corporate reports (financial statements, interim reports, prospectuses, etc.) and to prevent the perpetration of corporate offences such as false financial reporting, stock fraud, false disclosures, etc. In general all corporate disclosures must be clear and truthful and must be drawn up in full compliance with the principles, criteria and rules established by the law, accounting standards, tax regulations and by any other laws applicable.

Furthermore, the Sorgenia Group offers all the necessary information to allow investors to make informed decisions.

The Group's financial reporting is characterised not only by simple compliance with regulatory provisions, but also by its comprehensible language, exhaustiveness, timeliness and symmetry of information towards all investors and financial analysts. For this purpose the financial statements, obligatory interim reports, presentations and press releases are all available on the internet.

The employees and other staff of the Sorgenia Group must avoid all conduct that may favour insider trading, even by third parties.

Members of the Administrative Body, statutory auditors, heads of departments, senior managers, members of the auditing company and – more in general – all those who have access to information that is not available to the public and is capable of influencing the value of the shares cannot exploit this information for the purchase and sale of shares of the Company or of listed companies whose performance may be influenced by the Company.

6.8 Administrative and Accounting Management

The Sorgenia Group respects the laws and, in particular, the applicable regulations concerning the preparation of the financial statements and of all kinds of mandatory administrative-accounting documents.

The accounting records must be kept in an accurate, complete and timely manner, in compliance with corporate accounting procedures, in order to give a true and fair view of the patrimonial and financial position of operating activity.

All the Company's actions and transactions must therefore be correctly recorded, authorised, verifiable, legitimate, consistent and congruous.

The accounting process is based on generally accepted accounting standards and systematically records the events arising from operating the Company.

For this purpose, all the company departments are obliged to provide maximum collaboration to ensure that management events are represented in a correct and timely manner in the company accounts, guaranteeing that information provided is complete and clear and that data is processed correctly and accurately.

For each accounting entry that refers to a corporate transaction, appropriate supporting documentation must be preserved. This documentation must make it possible to identify the reason behind the transactions which led to the entry and its authorisation. This supporting documentation must be easily traced and filed in accordance with appropriate criteria that make it easily consultable by internal bodies as well as external bodies authorised to perform controls.

Specifically internal and external auditors must have free access to the data, documents and information required for performance of their activity. It is expressly forbidden to prevent or hinder the performance of control or auditing activities legally assigned to the shareholders, to other corporate bodies or to the appointed auditing company

6.9 Valorisation of Equity Investment

The Company endeavours to ensure that economic and financial performance is such as to safeguard and increase the value of the company, in order to adequately remunerate the risk that the shareholders take on when investing their capital.

6.10 Intergroup Transactions

The Sorgenia Group requires that all Group companies comply with the values expressed in the Code of Ethics, and ensure loyal collaboration in the pursuit of objectives, in full observance of the law and of regulations in force.

Each Company shall abstain from any conduct that may prove detrimental to the integrity, autonomy or image of the Company or of the Sorgenia Group.

The circulation of information within the Group, especially for the purposes of the preparation of the consolidated financial statements and of other reports, must take place in compliance with the principles of truthfulness, correctness, completeness, clarity, transparency, and with respect for the scope of activity of each company.

The economic and financial transactions between the various companies of the Sorgenia Group are managed as arm's-length transactions at market prices.

The management and coordination activity carried out by Sorgenia S.p.A. is performed through official communications addressed to the delegated corporate bodies of the Group companies. Any trading relations between Group companies must be duly formalised and must be carried out in compliance with the principles of correctness, effectiveness of the underlying economic relations and protection of their respective interests.

7. Criteria of Conduct towards the Environment

The Sorgenia Group contributes in a constructive manner to environmental sustainability in all its activities, considering the rights of future generations.

The Group's strategies and operations are based on the principles of sustainable development, with continuous focus on ensuring that activities are performed with respect for the environment and for public health, in compliance with national and international directives on the subject.

The environment is a primary asset that the Group undertakes to safeguard. For this purpose, in planning its activities it seeks an appropriate balance between economic initiatives and indispensable environmental requirements. The Sorgenia Group therefore undertakes to improve the impact of its activities on the environment and on the landscape and to prevent risks for the population and for the environment not only in compliance with prevailing regulations, but also taking into account the development of scientific research and best practice on the subject.

The Sorgenia Group is aware of the fact that the environment can represent a competitive advantage in an ever widening and increasingly demanding market in the field of quality and conduct.

The Group's strategy strives to achieve investments and activities that satisfy the principles of sustainable development, specifically by:

- Allocating a significant share of investments to the production of energy from renewable sources;
- As part of national and international bodies and programmes, promoting actions and conduct that consider the environment variable to be of strategic importance.

The Group promotes the following environmental policy tools:

- Voluntary agreements with environmental and category institutions and associations;
- Activity to raise environmental awareness and provide appropriate training for staff, with the aim of publishing the initiatives internally and increasing employees' skills and professional expertise;
- Rational energy usage programmes designed for customers;
- Environmental management systems that comply with international standards.

8. Criteria of Conduct towards other Parties

8.1 Community

The Sorgenia Group is aware of the effects, including the indirect effects, of its activity on economic and social development and on the general well-being of the community, as well as the importance of having the social acceptance of the communities in which it operates. For this reason, it intends to carry out all its activities with respect for local and national communities and support cultural and social initiatives in order to improve its reputation and social acceptance.

8.2 Public Administration, Institutions and Authorities

Entering into commitments with the Public Administration, Institutions and Public Authorities is exclusively reserved to the corporate functions delegated and authorised to this end, in compliance with strictest observance of the provisions of applicable laws and regulations and cannot in any way compromise the Group's integrity and reputation. For this reason it is necessary to gather and preserve the documentation exchanged with persons belonging to the Public Administration.

Relations with the regulatory bodies of the free energy market are based on transparency and constructive collaboration. In accordance with this principle the Company does not deny, conceal, manipulate or delay any information requested by the Authorities and other regulatory bodies in their inspection functions, and collaborates actively during investigative procedures.

The employees, representatives of each of the companies of the Sorgenia Group or those who have the power to maintain relations or to commit the individual company with the Public Administration, Institutions and Public Authorities, must not promise or offer to public officials or civil servants, and in general to employees of said public entities, money, assets or other benefits of any kind in order to promote and favour their interests or the interests of the individual company or of the Group. Neither must they compensate someone or pay for an action that is part of their duty or pay someone to act in a way that is contrary to their official duties.

During business a negotiation, request or commercial relationship with the Public Administration, employment and/or commercial opportunities that could personally benefit employees of the Public Administration must not be examined or proposed, nor must confidential information that could compromise the integrity or reputation of both parties be requested and obtained.

Acts of business courtesy, such as free gifts or forms of hospitality, or any other form of benefit, are only allowed if they are of modest value and such as not to compromise the parties' integrity and reputation and if they cannot to be interpreted, by an impartial third party observer, as acts aimed at obtaining advantages and favours in an improper way. In any case said acts must always be authorised and suitably documented.

Any direct activity or even an activity performed through a third party, for the purpose of influencing independent judgment or ensuring any advantage to an individual Company or the Group is forbidden.

Any employee who directly or indirectly receives proposals of benefits from public officers, employees in general of Public Administration or of other Public Institutions, must immediately report the matter to the Surveillance Body, if an employee, or to his corporate contact, if a third party.

If the Sorgenia Group companies must enter into agreements on a voluntary basis with the local authorities for the purposes of compensation and/or as part of conventions, they undertake to determine the amounts to be paid on the basis of the principle of fairness and any available guidelines.

8.3 Political Parties, Trade Union Organisations and Associations

Persons vested with appropriate powers have the authority to give contributions to political parties, committees, public organisations or political candidates, provided that such contributions are in strict compliance with regulations in force, and for that purpose they are obliged to preserve the related documentation. No direct or indirect pressure can be made on

political representatives (for example, through the granting of the Company's structure, acceptance of recommendations for recruitments, consulting contracts, etc.).

8.4 Contributions and Sponsorships

Sponsorship activities, which may concern social, environmental, sporting, theatrical and artistic issues, are destined only to events that offer guarantee of quality, that have national relevance or have an important impact at local level or involve a considerable number of citizens and for which the Group may collaborate in the planning, so as to guarantee originality and effectiveness.

In any case, in selecting the initiatives to sponsor, the Sorgenia Group pays special attention to any possible conflict of interests of a personal or corporate nature.

The Sorgenia Group considers favourably and, if appropriate, provides support for social and cultural initiatives which may include granting contributions to foundations, whose activities are orientated towards promotion of the person and improvement of quality of life. These contributions must be disbursed in a manner that strictly complies with the law and with regulations in force and must be suitably documented.

8.5 Presents, Gifts and Benefits

No form of present is allowed if it may only be interpreted as exceeding normal commercial practices of common courtesy, or in any case as being aimed at acquiring preferential treatment in the conduct of any activity that may be linked to the Company. It is specifically forbidden to give any form of present to Italian or foreign public officers, auditors, board members of Group companies, statutory auditors or their relatives, which may influence their independent judgment or lead to an advantage being obtained.

It is specified that present means any type of benefit (free participation in conventions, promise of an offer of employment, etc.).

Free gifts can be identified by the fact that they aim to promote the Company's brand image.

The gifts offered – excepting those of modest value – must be suitably documented in order to allow controls and must be authorised by persons vested with appropriate powers, who provide notice thereof to the Surveillance Body of the company or to that of the Parent Company, if one has not been appointed (see chapter 10 below), which is responsible for monitoring compliance with the Code of Ethics and with collecting reports on actual or alleged breaches of said Code.

This regulation, which does not allow waivers, not even in those countries where offering gifts to business partners is customary, concerns both presents promised or offered and those received.

The staff members of each of the Group companies who receive gifts or benefits not included in the permitted practices are also obliged, in accordance with the established procedures, to report them to the Surveillance Body of the company or to that of the Parent Company, if one has not been appointed (see chapter 10 below), which will assess their appropriateness and ensure that the requesting party is informed of the Company policy on the matter.

9. Dissemination of the Code of Ethics and Training

The Code of Ethics is brought to the attention of internal and external stakeholders by means of appropriate dissemination activity (for example, by providing a copy of the Code of Ethics to all staff members, having dedicated sections on the website, including special clauses in contracts, etc.)

In order to ensure correct understanding of the Code of Ethics, all members of staff of the Companies of the Group will be given training aimed at raising awareness of its principles and rules.

10. Supervision of the Code of Ethics

Supervision and monitoring of compliance with this Code of Ethics is performed by a body specially appointed by the company (Surveillance Body or another body) or, otherwise, by the Surveillance Body appointed by the Parent Company (hereinafter the Surveillance Body).

In order to promote full application of the Code of Ethics, the Surveillance Body will:

- Collaborate with the company department responsible for drawing up a training program directed at promoting awareness of the principles and ethical rules contained in the Code of Ethics;
- Constantly monitor application of the Code of Ethics by the parties concerned, including by collecting any reports;
- Report to the Chief Executive, or where appropriate, to the Board of Directors, any breaches of the Code of Ethics that have been verified;
- Adjust promptly to any revision of the Code of Ethics approved by Sorgenia S.p.A.;
- Propose or apply suitable sanctions in the event of breaches.

It is the duty of each Company to set up a channel of communication dedicated to reports of possible breaches of this Code of Ethics (for Sorgenia S.p.A. an mailbox has been set up at the address organismodivigilanza@sorgenia.it).

In the event of a verified breach of the Code of Ethics, the Surveillance Body will report the matter and any suggestions and/or sanctions deemed necessary to the Chief Executive and, in more important cases, to the Board of Directors.

11. Breaches of the Code of Ethics

Observance of the rules of the Code of Ethics must be considered an essential part of the contractual obligations of employees pursuant to and for the purposes of applicable legislation. Breaches of the rules of the Code of Ethics may constitute non-performance of the primary obligations of the employment relationship or a disciplinary offence, with all legal consequences, even with regard to the continuation of the employment relationship, and may involve compensation for the damages deriving therefrom.

For all the other stakeholders with whom the Company has contractual relations, breach of the Code of Ethics may constitute non-performance of contractual obligations, with all legal consequences, also with regard to termination of the contract and/or the mandate and may involve compensation for the damages deriving therefrom.

The Company undertakes to provide and impose, with consistency, impartiality and uniformity, sanctions that are proportionate to the respective breaches of the Code of Ethics and compliant with prevailing rules governing employment relations.